

FOR AN INITIATIVE (without an impact assessment)

TITLE OF THE INITIATIVE	Pact for the eastern border regions
LEAD DG - RESPONSIBLE UNIT	DG REGIO/ D4
LIKELY TYPE OF INITIATIVE	Communication from the Commission
INDICATIVE TIMING	Q4 2025
ADDITIONAL INFORMATION	

This document is for information purposes only. It does not prejudge the final decision of the Commission on whether this initiative will be pursued or on its final content. All elements of the initiative described by this document, including its timing, are subject to change.

A. Political context, problem definition and subsidiarity check

Political context

In her <u>mission letter</u> to Executive Vice-President Fitto, the President of the Commission outlined the objective "to work on providing support the eastern border regions most affected by Russia's aggression to address their specific challenges and support them in the reorientation of their local economy".

The war's disruptive effects have amplified existing vulnerabilities and created additional challenges across eastern border territories. These regions are confronted with the dual challenge of enhancing their security and revitalizing their economic and social fabric.

In November 2024, the Baltic States and Poland co-signed a joint declaration highlighting the specific challenges faced by these regions and the need for tailor-made solutions under cohesion policy to bolster sectors that have been most disrupted in order to keep their economies and development on track. On 12 February 2025, the European Parliament held a plenary debate entitled: "Council and Commission Statements - Need for targeted support to EU regions bordering Russia, Belarus and Ukraine". On 25–26 June 2025, the EU Eastern Border Regions High-Level Conference took place in Białowieża. It highlighted that eastern border regions have been grappling with a range of compounding challenges since the outbreak of Russia's unprovoked war against Ukraine. These include high inflation, a sharp reduction in investment, trade flows, and economic activities (including tourism), depopulation, refugee inflows, and growing security concerns. The war's disruptive effects have amplified pre-existing vulnerabilities in many of these regions - such as rapid depopulation and socioeconomic decline - while also creating new challenges across these border territories.

The asymmetric impact of the crisis has been exacerbated by uneven institutional capacity at various Member States governance levels, limiting the ability to respond effectively.

After the war began, the Commission immediately suspended cross-border cooperation programmes with the aggressor countries, Russia and Belarus, and reallocated €150 million from the European Regional Development Fund to internal cooperation programmes. These programmes were also adjusted to expand cooperation opportunities for all EU regions bordering Russia and Belarus.

At the same time, €150 million from the NDICI external instrument - originally intended for programmes with Russia and Belarus - was redirected to reinforce cross-border programmes along the borders with Ukraine and Moldova.

Furthermore, on 15 July 2025, co-legislators agreed legislative changes for the mid-term review of Cohesion policy. Introducing additional pre-financing and higher co-financing rates for new priorities - defence and security, energy transition, competitiveness, water resilience and housing - provide stronger incentives for Member States to deliver tangible results for the regions most affected by the war.

In addition, the Commission launched several technical assistance initiatives. For example, it is working with the World Bank to strengthen the capacity of local authorities and stakeholders in the border regions of the three Baltic States. This collaboration aims to help them identify and implement high-potential projects tailored to their regional

needs. There is also solid evidence gathered with the support from the ESPON, OECD and Interreg Europe – Regio-Silience initiative. Nevertheless, despite significant efforts to optimise existing resources and policies in response to the needs of these regions, a systemic and dedicated approach is urgently required. Such an approach should aim to:

- Address the diverse and evolving challenges faced by these regions by helping them design and implement place-based strategies that foster resilience, inclusiveness, and long-term sustainability;
- Promote comprehensive actions to strengthen security and resilience, de-risk investment, restore
 business confidence, rebrand the regions to attract tourism, and support mental health and the overall
 sense of safety and wellbeing among local populations.

Without a coordinated and comprehensive security-oriented approach, continued economic decline and depopulation—especially in the context of rising geopolitical tensions—could pose broader security risks for the EU as a whole. This underlines the pressing need for the EU to facilitate a joint effort across EU, national, and regional levels, tailored to the specific local needs of the most affected eastern border regions.

Basis for EU action (legal basis and subsidiarity check)

Legal basis

The initiative is based on Articles 174-178 of the Treaty on the Functioning of the European Union (TFEU). Article 174 provides that, in order to promote its overall harmonious development, the Union shall develop and pursue its actions leading to the strengthening of its economic, social and territorial cohesion. In particular, the Union shall aim at reducing disparities between the levels of development of the various regions and the backwardness of the least favoured regions. Articles 175-178 lay down provisions, among others, on the instruments to attain the goals of Article 174.

Practical need for EU action

The initiative falls under shared competence and is necessary for several key reasons:

- The challenges affect economic stability, security, and social cohesion in eastern border regions across
 multiple Member States that form the EU's external eastern border. These challenges have significant crossborder implications, as developments in one region—particularly in terms of economy, trade and security- can
 directly impact neighbouring countries and regions potentially destabilising broader EU interests.
- There is clear EU added value in strengthening overall cohesion within the affected Member States and in helping prevent adverse developments that could escalate, especially in the context of the ongoing geopolitical instability and the far-reaching consequences of Russia's war of aggression against Ukraine on these regions.
- The initiative will also empower these regions to contribute more effectively to national and EU-wide competitiveness, turning current vulnerabilities into long-term opportunities for inclusive and sustainable growth, thereby enhancing the resilience and integration of the entire EU economic area.
- These regions play a critical role in the EU's strategic autonomy, particularly regarding energy sources and supply chain security. By enhancing infrastructure and resource management in border regions, EU actions can boost resilience against external pressures, ensuring stable and secure access to crucial resources.

B. What does the initiative aim to achieve and how

This initiative ultimately aims to:

- transform Europe's eastern border regions from vulnerable frontlines into resilient, competitive, and secure territories that play a vital role in safeguarding the EU's stability, security, and core values.
- present the Commission's position and approach to the European Parliament, the Council, Member States, and the public, accompanied by a call for a concerted effort by all actors to address the challenges facing the eastern border regions - challenges that represent a shared European responsibility.
- encompass actions focused on cohesion policy, but which may also be interlinked with other policy instruments in the EU's toolbox, in line with the EU's political priorities. It aims to provide a simple, coherent policy framework, focusing on areas where the EU can have a clear added value, building on synergies with existing national and regional policy frameworks. It will outline a range of policy and other initiatives, milestones and recommendations. They may be based on different legal bases.
- outline how the investment capacity of EU financial instruments can be mobilised to support these regions in the short, medium, and long term, across various priority areas, to strengthen their cohesion, resilience, security, and economic development, also in view of the <u>national and regional partnership plans 2028-2034</u> proposed by the Commission in its 16 July MFF proposal.

 highlight support for measures aimed at boosting regional investment, such as de-risking mechanisms and improved access to finance, rebranding the regions to enhance their attractiveness, and building the capacity of local businesses and civil society.

Likely impacts

The initiative specifically targets the EU's eastern border regions, with the aim of helping them overcome obstacles to their socioeconomic development while enhancing civil preparedness and security. As explained above, these regions often face unique challenges due to their geographic location. By addressing these issues, the initiative seeks to improve regional cohesion and enable these areas to contribute more effectively to national and EU-wide growth.

The likely impacts of this initiative include the stimulation of local economies through improved infrastructure and connectivity, which will facilitate trade and attract investment, retain and attract people in these regions. Enhancing civil preparedness will ensure that these regions are better equipped to handle emergencies and security threats, contributing to the sense of security of people living there and to the overall stability and resilience of the EU. Investment into nature-based solutions will provide resilience against various threats, moreover it will improve quality of life and attract tourism in these regions. By transforming current vulnerabilities into opportunities, the EU can ensure sustainable development that benefits local communities and strengthens the Union as a whole. The overall impact will depend on the final scope of the Pact, specific initiatives that it will contain, and their uptake.

Future monitoring

The Commission will continue to monitor the situation in the eastern border regions with the tools at its disposal, including through cohesion policy funds` Monitoring Committees and Annual Performance Review Meetings with the Member State authorities.

C. Better regulation

An impact assessment is not required for the following reasons:

- The initiative does not introduce a policy change per se, but rather builds upon existing cohesion policy objectives, approaches, and other relevant EU funding instruments and policies, while tailoring their application to the specific circumstances of the eastern border regions.
- The proposed Pact is intended to explore legal measures without immediate budgetary implications, serving primarily to guide strategic direction. Therefore, it does not require an impact assessment, in line with the Better Regulation Guidelines. Any future initiatives arising from this Pact that may necessitate regulatory or budgetary actions will undergo separate assessments and adhere to their respective Better Regulation processes.

Consultation strategy

The consultation aims to gather inputs to further improve the knowledge on the challenges faced by eastern border regions. We look forward to receiving evidence of the challenges faced by the eastern border regions and suggestions for effective solutions to address them (including targeted suggestions for improvement and sector-specific actions). Contributions will help to shape a well-informed initiative, supporting the development and resilience of these regions, and thus enabling more tailored and effective EU action.

Why we are consulting?

The purpose of the consultation is to seek views from relevant stakeholders across the EU to obtain deeper knowledge of the challenges faced by the eastern border regions in order to design and provide targeted measures to address those challenges.

Target audience

Local, regional and national authorities, social partners, enterprises including SMEs and their representing organisations, civil society organisations, academia and the general public—everyone with relevant experience and knowledge is welcome to contribute, in particular people and actors directly impacted as they live in the eastern border regions.