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New Geopolitical Aspirations of the Central Eastern Europe's Countries and the Role of the European Union's Cohesion Policy

Introduction

The Central and Eastern Europe is seen as an important location for the world powers seeking to establish a long-term influence in this part of the world. It is recognized phenomenon in academic literature (Kurečić, 2018, pp. 105–108) and many authors such as Tim Marshall (Marshall, 2015), have located geography with its limits and opportunities in the central stage. Following the accession of CEE countries to the European Union, the focus was on fostering and deepening socio-economic ties with the EU-15 member states. This strategy of the new member states was strongly influenced by the pre-accession process of investment planning, which in its own rational emphasized east–west socio-economic integration. Geography plays its role in shaping the future of the CEE countries' initiatives such as the Three Seas Initiative (3SI) as well. The countries that joined the 3SI, for decades were competing for a status as the best destination for foreign direct investment (FDI). Strengthening trade relationships with economic leaders like Germany and France, was also the outcome of Multinational Enterprises locating a trade driven FDI in the CEE countries, and local government policies following that phenomenon. The European Union has been investing in a long-term growth through the Cohesion Policy and its sectoral and regional development operational programs. A focus on infrastructure as a mean of socio-economic development in the Central and Eastern Europe is one of the most important aspects of the new member states development strategies aiming at closing the growth gap between east and west.

A theoretical background for the article and a foundation of explanatory method is Neorealism, especially in understanding why the CEE Member States of the European Union are cooperating regionally in a such format as the Three Seas Initiative and how this correlates with changes within the Cohesion Policy in the field of dual use infrastructural investment. As for a theoretical background based on Structural Realism let us assume that states are rational actors pursuing survival, power and security and the international system is anarchic. Hence, the Three Seas Initiative could be seen as an autonomy seeking and dependence reducing geopolitical act of the CEE countries. Furthermore, a hard power projection of enhanced NATO mobility through investing



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in new infrastructure corridors resembles Neorealism in its approach to military build-up against a potential conflict with dominance seeking regional power. It could be also explained by the growing interest of and competition between external actors in the region such as U.S. and China. Neorealism also serves as an explanatory background for a phenomenon of reshaping the Cohesion Policy towards dual use infrastructure investment, which could be explained as function of CEE members states changing their own development priorities towards resilience and response readiness. A threat of violent armed conflict is one of key factors determining how each of the CEE members are influencing changes and a role of the Cohesion Policy.

Research methodology in this article is a qualitative, based on theory explanation, and policy-analytical approach. The article incorporates author's empirical experience working in the international system settings, which translates into evidence based explanatory approach used in this research paper. Building on an evidence-based evaluation of political actors' actions involved in shaping the desired outcomes from the Three Seas Initiative that serves their own states interest and collaborative format within which those actions are taken we can formulate two hypothesizes that set the descriptive and explanatory rationale used in the article. The first hypothesis is that the inner alliances based on each of the Central and Eastern Europe's member states individual interest such as the Three Seas Initiative create resilience of the European Union by translating that interest into a new space for defense cooperation and response readiness. The second hypothesis is that resilience of the eastern border of the EU depends on unlocking defense corridors through a dual use infrastructure investment embedded in the Cohesion Policy programming cycle for the CEE, which reflects and is built upon a particular state security interest.

Importance of infrastructure policies and investment

Infrastructure investment in the CEE region plays a multidimensional role. Beyond its direct contribution to long-term economic growth, infrastructure also serves as a foundation for regional cohesion, social inclusion, and geopolitical stability. Strategic sectors for investment include transport corridors, energy networks, and digital infrastructure. It creates infrastructure, that intends to enhance cross-border mobility and logistics integration within the region. Energy infrastructure, including liquefied natural gas (LNG) terminals and gas interconnectors, contributes to strengthening energy security and reducing dependence on external suppliers, particularly Russia. At the same time, investments in digital infrastructure are essential for enabling digital transformation and economic competitiveness in the region. The benefits of these infrastructure investments are strongly visible in times of geopolitical instability and growing conflict risks. The importance of infrastructure is also in building power of individual member states and is visible in the EU actions (Abels, Bieling, 2022, pp. 516–533). They include increased productivity and enhanced trade integration, greater energy sovereignty through diversification of energy sources, and improved conditions for private sector participation by lowering the risk profile of long-term projects. Moreover, infrastructure investment facilitates better access to the European

Union's internal market for landlocked or peripheral regions, contributing to territorial cohesion and reducing disparities in development. Overall, infrastructure investment is improving social cohesion and reinforcing the geopolitical position of the CEE region within the European Union and the transatlantic alliance.

The need for infrastructure investment in the Central and Eastern European (CEE) region requires development of infrastructure investment funds and in this context, we can observe the growing role of the European Investment Fund (EIF), which is an investment arm of the European Investment Bank (EIB) Group. This is a central institutional context for understanding the structural challenges the region faces in closing its infrastructure gap. Estimates suggest that the CEE region is facing an infrastructure investment gap around €600 billion in unmet needs by the year 2030. This shortfall reflects persistent structural inequalities in the allocation and development of infrastructure across the region. It also translates into the investment rationale behind the Three Seas Initiative Investment Fund (3SIIF), which was established as a joint effort among the member states of the 3SI to mobilize regional capital and attract investors into the region. It is a successful investment vehicle and an investment model for the CEE countries to follow.

To evaluate impact of Cohesion Policy, we use the cost-benefit analysis and impact assessment of a particular intervention, but also on an aggregated scale as well. Investing in infrastructure is also essential for resilience and defense capabilities of member states and the European Union as a whole. The defense industry investment became a focal point of the European Union, and it will be a part of the Cohesion Policy and its instruments. Adjustment of the Cohesion Policy to respond to geopolitical risks requires an adjusted cost-benefit analysis and new research of the evaluation methods used for understanding how an intervention works. Especially, when adding to the Cohesion Policy elements of resilience and defense capacities building. To propose adjustment to an evaluation methodology, we need to consider additional factors that might influence how a new policy is formulated, implemented and finally properly assessed.

The Central Eastern Europe and new geopolitical and institutional context

Let us concentrate on geopolitical developments and institutional adjustments in the EU architecture. In terms of a new geopolitical development and the beginning of a shift in global alliances, we have seen regional initiatives such as 14+1 (before 17+1 and 16+1). The China's format is also dedicated to an enhance cooperation in the fields of infrastructure, transportation and logistics, with a focus on trade and investment as a broader part of the Belt and Road Initiative. The format operates through summits, which adds to the complexity of a strategic geopolitical thinking of the CEE countries. The Belt and Road Initiative (BRI) was instrumental in reshaping China's engagement with Central and Eastern Europe, positioning the region as a critical location in its geopolitical strategy. China is also seeking to influence Balkans which are a part of wider "power games" as well (Babic, 2024). China's emergence as a strategic actor in the region introduced a competing vision, one that sought to establish a strong political

and economic partnerships with CEE countries. A revival of historical trade routes showed China's intent to invest and integrate its trade networks with regional logistics and infrastructure. This was a new phase in geopolitical engagement, elevating the significance of China and CEE relations. China's interest in the region was made especially clear during the inaugural Belt and Road Forum in Beijing, hosted by President Xi Jinping. The Forum reinforced the China's status as a political power playing its own geopolitical strategy in the CEE region. That geopolitics renaissance in the CEE region was recognized by researchers, who saw that after concentrating only on the EU accession, now the CEE countries are handling multiple options on international stage (Pawłuszko, 2021, pp. 11–12).

Another initiative that changed how the CEE countries see themselves as a regional actor is the 3SI. We can also observe how this initiative operating through summits is adjusting development policies of the CEE countries. The 3SI has had a significant geopolitical impact on the region, drawing attention from global powers such as China, the United States, Japan, the South Korea and the European Union. The 3SI brought a new strategic thinking in the region and a challenge to the existing framework for socio-economic development of the CEE. The first 3SI summit, strongly influenced by U.S. strategic interests, signaled a realignment of regional priorities and emphasized transatlantic cooperation. This geopolitical repositioning had implications across multiple domains, including soft power, trade, and investment. That new experience of the CEE countries in shaping new alliances appear very useful in a current geopolitical environment and with new conflict threats on the horizon. The opportunity for initiatives such as the 3SI is to jointly build resilience through common defense procurement and security cooperation. NATO membership plays a critical role in this opportunity and shaping regional defense system is a new objective, as building defense capabilities necessitates substantial infrastructure investment. No longer to enhance regional connectivity is a priority, but also to facilitate the mobility of defense capabilities and dual use infrastructure calls for the CEE countries joint actions. A neorealism perspective would explain this phenomenon as a strategic response to securities shortcomings of the European Union and aims at reducing dependency on external power through reinforcement of NATO's eastern flank.

At the same time a higher geopolitical risk generated by Russia's war with Ukraine is also challenging impact assessment of Cohesion instruments creating new risks factors not included in planning and programing of operational programs. Especially, with a new conflict risk, the CEE countries could channel their willingness to cooperate by investing in defense and resilience and making it an essential part of the Cohesion Policy's instruments, but also using new initiative putted forward by the European Commission in the defense and security space. Institutions such as the EIB Group has a significant impact on a direction of investment and how development of infrastructure and capital markets translates into member states readiness for a possible conflict and related threats. As a result, the EIB has taken on a new role, transitioning from its traditional focus as a "green bank" to supporting the financing of dual-use technologies.

This shift also highlights the institutional dynamics within the European Union. While the European Commission made timely decisions to prioritize defense-related

investments, the integration of these priorities into the EIB's mandate required assessment of the outcomes of policy change. The EIB has been at the forefront of introducing key reforms in the EU's development financing framework. Notably, it has supplemented traditional grant-based support with repayable financial instruments. These reforms have led, among many others, to the introduction of equity investments and guarantee mechanisms in the CEE especially through operational programs. This marked a shift in strategic thinking fully co-financed public projects to revenue-generating initiatives. In the context of infrastructure, initiatives like JESSICA (Joint European Support for Sustainable Investment in City Areas) stand out as successful models. Similarly, the use of equity-based Fund-of-Funds instruments has played a pivotal role in strengthening regional investment capacity. The EIB and European EIF are significant partners for the CEE countries that participate in the 3SI.

It is important for the CEE countries, that while continuing to benefit from the EU's Cohesion Policy, it is also strategic to adapt new mechanisms to develop cooperation with the EU's institutions in financing the defense and security sector. This could involve integrating dual-use technology investments into operational programs and establishing specialized Funds-of-Funds to support such efforts. Security is gaining the attention in academic writing and increase importance in applied political studies (Orzelska-Staczek, 2021, p. 5). Consistently, when analyzing a role and development of the 3SI, participating countries have advocated for increased infrastructure investment across the borders of the EU. Considering growing defense needs, these investments should increasingly take the form of joint capabilities or dual use projects involving two or more member states. The newly introduced SAFE (Security Action for Europe) directive offers a timely and appropriate mechanism to support joint procurement among EU member states. It also serves as a practical tool for the 3SI countries' commitment to deepening regional cooperation and strengthening their strategic alliance within the broader European defense landscape.

The EIF also is increasing its interest in infrastructure investment funds development in the CEE through its involvement in the 3SI innovation fund and advocating for a next generation of infrastructure fundus of funds. This creates a policy landscape for the 3S countries' development institutions such as development banks or national promotional institution to create spillover effect in infrastructure investment in the region. Despite of this EU's policy efforts and growing awareness of the region's strategic potential, among institutional investors, the CEE still lacks a mature ecosystem of specialized private infrastructure funds. The development of revenue-generating infrastructure is an essential policy challenge for the CEE countries to attract capital. From the perspective of international investors, early-stage or cross-border infrastructure projects in the region are often perceived as high-risk and do not promise clear or immediate returns. These perceptions inhibit capital deployment and slow the pace of infrastructure modernization. Particularly this phenomenon strongly impacts how the Cohesion Policy instruments are changing to stimulate member states to introduce new elements to already strongly institutionalized Project Cycle Management methodology. In this context, the CEE member states preparing operational programs should include intervention that blends EU funds with private capital, which calls for a different policy rationale for authorities involved in planning and managing EU funds.

In this context, the policy rationale for public-private blending mechanisms becomes particularly important. Such instruments are critical for de-risking infrastructure projects and for mobilizing long-term capital from institutional investors. Establishing a sustainable ecosystem for infrastructure investment funds is fully aligned with the European Union's broader strategic objective of positioning the CEE region as a globally competitive destination for infrastructure finance and long-term investment.

Institutions in the EU are making visible progress towards bringing the CEE to central stage and helping those countries to build a strong institutional set up for socio-economic development and increasing security and resilience at the same time. It is especially visible when looking closely at the role of the EIF and what a role it plays in the development of infrastructure and strategic investment in the European Union, particularly in the CEE region. Its core mission is to act as a catalyst investor by providing cornerstone capital or guarantees to attract private capital into targeted sectors. This function is designed to balance financial return with broader policy objectives, particularly those related to climate action, digital transformation, and cohesion policy. One of the most innovative aspects of the EIF's approach to regional development lies in its efforts to foster capital independence within the CEE region. The Fund has made significant progress toward creating replicable models for regional fund managers, thereby contributing to the emergence of a second-tier fund market. These models are designed not only to fill immediate financing gaps but also to build long-term investment capacity in the region. This localized fund ecosystem strengthens the financial autonomy of CEE countries while supporting strategic EU objectives. Looking ahead, the EIF and other EU-level institutions are prioritizing the scaling up the efforts to support defense and security initiatives. This involves the strategic blending of public resources, the European Union's Cohesion Funds and new wave of instruments that the European Commission is putting forward. These mechanisms are increasingly relevant and work for both, traditional infrastructure development and financing reemerging policy of defense and security, jointly strengthening regional resilience.

The role of the EU's Cohesion Policy

There is also a strategic alignment of EU Cohesion Policy and the CEE countries global aspirations and particularly with the Three Seas Initiative. Let us analyze the relationship between the European Union's Cohesion Policy and the Three Seas Initiative, focusing on their interaction, policy rationale, and the potential outcomes of combining these instruments in the Central and Eastern European (CEE) region. From an institutional standpoint, the Cohesion Policy and the 3SI operate under distinct governance models yet offer opportunities for mutual reinforcement. Cohesion projects are administered by national governments within the EU's regulatory and policy framework, typically through multi-annual operational programs managed at the member state level. In contrast, the 3SI is structured as an independent non-institutionalized initiative. Nonetheless, it is placed as a collaborative project within national development banks and institutions that some of them facilitate the Cohesion Policy instru-

ment and are acting as investors in the Three Seas Initiative Investment Fund (3SIIF). This institutional arrangement creates opportunities for synergies at the project level, particularly in blended finance environments. Projects that combine public grants with private equity or debt instruments can benefit from the complementary strengths of both financing models. The coordination between EU structural funding and the 3SI projects offers a practical example of alignment with the European Union's broader blended policy strategy, especially in defense and security space.

The 3SI and the European Union's Cohesion Policy infrastructure funds operate as parallel yet complementary instruments for advancing infrastructure development in the CEE region. While they differ in institutional design and scope, their strategic alignment lies in the shared objective of bridging the persistent east–west infrastructure divide. Both mechanisms contribute to enhanced regional convergence, economic resilience, and cross-border connectivity, goals that are central to the European integration project. The EU's Cohesion Policy is a public policy instrument designed to promote economic, social, and territorial cohesion across the European Union. Its primary objective is to reduce disparities between more and less developed regions by allocating grant-based funding through instruments such as the European Regional Development Fund (ERDF). It is well recognized phenomenon that the Cohesion Policy has “ever-changing” objectives, and it is often redefined (Krieger-Boden, 2016). These resources are distributed largely through national and regional operational programs, aiming to support structural convergence and inclusive growth. In contrast, the 3SIIF is a market-oriented investment vehicle initiated by Central and Eastern European countries. The Fund specifically targets infrastructure development in the twelve EU member states located between the Baltic, Adriatic, and Black Seas. Unlike EU structural funds, which are financed primarily through the EU budget, the 3SIIF is capitalized by national development banks and private institutional investors, including pension and sovereign wealth funds. That creates a potential model for the CEE countries that will eventually lose eligibility to apply for EU funds. The phasing out of the Cohesion Policy calls for new model of development policies that would take over in a post EU funds era. The shift in policy making in development area is visible in Europe, where development banks and funds are playing important role in helping to close market gaps. We can observe the CEE countries participating in the 3SI continuing to work together towards larger and more sophisticated funds of funds.

From a financial logic perspective, the distinction between the two mechanisms can be characterized as grants versus returns. EU Cohesion Policy emphasizes redistribution through non-repayable grants, with limited or no expectation of financial return. In contrast, the 3SIIF is a return-seeking fund that invests in infrastructure assets expected to generate stable, long-term cash flows. However, these it is also aligned with EU strategic goals, such as sustainable mobility and regional energy independence. The 3SIIF type of approach plays a particularly important role in addressing the “financing gap” that exists in many CEE countries. This gap emerges in instances where public grant funding is insufficient to cover the full cost of infrastructure development, and where private capital is reluctant to invest due to high perceived risks. By using a relatively small amount of public capital as a cornerstone investment, that type of

investment vehicles can attract larger volumes of private investment. This crowding-in effect enhances the overall investment capacity in the region and complements the redistributive aims of the Cohesion Policy.

In summary, the interaction between EU Cohesion Policy and the 3SI investment initiatives and funds represents a promising model for mixed public-private investment in regional development. It combines the equity-based logic of market-oriented investment with the solidarity-based framework of EU structural funding. Together, these instruments have the potential to accelerate convergence, strengthen infrastructure resilience, and foster long-term economic competitiveness across the Three Seas region.

Conclusion

The European Union's Cohesion Policy has a track record in bringing socio-economic development to the CEE member states. While it does not explicitly pursue geopolitical objectives, its growing orientation toward defense, security and resilience reveals an increasingly assertive role in global stage. Through its funding mechanisms and policy mandates, the Cohesion Policy has effectively become an important vehicle in the EU's contribution to NATO resilience, even while maintaining its formal neutrality in geopolitical affairs. From policy rational, it is important that the Three Seas Initiative countries continue to work together to enhance the energy independence, particularly by reducing their reliance on Russian energy sources. But also maintain the political momentum of growing support to the development of infrastructure corridors that bolster NATO military mobility and strengthen transatlantic connectivity, notably with the support of the US development and cooperation institutions. In this sense, the potential joint defense projects of the 3SI might serve as a geopolitical complement to EU structural funding, particularly in areas such as energy security, military readiness, and regional resilience. The first and second hypothesis that supported author's efforts to explain the current individual ambitions of the CEE member states in and outside such formats as the Three Seas Initiative, were supported by analysis and description of changes in the Cohesion Policy and actions of the EU's institutions. Both are also consistent with the empirical evidence of the actions taken by the CEE members states towards strengthening their own resilience and response readiness.

In terms of further and much deeper research into the subject, it is worth to highlight that infrastructure investment serving both socio-economic development and defense and security, particularly through regionally coordinated platforms. This remains as a rich area of study across multiple subfields of political science and international relations. These include development policy and economics, regional integration, defense and security, and transatlantic cooperation. Effectiveness of building resilience and investing in defense capabilities through Cohesion Policy's instrument requires further studies and closer look into evaluation methodology of the EU's development policy. In terms of theoretical grounding, Neorealism brings a useful explanatory foundation and background, especially in times of growing regional instabilities and potential conflicts.

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Summary

The article explores new developments in the Central Eastern Europe, concentrating on regional and global initiatives and alliances, role of infrastructure in times of increased risk of new conflicts, and how the European Union's policies and institutions are adjusting and responding to that. The Article seeks to explain through the lens of neorealism how the individual interest of the CEE member states influences changes of Cohesion Policy towards dual use infrastructure investment. The article also examine impact on evaluation methods and how to adjust and assess the EU's policies towards budling defense capabilities using the European Union's instruments.

Key words: Cohesion Policy, defense, infrastructure, evaluation, initiatives, Neorealism

Nowe aspiracje geopolityczne krajów Europy Środkowo-Wschodniej i rola polityki spójności Unii Europejskiej

Streszczenie

Artykuł analizuje nowe trendy w Europie Środkowo-Wschodniej, koncentrując się na inicjatywach i sojuszach regionalnych i globalnych, roli infrastruktury w czasach zwiększonego ryzyka nowych konfliktów oraz na tym, jak polityka i instytucje Unii Europejskiej dostosowują się do tych zmian i reagują na nie. Artykuł stara się wyjaśnić, z perspektywy neorealizmu, jak indywidualne interesy państw członkowskich Europy Środkowo-Wschodniej wpływają na zmiany w Polityce Spójności w kierunku inwestycji w infrastrukturę podwójnego zastosowania. Artykuł analizuje również wpływ na metody ewaluacji oraz sposoby dostosowywania i oceny polityki UE w zakresie budowania zdolności obronnych z wykorzystaniem instrumentów Unii Europejskiej.

Słowa kluczowe: polityka spójności, obronność, infrastruktura, ewaluacja, inicjatywy, neorealizm

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