**EU Eastern Border Regions High Level Conference – issue paper**

– June 26, 2025, Białowieża –

Russia’s war of aggression in Ukraine has had serious impacts on the EU’s eastern border regions that are at the front line in safeguarding the EU's stability and prosperity from external threats. These regions were already lagging in economic development, and many already faced serious structural issues which have been compounded by the total closure of their external borders when it comes to Finland, Estonia, Latvia, Lithuania and Poland. On the other hand, regions in Slovakia, Hungary, Romania and Poland having a common border with Ukraine have intensified exchanges and developed new economic activities.

The aim of the meeting is to discuss the actions to increase the cohesion and resilience of the EU’s eastern border regions in the context of the new financial perspective after 2027, taking into account the many challenges that the regions face individually and collectively.

**Background**

The main impact and challenges for the EU's regions bordering Russia, Belarus and Ukraine affected by the ongoing Russian aggression against Ukraine and the geopolitical instability in the region are the following:[[1]](#footnote-2)

Regions bordering Russia and Belarus are struggling with long-term restrictions on cross-border contacts, the closure of local border traffic, the growing risk of hybrid attacks, including the instrumentalization of migration, the growing number of cyberattacks and disinformation, GPS interference, and damage to the communication links. They also experience threats to the physical security and cybersecurity of critical infrastructure.

As a result, EU regions bordering aggressor countries are experiencing poorer economic performance, for instance slower GDP growth, lower trade volumes, decline in foreign direct investments, reduced flows of goods and a slowdown in tourism. Due to this economic impact and the loss of markets previously located in aggressor countries, many companies have closed, and unemployment has increased, particularly in the industrial sector.

The increase in uncertainty and the deteriorating sense of security have accelerated negative demographic trends, including the depopulation of regions bordering Russia and Belarus. These regions face a sharp decline in the working-age population, triggering internal disparities, economic stagnation or recession, struggling health systems, and reduced access to services. Population leaving from the border regions in search of better and safer conditions, increase the skills shortage and lower the tax base of local governments in these regions.

At the same time, the border regions with Ukraine experience the negative consequences of intensification of cross-border contacts - more people need housing, health and social services. Local and regional governments are facing increasing pressure on public services and infrastructure.

The risk of poverty and social exclusion is critically high, households suffered from significant inflation. In 2023, price levels increased by 30% in Estonia, 29% in Lithuania, 28% in Latvia, and 25% in Poland compared to 2021, far exceeding the EU average increase of 16%.

These circumstances deepen existing development inequalities and undermine every citizen’s right to stay.

In the security sphere, regions bordering aggressor countries are a natural space for actions to increase Europe's preparedness for worst-case scenarios, improving military mobility and strengthening external borders. While this strengthens the strategic importance of these regions, the unstable security situation decreases the attractiveness of these areas for business, residents, tourists and investors. Decline in security, quality of life, slowdown in economic growth and depopulation threaten the EU's cohesion and prospects for social and economic development, especially in regions and countries with lower economic potential bordering aggressor countries.

Cohesion Policy has the ambition to continue to play a key role in addressing socio-economic challenges and ensuring that all EU regions remain strong and resilient. Member States and regions are making efforts during the mid-term review of the 2021-2027 Cohesion Policy programmes to reallocate funding to address challenges specific to the eastern border regions, including for security and defence.

The European Commission has also recognized the need to support eastern border regions by proposing amendments to the regulations on Cohesion Policy for 2021-2027. The aim of these changes is to increase the effectiveness of Cohesion Policy by encouraging the Member States and regions to invest in European strategic priorities, including those related to defence capabilities and security, while maintaining the focus of Cohesion Policy on reducing economic, social, and territorial disparities. The Member States can reprogramme part of their cohesion funds for new investments in the context of the ongoing mid-term review of Cohesion Policy. For EU’s eastern borders regions, additional flexibility has been proposed.

The Cohesion policy programmes implemented in the new financial perspective after 2027should become a key source of financing investments in the areas of security, resilience and competitiveness of the EU’s regions bordering Russia, Belarus, and Ukraine.

Against this background participants are invited to share their views on the following questions:

1. Which are the main challenges that Eastern border regions face because of the Russian invasion of Ukraine and the sanctions imposed on Russia and Belarus?
2. How can Cohesion Policy respond to current and future challenges facing the regions bordering Russia, Belarus on one hand and Ukraine on the other? Which changes are possible in the short term and which in the longer term?

In particular:

1. How should the EU Cohesion Policy address the diverse situation of regions at the EU's Eastern borders and provide regions with adequate support tailored to their specific circumstances? How to combine top down with bottom-up approach, involving local authorities and communities?
2. What measures and instruments could strengthen the economies of regions bordering aggressor countries individually and collectively, in particular to maintain employment and the competitiveness of enterprises?
3. What measures and instruments could strengthen social cohesion and preparedness in the regions bordering the aggressor countries, and especially address rising skills shortages, poverty and pressure on social services?
4. What are the possible new development paths for these territories, making use of their local competitive advantages to increase their resilience in the long term? What role for mainstream cohesion policy and what role for Interreg?
5. Which areas of support specific to Cohesion Policy should create synergies with other EU policy instruments? How to ensure coherence with other national and regional policies?
1. Many of the these challenges facing the EU eastern regions bordering Russia and Belarus were illustrated in the Declaration on *Building Strong and Resilient EU Regions Bordering Aggressor Countries*, signed by Estonia, Latvia, Lithuania and Poland in November 2024, in Vilnius. [↑](#footnote-ref-2)