



**Hermes Institute of
International Affairs,
Security & Geoeconomy**

SOUTHEASTERN EUROPE

AT A GLANCE



SOUTHEAST EUROPE DIRECTORATE

“SOUTHEASTERN EUROPE AT A GLANCE” is a weekly review of the most significant current political, economic, energy, defense, and security news of Southeastern Europe. It covers 14 countries; Albania, Bosnia & Herzegovina, Bulgaria, Croatia, Cyprus, Former Yugoslav Republic of Macedonia (FYROM), Greece, Kosovo, Moldova, Montenegro, Romania, Serbia, Slovenia, and Turkey. However Greece enjoys its own weekly review for a more detailed presentation of its current affairs (GREECE AT A GLANCE).

This ambitious newsletter aspires to become an informative “tool” for anyone who is interested in the region and wishes to have knowledge of the non-stop current developments and challenges. “HERMES” Institute is not a news agency and it is not one of its ambitions to become one but it is strongly believed that today’s events provide the necessary material to understand the future and to analyze situations that may affect in peace, stability, and growth of the region.

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ALBANIA: January 14th, Albania's Prime Minister, Edi Rama took over the Foreign Ministry himself after the state's President, Ilir Meta refused to decree the discharge of the outgoing Foreign Affairs Minister Ditmir Bushati and to appoint Rama's nominee Gent Cakaj. Meta refused to approve the new Minister, claiming he was not up to the challenge of running diplomacy. Rama announced through social media that he will keep the post, and also threatened to take Meta to the Constitutional Court. Rama reshuffled his Cabinet last December, removing seven Ministers out of 15 posts following a students' protest and complaints of corruption and inefficiency from the opposition. Meta, the former leader of a minor left-wing party once in coalition with Rama's leftist Socialists, has been continuously hampering the Prime Minister's Cabinet reshuffles and law approvals. (www.top-channel.tv, www.albaniandailynews.com)

- January 16th, Deutsche Telekom's Greek subsidiary, OTE, is to sell the whole of Telekom Albania to Bulgarian Vivacom owner Spas Roussev and an Albanian - Bulgarian businessman, Elvin Guri, for 50 million euro OTE announced in a press release. Roussev is a controversial figure in Bulgaria who boasts a long history of links with Bulgarian politicians and Russian financiers, having participated in key deals with Russian banks. His telecommunications company Telelink has a strong foothold on the market in Bulgaria. His most significant purchase by far came in 2014-2015 when he bought Vivacom, one of the three largest mobile networks in the country, in a consortium with VTB Capital and the Delta Company of ex-finance Minister Milen Velchev. Telekom Albania was first founded in 1995 as

publicly-owned mobile operator named Albanian Mobile Communications, AMC. It was privatized in the 2000s and bought for 85 million dollars by Cosmote, the mobile operator of the Greek telecommunications company OTE. AMC had become a very profitable company in Albania, recording net profits of up to 100 million euro, in 2009. It ended up in German hands indirectly via OTE's German parent company Deutsche Telekom. It was rebranded Telekom Albania in 2015. The last few years were difficult for Albania's mobile operators, as the market became saturated, and as internet use replaced conventional networks for many long-distance communications. Regulatory measures undertaken by Albania's communications authority also increased competition. In 2017, the revenues of the three mobile companies operating in Albania, Telekom Albania, Vodafone and Altelecom, fell by almost 9% to 257 million euro. Last November, Albania's Government was accused of "helping oligarchs" by unexpectedly cutting taxes on company dividends to 15 to 8%. Albanian President Ilir Meta refused to decree the law on 20 December, claiming it was unconstitutional. Edi Rama's Socialist-led government dismissed the claim, however, and voted down Meta's decree. (www.balkaninsight.com)

- January 18th, Chairwoman of the Socialist Movement for Integration (Lëvizja Socialiste për Integrim - LSI) Monika Kryemadhi, summoned in the Party's National Steering Committee, urged the party members to get ready for the next local elections because the time is coming. *"The recent appointments of 'Rilindje' have nothing to do with the Socialist Party. Opposition has achieved to change 9 Ministers. Political mission of all political forces is to join and support each other.*

This isn't absolutely a reason for us to protest because we didn't have the right to speak. I want to make one simple explanation regarding the members of the Committee coming from districts outside of Tirana; there is no more time left. Get ready for revolts, protests, concerts or whatever you want," Kryemadhi said. (www.albaniandailynews.com)

COUNTRY ASSESSMENT :

Prime Minister Edi Rama appointed himself as the new Foreign Minister overcoming the President Ilir Meta's refusal to dismiss the Foreign Minister Ditmir Bushati and decree his replacement by Genti Caka. It is not a secret that Meta is a political opponent of the ruling party putting obstacles to the Prime Minister. It is assessed that collapse of Government is rather unlikely because opposition is still too weak for such an "achievement". However, opposition urges citizens to join protests against the Government in an effort to push it for early parliamentary elections. The Government is accused of having links with organized crime and current situation raises questions over the power of "Albanian mafia" in the country and its influence in state's politics. Undoubtedly, corruption and organized crime remains the most significant state's problem undermining its strategic goal of opening accession negotiations with the EU. The EU closely monitors progress of reforms especially in justice sector. Latest European Parliament assessment on Albania accession negotiations is a rather positive sign underlining concerns over specific issues such as corruption, justice reforms, and implementation of rule of law. The final decision is up to the EU Heads of Governments for opening Albania's accession negotiations in June 2019. Albania

monitors Kosovo – Serbia negotiations and definitely has a role as a "mother nation." It is estimated that Albania will fully comply with the EU and U.S "line" for territorial exchanges or border changes between Serbia and Kosovo if it is necessary for a mutual accepted solution. Albania maintains its leading role in the Albanian world providing guarantees and support to Albanian population in the region namely Kosovo, Serbia, Montenegro, and F.Y.R.O.M. In this context, the Albanian Prime Minister and his Government work on promoting Kosovo interests in international community using any forum they have access. Possible border changes may engage Albania in dangerous situations taking into consideration that it has the role of "protector" of Albanians in the region. Security situation stable without major incidents or challenges.



BOSNIA & HERZEGOVINA:

January 14th, "Bosnian Croat Presidency member Zeljko Komsic and I are not conditioning anything, but it was those who are unilaterally abandoning on the solutions adopted earlier through laws and decisions of Bosnia's Presidency," the Bosniak Presidency member Sefik Dzaferovic said during a press conference. "Those who disrespect the law and our foreign policy are the ones setting conditions. It is completely false that Zeljko Komsic and I are conditioning anything," Dzaferovic said. "It's clear that the Council of Ministers Chairman should be a Serb candidate, and that the Alliance of Independent Social Democrats (SNSD) should appoint him. But first, a parliamentary majority must be formed with at least 22 votes and the new Chairman must submit his action program, the principles that will include the respect for the laws and established policies in the country."

According to the law, Bosnia's tripartite Presidency, consisting of members coming from three constituent peoples in the country, Bosniaks, Serbs and Croats, must appoint the next Chairman after every general election. After the October 2018 general election in the country, the Serb Presidency member, Milorad Dodik, from the nationalist Alliance of Independent Social Democrats (Savez Nezavisnih Socijaldemokrataor - SNSD) appointed Zoran Tegeltija to the post, but immediately after Tegeltija said he would not work on Bosnia's Annual National Programme (ANP) for NATO, a precondition for the Membership Action Plan (MAP) for Bosnia. His explanation was that as a Serb candidate, coming from the Serb-dominated Republika Srpska (RS) entity, he must abide by the RS resolution on military neutrality, which stipulates that this semi-autonomous entity would not join any military alliance, and therefore, they would not support Bosnia's NATO integration process and the MAP activation. RS Prime Minister Zeljka Cvijanovic (SNSD) said that Bosnian Croat Presidency member, Zeljko Komsic, who first said Tegeltija's mandate would not be approved before the Council of Ministers adopts the ANP, should not block Bosnia's EU accession process with his condition for Bosnia's NATO accession. *"How can one give the mandate to someone who said in advance that they would not respect the law and that Bosnia would not join the MAP? When we get the parliamentary majority with 22 votes, which will be able to make decisions in line with these principles, then we will vote for the mandate without a problem,"* Dzaferovic noted. Speaking about the state level majority, he said the best solution would be a majority consisting of his own Party of Democratic Action (Stranka Demokratske Akcije - SDA), Croatian Democratic Union of Bosnia and

Herzegovina (Hrvatska Demokratska Zajednica Bosne i Hercegovine - HDZ BiH), SNSD, Social Democratic Party of Bosnia and Herzegovina (Socijaldemokratska Partija Bosne i Hercegovine - SDP), and the Democratic Front (Demokratska Fronta - DF). (www.ba.n1info.com)

- January 17th, Bosnian Serb leader Milorad Dodik met with Russia's President Vladimir Putin in Belgrade and informed him about current developments in Bosnia and Herzegovina. Dodik told Vladimir Putin that the post-election Government formation in Bosnia is being conditioned with the country's road to NATO. Prior to the meeting, Dodik said he was happy to have an opportunity to meet Russia's President, who arrived for a one-day visit to the capital of Serbia. He announced they would discuss, among other topics, cooperation of Russia and Republika Srpska, Bosnia's Serb-run entity that Dodik is representing in Bosnia's State tripartite Presidency. A day earlier, the Presidency member representing Bosniaks and the Federation (FBiH) entity Sefik Dzaferovic said Dodik traveled in a private capacity. *"Mr Dodik's trip for that meeting is private, it does not reflect the policy of Bosnia and Herzegovina at all nor anything he might do could reflect the stances of Bosnia and Herzegovina,"* Dzaferovic said for N1. According to the Presidency's rules of procedure, the Presidency Chairman represents the institution and the country in foreign relations, but with the consent of all three members. Bosnia and Herzegovina is in the stage of the Government formation which is currently in a stalemate Dodik told Putin pointing out that this is *"ordinary in Bosnia and Herzegovina."* Apart from political developments, the two officials also discussed cooperation in the energy sector and a possibility

of implementing joint projects.
(www.ba.n1info.com)



Meeting of Bosnian Serbs leader Milorad Dodik
and Russian President Vladimir Putin
(Photo source: www.kremlin.ru)

- January 18th, “America will not be the one to save Bosnia and Herzegovina but its citizens must take over the responsibility,” said Ajla Delkic, the President of the Advisory Council for Bosnia and Herzegovina, a Non-Governmental body promoting the interests of Bosnian Americans and advocating a multi-ethnic and democratic country. Speaking for N1’s Newsroom, Delkic said that lobbying against Bosnia in the United States is “open and transparent.” According to her, it comes from Bosnia’s Serb-run semi-autonomous part. “The Alliance of Independent Social Democrats (SNSD) and Republika Srpska (RS) have been lobbying against Bosnia and Herzegovina for long. Over the past ten years, they spent 30 million dollars on lobbying,” according to Delkic. Bosnia has to rely on its own citizens, she added. “America’s engagement has always been strong in Bosnia and Herzegovina. They (the States) stopped the war and are Bosnia and Herzegovina’s biggest friend,” she said, pointing out that, nevertheless, the citizens of Bosnia and not the US must be the ones to save the country. Delkic expects “good things” from new US Ambassador to Bosnia Eric Nelson.

According to her, the outgoing ambassador Maureen Cormack did “a good job.”
(www.ba.n1info.com)

COUNTRY ASSESSMENT :

Country faces several functional and institutional problems. Consequently political fragility maintains permanent uncertainty and institutional mistrust. Political instability is strengthened because a Government has not been established yet since the general election held on October 7th, 2018. Although the three main parties representing the three constituent entities (Bosniaks, Serbs, Croats); HDZ (Bosnian Croatian party), SDA (Bosnian Muslim or Bosniak party), and SNSD (Bosnian Serbian party) express their will to cooperate in forming a Government they cannot reach an agreement due to their different views on main issues. Bosnia’s accession process towards NATO is the main disputable issue; Bosnian Serbs insist that the country should remain neutral staying out of NATO while the two other members of the tripartite Presidency set commitment to NATO accession as a precondition for supporting a Government. Croatia and Serbia keep on intervening in Bosnia’s internal affairs destabilizing the state. It is more than impressive that Bosnian Serbs and Croats came very close aiming at achieving their special goals. Of course, both entities take in advantage “Dayton Peace Agreement” weaknesses and malfunctions. Russia pays special attention in Serbia and Bosnia in order to maintain its influence in the region. Bulgaria, Romania, Croatia, Slovenia, Albania, and Montenegro have already entered NATO, while F.Y.R.O.M would join the Alliance on June 2019. These two countries (Serbia and Bosnia) are the only “vehicles” for Russia to

maintain a narrow influence in Southeastern Europe. Election of ultra nationalist pro-Russian Serb Milorad Dodik in the tripartite Presidency is a strong sign of more nationalistic rhetoric and more obstacles towards Bosnia's EU and NATO integration. Dodik is a person who does not actually believe in B&H viability and is expected to promote (actually, he has already started) his own political agenda. Saudi Arabia, Iran, and Turkey approach the country mainly through "investments" and/or funding ethnic or religious groups according to their interests.



BULGARIA: January 16th, Bulgaria's National Assembly approved with 130 votes to 84 Governments negotiations with the US on acquiring F-16 fighter jets. The move was approved with the support of Prime Minister Boyko Borissov's Citizens for European Development of Bulgaria (Граждани за европейско развитие на България – GERB), Turkish minority Movement for Rights and Freedoms (Движение за права и свободи - DPS), and one out of the three parties in the United Patriots – the minority partner in Government – Defense Minister Krassimir Karakachanov's Bulgarian National Movement (Българско Национално Движение - VMRO). Opposition Bulgarian Socialist Party (Българска социалистическа партия - BSP), the populist Volya (Воля) party – the smallest group in Parliament – Valeri Simeonov's National Front for the Salvation of Bulgaria (Национален фронт за спасение на България - NFSB), and Volen Siderov's Ataka, the last-mentioned two being the other two parties in the United Patriots. Karakachanov continued to defend the proposal as the best option for Bulgaria and repeated that the mandate given by

Parliament was for the Government to negotiate. The Defense Minister, who has estimated that the talks with the US will take about three to four months, said that if the negotiations with the US did not succeed, the next step would be to hold talks with Sweden on its offer of JAS-39 Gripen jets. The BSP said that it could support a negotiating mandate but not a change to the price, because it meant "handing a blank cheque" to the Government, a reference to possible changes to the financial parameters of the deal, for which Parliament earlier set a framework of 920 million euro. Speaking in support of the move, DPS leader Mustafa Karadayi said "When it comes to national security, there is no place for populism; we are talking about buying security, not just buying fighter aircrafts." The mandate given by Bulgaria's Parliament opens the way for negotiations, to be handled on the Bulgarian side by the Ministries of Defense, Economy, Foreign Affairs and Finance. The US Embassy in Sofia, in a statement after the vote, welcomed the decision to initiate negotiations to acquire new F-16 Block 70 aircrafts from Lockheed Martin. (www.sofiaglobe.com)

- January 16th, the Prime Ministers of Bulgaria Boyko Borisov and Libya Fayeز al-Sarraж said they are working for a "positive outcome" to a dispute over the alleged illegal seizure and sale in Bulgaria of a Libyan oil tanker. In a phone call Borisov and al-Sarraж discussed the case of the 61,000 ton tanker "Badr", which is detained in Bulgaria's Black Sea port of Burgas since November 2017. "The Libyan Premier thanked Boyko Borisov and the Bulgarian Government for their timely intervention and the demonstrable desire for the case to end with a positive outcome for both sides," Borisov's press service said in a statement.

Al-Sarraj added that *“a favorable development in the case will give a very strong signal for future cooperation between Bulgaria and Libya,”* the statement said. The vessel, owned by the state-run Libyan General National Maritime Transport Company, was held by the Bulgarian company Bulgargeomin, which claimed it as collateral for a 9.2 million dollars Libyan state company debt dating back to 1989. The regional Court in Burgas refused to honor Bulgargeomin's claims or to allow the sale of the “Badr” vessel. The case drew an angry response from Tripoli when in late December 2018 the ship's Libyan captain and Indian crew were forced off the vessel after a private debt collection agent disregarded all Court orders, seized the tanker and sold it to the same company that sought it as compensation. The tanker then left Bulgarian territorial waters with a new crew, the name “Bdin”, and under a Panamanian flag. In retaliation, Libya's maritime authorities ordered the seizure of all Bulgarian ships entering its ports. The threat prompted Bulgarian Prosecutors to open an investigation. The Bulgarian maritime administration which had initially seized and held the tanker, also ordered it to return to Burgas after failed attempts by the vessel to enter Turkish and Ukrainian ports. Bulgargeomin meanwhile said it had brought the ship back, adding that *“politicization of the issue creates additional complications for both sides.”* (www.novinite.com)

- January 19th, Bulgaria's Special Prosecutor's Office has so far laid criminal charges against six people following a bust of an organized crime group that had sent more than 25 million euro to terrorist organizations over last four years, the spokesperson for the Prosecutor-General's Office announced. Of the six accused, one has been

indicted in absentia and an international arrest warrant issued for him, the Chief Prosecutor's Spokeswoman, Roumyana Arnaudova told Bulgarian National Television. Five of the accused are Syrian citizens, all residents of Bulgaria. The sixth is a Bulgarian woman who lives in Sofia. The crime group had been operating in Bulgaria since 2016 and had indirectly financed a terrorist organization operating in another state, she said. The financing was carried out through non-bank financial transactions using the *“Hawala method.”* The group also bought more than 100 cars in Bulgaria and transported them through Turkey to Syria. These cars were provided to members of terrorist organizations. Indictments include preparation of terrorist attacks in foreign countries. The operation to bust the group was unprecedented for Bulgaria's law enforcement and security services in terms of the scale and subject of the investigation, Arnaudova said. Forty-three people were held in the operation, the Prosecutor's Office said. The operation followed a year-long investigation involving Bulgarian security services and security services from EU partner countries. On January 18th, 2019 the Deputy Prosecutor-General Ivan Geshev said that the amounts for the terrorist organizations had been directed abroad and did not represent a domestic terrorist threat within Bulgaria. (www.sofiaglobe.com)

COUNTRY ASSESSMENT :

The junior partner of the ruling coalition, United Patriots looks like the vulnerable piece of the Governmental stability; none could predict when a new incident or dispute will break out. Thus, Bulgaria has entered in a period of fragile political stability. The President Radev grabs

every opportunity to criticize the Government (and the Prime Minister Borissov) highlighting his different political affiliation (Radev is backed by the opposition Socialists). Opposition BSP tries to push further Borisov and his Government by strengthening its rhetoric and having tabled three motions of no confidence so far. The country strengthened its efforts towards entering the Eurozone achieving a positive decision of the Eurogroup. However, the EC made clear that Bulgaria could not enter the Eurozone before 2022. Apart from that the European Parliament adopted a resolution for the accession of Bulgaria (and Romania) in Schengen Zone. However, it is questioned if the European Council will receive a unanimous final decision for Bulgaria under the current migration pressure. Corruption and organized crime remain significant obstacles and should be addressed decisively. Although modernization of Armed Forces is a top priority for Bulgaria and huge armament projects are ongoing (fighter jets, armored vehicles, vessels etc) military operational capability of the state is questioned especially in the Air Force. Bulgarian Armed Forces are far from NATO standards. Security situation stable; no major threats.



CROATIA: January 14th, Croatia will launch a new tender for the Croatian Air Force's multi-purpose combat aircraft, Defense Minister Damir Krsticevic announced. Krsticevic's comment came after it was finally confirmed last week that the previously agreed 418 million euro deal to buy a squadron of 12 F-16 fighter jets from Israel fell through. He told reporters that Israeli Defense Ministry officials who visited Zagreb last week confirmed that they had failed to obtain necessary approval from the US for the sale to go through. *"It was solely their*

responsibility... The Israelis said once again that the entire process was highly professional and open on Croatia's part... that we asked all the necessary questions and received all the necessary guarantees in this process," Krsticevic said. *"The United States, our strategic defense partner, emphasized from the outset, including in its latest statement, that it gave full support for the Croatian acquisition of F-16 aircraft from Israel,"* he added. Krsticevic said that Croatia would now launch a new tender for the procurement of much needed fighter jets. *"We will close this process transparently and, with all this experience and knowledge, we will start a new process... so that Croatia would finally get quality multi-purpose aircraft it needs... This Government will certainly do all it can for this to happen,"* Krsticevic said. The deal with Israel, approved in March last year, involved the same of twelve F-16 C/D "Barak" fighter jets. The aircraft, between 25 and 30 years old, were intended to replace the outdated Soviet-made MiG-21 aircraft currently used by the Croatian Air Force. The shortlisted bids which eventually lost to Israel also included a set of Swedish JAS-39 Gripen fighter jets, and another F-16 bid by the United States, which offered a batch of upgraded and more modern version of the planes, but at a price point more than three times higher. President Kolinda Grabar-Kitarovic, who is formally the Croatian armed forces' Commander-in-Chief, said last week that valuable time has been lost with the failed Israeli deal, and that getting new jets is essential, as Croatian Air Force has now been reduced to only three airworthy MiG-21 jets. (www.hr.n1info.com)

- January 16th, Croatian President Kolinda Grabar-Kitarovic travelled to Turkey for a return state visit at the invitation of her Turkish counterpart

Recep Tayyip Erdogan. After paying her respects to Mustafa Kemal Atatürk, the founder of modern Turkey, by laying a wreath at his tomb, Grabar-Kitarovic held a meeting with the Turkish Parliament Speaker, Binali Yildirim. Croatia and Turkey have very good relations, without outstanding issues, and this visit is another opportunity to continue and boost dialogue at the highest level, Grabar-Kitarovic's office said. Erdogan paid a state visit to Croatia in April 2016, attending a ceremony marking 100 years since the recognition of Islam as equal to other religions in Croatia. Speaking to the press after two-hour talks at the end of the Croatian president's day-long return visit, Erdogan said that they mostly share similar sensitivities in regional and international affairs. We will intensify our efforts to increase mutual investments, said Erdogan. Croatia-Turkey trade amounted to 486.8 million dollars in 2017, of which 171.6 million dollars were Croatian exports, up 40% on 2016. In the first ten months of 2018, trade was 427 million dollars, Grabar-Kitarovic's office said. The two Presidents also discussed situation in the Middle East, in the wake of US President Donald Trump's announcement that US troops will pull out of Syria, as well as situation in Southeast Europe, with which Turkey has strong historical cultural ties, and where it has made major investments. Grabar-Kitarovic said in Ankara last year that Croatia was especially grateful to Turkey for taking in millions of refugees from the Middle East and for honoring the 2016 agreement with the EU which made it possible to stop the refugee flow across the Balkans. The two Presidents discussed also about Bosnia & Herzegovina. Stability of Bosnia and Herzegovina holds strategic importance and this stability depends on cooperation between its peoples, Grabar-Kitarovic said. Erdogan, said it would be

possible to speak about details of the trilateral meeting once the post-election formation of Government in Bosnia is over. The Turkish President pointed out the necessity to revise the Dayton Peace Accords, a peace treaty which ended the 1992-95 Bosnian war and set up a complex power-sharing system in Bosnia. (www.hr.n1info.com)



The Presidents of Turkey Recep Tayyip Erdogan and Croatia Kolinda Grabar-Kitarovic
(Photo source: www.predsjednica.hr)

- January 17th, Croatia's Prime Minister Andrej Plenkovic commented on his conflict with MP Nikola Grmoja of the opposition Bridge of Independent Lists (Most Nezavisnih Llista - Most) during parliamentary debate, slamming Grmoja's accusations that the Government committed high treason, and calling such rhetoric unacceptable in Parliament. During a debate on a report submitted by Plenkovic about his attendance at European Council meetings in 2018, Grmoja started vocally criticizing Plenkovic and Foreign Minister Marija Pejcinovic-Buric, saying they are "*working for the interests of Serbia*," which immediately caused an uproar. Grmoja explained that although Serbia had failed to meet the requirements from Chapter 23 in its accession talks with the EU, which deals with the judiciary and fundamental rights, the EU moved to opened new chapters in negotiations with Serbia. Grmoja concluded by accusing Pejcinovic-Buric and Plenkovic of doing nothing

to prevent this, and added several times that they are both “*working in Serbia's interests.*” Several parts of the conservative and right-wing public in Croatia insist that the country should block Serbia's EU membership as long as Serbia does not deal with clearing up war crimes committed on Croatian soil during the 1991-95 war, and also disclose the fate of some 1,900 people still missing, which are thought to have been captured and killed by Serbian military units. Plenkovic said that Grmoja's tirade and accusations of high treason were “*highly slanderous insults*” that crossed the line of acceptable discourse in the Croatian Parliament. Leader of Most, Bozo Petrov held a news conference later on Thursday, commenting on the incident, and defending Grmoja's comments in Parliament the day before. Petrov told reporters that “*it is very difficult to explain why he [Plenkovic] and his Government have enabled the opening of new negotiating chapters for Serbia, despite the fact that Serbia has not met benchmarks from Chapter 23.*” “*From all of this we can conclude that this Government is working in the interests of Serbia and not in the interests of Croatia. Working in Croatia's interests would mean that former prison camp detainees would receive legal protection in Croatia and a possibility would be created for Serbia to pay out damages to Croatian detainees. This hasn't happened to this day,*” Petrov added. (www.hr.n1info.com)

COUNTRY ASSESSMENT ■ :

Croatia follows a tough regional policy with neighboring countries. It is openly intervene in Bosnia's internal affairs, while it maintains open disputes with Slovenia, Serbia, and Bosnia. It is assessed that Croatia's strategic goal is to amend “Dayton Peace Agreement” achieving to

recognize Bosnian Croats as a third entity in the country. It is more than obvious that Croatia tries to establish a leading role in Western Balkans not only as an EU and NATO member state but also as a rising “local” power. One should take into consideration that Croatia shows its military strength and capabilities quite often not only in international, but also in national level sending strong messages to neighboring countries. Although the President is a member of the ruling party, it is estimated that there is some kind of political distance between the President and Government. However, ruling coalition claims political stability. Border dispute on Piran Bay remains active and Slovenia's initiative to file a lawsuit against Croatia adds a new chapter between the two countries conflict. It is still a question how Croatia will react. The state accelerates its efforts towards accession in Schengen zone. Croatia implements a policy of Armed Forces' modernization trying to form a reliable and well equipped force according to NATO standards. Failure to complete successfully the purchase of a modern fighter jet maintains a long period of an ineffective and weak Croatian Air Force.



CYPRUS: January 14th, Eastern Mediterranean countries meeting in Cairo agreed to set up a forum to create a regional gas market, cut infrastructure costs and offer competitive prices, Egypt's Petroleum Ministry said. The organization aims to “*create a regional gas market that serves the interests of its members by ensuring supply and demand, optimizing resource development, rationalizing the cost of infrastructure, offering competitive prices and improving trade relations,*” among other goals, the statement said. The announcement is part of

efforts to transform the Eastern Mediterranean into a major energy hub. The others involved are Cyprus, Greece, Israel, Italy, Jordan and the Palestinians. Other Eastern Mediterranean countries and transitory countries may join the forum later, the Ministry said in a statement. The Eastern Mediterranean Gas Forum will be based in Cairo and will be open to monitoring by international and regional organizations. The forum will support producing countries by *“enhancing their cooperation with consuming and transitory parties in the region, taking advantage of existing infrastructure and developing further infrastructure options to accommodate current and future discoveries,”* the statement said. It will also assist consuming countries by *“securing their needs and allowing their participation with the transitory countries in the development of gas policies in the region, thus enabling the establishment of a sustainable partnership between the actors at all stages of the gas industry.”* In September, Israel and Egypt bought a 39% stake in the EMG pipeline, paving the way for a landmark 15 billion dollar natural gas export deal to begin this year. Cyprus is also in talks with Egypt to construct a pipeline connecting Cyprus’ Aphrodite gas field to Egypt’s liquefied natural gas (LNG) facilities. Egypt has rapidly increased its production of natural gas and hopes to become a hub for exporting to Europe after making a series of big discoveries in recent years, including the largest gas field in the Mediterranean, Zohr. Jordan’s Energy Minister said in November that Egyptian gas was expected to reach Jordan this month, after experimental pumping began in September. Egypt is betting that its strategic location straddling the Suez Canal, its land bridge between Asia and Africa and its well developed infrastructure, including an extensive pipeline network and two idle gas liquefaction plants, will

help turn it into a trading and distribution centre for countries in the region and beyond. (www.reuters.com)

- January 18th, Cyprus's Foreign Minister Nicos Christodoulides said he is optimistic that the US will soon start lifting a decades-old arms embargo because Washington acknowledges the island nation's contribution to bolstering stability and security in the east Mediterranean. Christodoulides told “The Associated Press” that Washington sees the *“added value”* of allowing Cyprus to acquire military equipment that would help enhance its capabilities to boost regional security. Christodoulides said he has conveyed to his Russian counterpart that stronger ties with Washington should not be interpreted as *“prejudicial”* to Cyprus's relations with any other country. He said Cyprus's foreign policy does not engage in a *“zero-sum game.”* Christodoulides said the US and some EU countries are keen to join energy-based partnerships that Cyprus has established with neighboring countries including Egypt, Jordan and Israel. (www.ekathimerini.com)

- January 19th, discussions for the renewal of the UNFICYP mandate have started with the UN Security Council’s five permanent members, Foreign Minister Nicos Christodoulides said. *“The next two weeks will be decisive and crucial to the context of the resolution,”* he said. Christodoulides said he did not expect any problems to occur regarding the renewal of the mandate of Unficyp for another six months. *“However, there is no room for complacency, because what matters is what the resolution will include as a whole, taking into account the Turkish approach that the Peacekeeping Force is not necessary in Cyprus and it has no added*

value, a position expressed by the Turkish side since 1964.” Christodoulides added that UNFICYP’s mandate will be renewed for a period of another six months, saying that “then the state of affairs regarding the United Nations Peacekeeping Force will have to be discussed again, in a crucial period I would say, since we have heard Mr Cavusoglu and Mr Akinci say that talks would not restart before June.” The Government, he said, is not in agreement with this position and believes that talks must begin again as soon as possible. The Minister said he hoped that UN Special Envoy Jane Holl Lute would return to Cyprus soon, around the end of January or beginning of February. (www.cyprus-mail.com)

COUNTRY ASSESSMENT ■ :

Cyprus works systematically in order to become a major part of the East Mediterranean energy hub. Its natural gas deposits affect not only its economy but also its security. The strategy of multilateral cooperation seems to be fruitful. At the moment, Cyprus is engaged in three different trilateral formations which also include strong features of strategic cooperation and alliance; Cyprus – Egypt – Greece, Cyprus – Israel – Greece, and Cyprus – Jordan – Greece. The last two are highly improved due to the US engagement which expressed their interest by joining the latest summit. Drilling activities on behalf of ExxonMobil and Qatar Petroleum in Cyprus Exclusive Economic Zone are close to the end and the announcement of results will determine further steps. Turkish threats and aggression did not stop the Cypriot energy project so far. It is a fact that Cyprus has a significant deficit of military power which is (externally) balanced by regional cooperation. However, the

US administration appears ready to abolish the arms embargo against Cyprus allowing it to improve its military capabilities. Involvement of an American company (ExxonMobil) in the drills it is proved “wise” and “smart.” Announcement of Turkish seismographic research within the Cypriot EEZ (plot 4) could be assessed as spasmodic actions of Turkey against Cyprus (already predicted and expected). At the moment, none could assess the level of escalation Turkey seeks to reach. Taking into consideration that Cyprus lacks of military power and especially aeronautical forces it is expected Greece to be engaged more actively in the region. Conduct of aeronautical exercises in cooperation with other countries (Israel, Egypt etc) sends various messages of defense capability, readiness, and determination. Although the UN Secretary General appears optimistic for a new round of talks between the two communities, it is assessed that talks could not be resumed earlier than summer 2019. President Anastasiades promotes the scenario of a “bizonal, bicomunal decentralized federation”; an idea which is in principle accepted by the leader of the Turkish Cypriot community and enjoys support from the U.S. However, there are a lot of disputed issues in which both parts should compromise; the most important is considered the decision-making process. Recent close approach between Cyprus and the US provoked Russia’s strong reaction which foresees a possible isolation from its influence in the Island. It is not a secret that Russia enjoys or used to enjoy a privileged relationship with Cyprus due to the US distance regarding defense and foreign policy neutrality. It is a question how Cyprus will achieve to balance between the US and Russia interests in the region. As long as part of Cyprus remains under Turkish occupation and Turkish troops (equipped with

heavy weapons) are deployed in the island, Cyprus faces an existing direct threat against its national security and sovereignty.



F.Y.R.O.M: January 14th, Russian Foreign Ministry informed that it will demand a discussion in the UN Security Council on the F.Y.R.O.M's name issue. The dispute is subject to two UNSC resolutions, and Russia today said that it will have to be resolved there. *“On January 11th the Parliament of the Republic of Macedonia [F.Y.R.O.M] voted on the constitutional amendments that rename the country in accordance with the Prespa agreement. This is a continuation of the process imposed from the outside to artificially change the name of the country in order to force Skopje to join NATO, in violation of Macedonian [F.Y.R.O.M's] law. The positions of the Head of the state and the majority of the citizens who reject the Prespa deal are being ignored,”* the Russian Foreign Ministry said in a press release. The press release notes that the Greek public is also strongly determined against the deal. Unlike F.Y.R.O.M, Greece did not hold a referendum on the issue, but polls regularly show that more than two thirds of the citizens oppose the Prespa agreement. *“The position of the Russian Federation on the problem of the Macedonian [F.Y.R.O.M's] naming remains the same – a sustainable solution can only be found without foreign interference, without imposing conditions and terms from the outside and with wide public support, both in the Republic of Macedonia [F.Y.R.O.M] and in Greece, and within the framework of the law. Therefore we expect that the issue is considered by the UN Security Council, in accordance with Article 3 of the UNSC resolution 845,”* the Ministry said. The article calls on the UN Secretary General to

inform the Council of any developments on the issue. An earlier UNSC resolution – 817 – determined that F.Y.R.O.M will be admitted to the UN and will be provisionally referred to as “the former Yugoslav Republic of Macedonia.” As part of the Prespa talks, the Governments of F.Y.R.O.M and Greece did not intend to go to the UNSC again, asking for a new resolution to replace 817 and to enshrine a new name which will be used for the state. Foreign Minister Nikola Dimitrov said that the two countries will merely inform the UNSC about the decision once the process is completed. (www.republica.mk)

- January 15th, Parliament Speaker, Talat Xhaferi announced that the presidential elections will be officially announced on February the 8th, 2019. The first round of elections will be on April 21st, 2019 and the second round on May 5th, 2019. He added that in that case, the deadline for the inauguration of the new President will be on the May the 12th, because on that date Gjorge Ivanov's mandate ends. Together with the presidential elections, local elections will be held in three municipalities, which are now governed by acting mayors. (www.meta.mk)

- January 18th, Turkey is looking forward to welcoming F.Y.R.O.M into NATO *“without further delay,”* following the ratification of the name deal with Greece, and recognizes the Balkan nation by its constitutional name, the Turkish Foreign Minister Mevlut Cavusoglu said. *“We have strong ties with Macedonia [F.Y.R.O.M] that go back many centuries, ties that are strong regardless of political relations. I would like to stress that our political relations are excellent these days,”* Cavusoglu said at a joint press conference in Ankara following a meeting with his FYROM counterpart, Nikola Dimitrov.

“Turkey recognizes Macedonia by its constitutional name,” the Turkish Foreign Minister added, without clarifying further. Cavusoglu said that stability in FYROM is crucial to stability in the Balkans, where Turkey enjoys “very good relations” with Albania, Serbia, Bosnia-Herzegovina and Montenegro. “Turkey attaches a lot of importance to stability in the region and provides support for its economic growth,” he said. Dimitrov responded that F.Y.R.O.M seeks to close its open issues with neighbors so that it would leave the zone of instability and join the EU and NATO. “But, at the same time, we mustn’t forget our friends who have supported us along that path from the very start,” he added. (www.mia.mk, www.republica.mk)

COUNTRY ASSESSMENT ■ :

As it was expected F.Y.R.O.M successfully concluded the ratification process of the name agreement with Greece known also as the “Prespa Agreement.” From the very first moment Zaev was the absolute dominant in the parliamentary process enjoying full support of the EU and US. The historic fact is that Zaev resolved a 27 year long dispute unlocking the doors of the EU and NATO and strengthening stability and security of the state. Actually, Zaev got more than he could ask for securing “Macedonian” citizenship and language. VMRO-DMPNE strong reactions are only for domestic political reasons since its previous nationalistic policy failed to lead the country in the Euro-Atlantic path. VMRO-DMPNE leader Mickoski asked for snap parliamentary elections but it is estimated that Zaev’s SDSM would enjoy a clear victory cashing out his success. At the moment, Zaev’s concern is the successful ratification of the agreement by

Greece; a possible failure in the Greek Parliament will block F.Y.R.O.M’s accession in NATO (and the EU). It is expected that F.Y.R.O.M’s Prime Minister will minimize his recent nationalistic rhetoric aiming at facilitating ratification process in Greece. NATO and EU praised F.Y.R.O.M for the successful process sending a clear message that the “gates” are open (under the precondition of Greek Parliament ratification). The country has become a field of rivalry between the US and EU on the one side and Russia on the other. After Montenegro, NATO seeks to bring F.Y.R.O.M within the Alliance isolating Russian influence in the region. Lavrov openly claims that the US and EU blackmailed and bribed MPs to support the name agreement with Greece. Needless to say that in a period where border questions are raised again in the Balkans, F.Y.R.O.M needs political stability and growth prospects.



GREECE: January 14th, the Greek Foreign Ministry has dismissed Moscow’s criticism of the deal to resolve the name dispute between Greece and F.Y.R.O.M as tantamount to meddling in Greece’s affairs. In a statement earlier Monday, the Russian Foreign Ministry said the deal was a Western plot to draw the Balkan country into the NATO security alliance. In response, the Greek Foreign Ministry said the Russian Foreign Ministry’s decision to cite political developments in countries which enjoy friendly relations with Moscow is “incompatible” with Greek-Russian bilateral ties and the long-standing bonds of friendship between the two peoples. The Ministry went on to say that legitimate concerns are raised as the Russian Foreign Ministry statement overlooks the democratic functioning of institutions in Greece,

whose constitution has clear provisions for dealing with anything that impacts the country's internal political order. Moscow plans to refer the issue to the United Nations Security Council. (www.ekathimerini.com)

- January 16th, Greek Prime Minister Alexis Tsipras won a confidence vote, which will pave the way for Parliament to ratify an accord he agreed last year with Skopje to end a long dispute over the name of F.Y.R.O.M. Tsipras clinched the support of 151 lawmakers in the 300 seat Parliament, meeting the threshold he had set to avoid calling an early election. He called the confidence vote on Sunday, after his right-wing coalition partner Panos Kammenos resigned in protest over the accord. Attention now shifts to a vote on the Macedonia name deal, which is expected to come to Parliament early next week and whose passage is less certain. In a speech to MPs before the vote, Tsipras said a vote of confidence in his Government amounted to a vote for “*stability.*” “*I took the risk showing political courage because what we have ahead of us demands clear solutions,*” he said. For his part, New Democracy (Νέα Δημοκρατία – ND) leader Kyriakos Mitsotakis reiterated his call for general elections and warned that a confidence vote in the Government was like an “*approval of the shipwrecked state of the country over the last four years.*” He also said it “*will pave the way for the recognition of a so-called Macedonian ethnicity and language, as stated in the Prespes accord.*” However, Tsipras cited a note verbale issued by F.Y.R.O.M yesterday which provided further assurances with regard to Greek concerns over the name accord. Tsipras said the note reaffirms that the term “*nationality*” refers exclusively to nationality and does not designate or predetermine the ethnicity of FYROM's people.

Moreover, it also groups Macedonian in the Slavic group of languages. Ruling Coalition of Radical Left (Συνασπισμός Ριζοσπαστικής Αριστεράς – SYRIZA) has 145 Deputies, and can count on the positive votes of Deputy Citizens' Protection Minister Katerina Papacosta who is an independent MP, four ANEL Deputies, Tourism Minister Elena Kountoura, Deputy Agriculture Minister Vassilis Kokkalis, Thanassis Papachristopoulos, and Costas Zouraris, To Potami leader Stavros Theodorakis, and party MPs Spyros Danellis, Spyros Lykoudis and Giorgos Mavrotas, securing a majority of 154 votes in the 300 seats Parliament. There might be one more, that of Democratic Left (Δημοκρατική Αριστερά – DIMAR) Chief Thanasis Theoharopoulos. The stance of Democratic Left (DIMAR) leader Thanasis Theoharopoulos could also be pivotal. He had also expressed a positive view of the deal in principle but is expected to take a final decision when party officials convene on Sunday. Government spokesman Dimitris Tzanakopoulos said the administration's aim was to secure 151 votes, though he added that technically this is not necessary. Authorities are bracing for a rally on Sunday against the Prespes agreement in Athens as protests last year drew large crowds. There are concerns about possible violence as tensions have peaked ahead of the Prespes deal vote. Police in northern Greece arrested four people, two in Grevena and two in Kozani, over the past two days for sticking up “*wanted*” posters of politicians who have expressed support for the agreement. Another six people were detained in Serres after being found with such posters in their possession. The arrests follow reports of politicians receiving threats warning them not to support the deal. A 62-year-old former navy officer was arrested earlier this

week after allegedly admitting to sending threats to Papacosta. (www.ekathimerini.com)

- January 18th, an accident was narrowly averted after a Turkish F-16 fighter jet reportedly harassed a Greek Super Puma helicopter. The incident occurred shortly before noon south of the eastern Aegean islet of Farmakonisi as the Super Puma conducted a search for a boat carrying illegal migrants. The F-16 reportedly came within less than 30 meters of the helicopter, destabilizing it. According to reliable sources, pilots of the Super Puma managed with difficulty to keep the helicopter on course. Experienced airmen told Kathimerini daily that if the Super Puma had been an older model the outcome could have been tragic. The incident raised concern among Greece' military leadership and the Defense Ministry, given that Turkish violations in the Aegean have been known to spike in the run-up to the anniversary of the crisis over the Imia islet on January 28th, 1996, which almost led to war between the two countries. (www.ekathimerini.gr)

COUNTRY ASSESSMENT :

Successful conclusion of the ratification process of the Greece – F.Y.R.O.M name deal provoked “chain reactions” in Greece. The Government, as it was expected, survived from a confidence vote but it managed to “politically destroy” the minor parliamentary parties including its former partner Independent Greeks. To Potami and Independent Greeks actually lost their parliamentary group representation due to the fact that part of their MPs supported SYRIZA and expelled from their parties. MPs join parties while other leave their party for a new one. The whole political situation became uncertain and a product of personal ambitions and goals. The only certain thing is that

SYRIZA enjoys parliamentary majority and is ready and capable to proceed with ratification of name deal with F.Y.R.O.M. Within the coming week the Greece – F.Y.R.O.M accord will be brought to the Parliament which will be ratified by the Greek MPs no later than the end of January 2019. Besides, NATO Secretary General has made clear that ratification process by both parties should have been completed no later than February 15th, 2019 in order F.Y.R.O.M to enter the Alliance in coming June. The country has already entered in full pre-electoral period and parties are prepared for snap elections. Under these circumstances it is assessed that early election may be called in May 2019 together with local and European election. Political turmoil emerged in a period where Greece faces several diplomatic, security, and economic challenges. The alternative scenario of parliamentary election in autumn 2019 when actually mandate of current Government expires has few possibilities under the current political situation. Internal terrorism is considered as a major unresolved problem of national security undermining stability of the state. Tension between Greece and Turkey has been raised not only in rhetoric level. Turkish fighter jets keep violating Greek airspace, while NAVTEXs reserves part of Greek continental shelf and Cypriot Exclusive Economic Zone. It is assessed that Greece is taking measures to deter any further escalation by the Turkish side showing determination and readiness to protect national interests. Next period will be critical to see if Turkey keeps maintaining a war of words or it will escalate situation taking in advantage an accidental or preplanned incident.



KOSOVO: January 15th, the Kosovo Customs opened an office at Albania's biggest sea

port of Durres, marking a further important step towards closer economic cooperation between the two countries. The Albanian Prime Minister Edi Rama said the new Kosovo Customs office will reduce costs and save time for Kosovo's businesses and will boost trade between Kosovo and Albania. Rama said that both countries will work on harmonization of legislation for all documents and certificates of products. Kosovo's Deputy Prime Minister, and national coordinator of the two Governments, Fatmir Limaj, attending the ceremony in Durres, said opening of Kosovo Customs office is the second most important project after construction of the highway linking the two countries. (www.gazetaexpress.com)

- January 16th, Kosovo Government has decided to revoke 100% tariffs on Serbian and Bosnia-Herzegovina goods that were imported before November 21st, 2018 when the measures were initially imposed. If any of those goods that were stored up to present enters circulation, it will not be taxed. Kosovo Customs Spokesperson, Adriatik Stavileci, said the goods will be cleared without 100% tax. The measure has been welcomed by Kosovo businesses. (www.gazetaexpress.com)

- January 19th, dispute between Kosovo's President Hashim Thaci and Prime Minister Ramush Haradinaj over tax imposed on goods from Serbia and Bosnia-Herzegovina surfaced again after the President urged the Government to listen the US advice and revoke the decision on 100% tax. The US Government urged Kosovo authorities to suspend the tax and continue the dialogue with Serbia. President urged the Government to respect the US advice and revoke the decision imposed in November 2018, on

100% tax for all imported goods of Serbia and Bosnia-Herzegovina. Thaci said the US advice should be respected and is aimed at strengthening Kosovo's position. *"The US Government is concerned over current developments and some of actions taken by state institutions. This is a very unfortunate situation. Therefore, now is the moment to respect advice of our American friends, aimed at strengthening of the state of Kosovo and pacification of the region,"* Thaci wrote in social media. The US State Department asked Haradinaj's Government to suspend the tax. The US Embassy in Pristina reiterated the stance saying that the US asks immediate suspension of tax. The President of Kosovo said the US support is conditional if Kosovo makes mistakes. *"Our historic success was impossible without the U.S. and other Western allies. Therefore, we should always be grateful. Friendship between Kosovo and US is eternal, but the US support is not unconditional in case we make mistakes and question the US interests and values in Kosovo, region or Europe. Our values and vision comply with the US values,"* Thaci wrote. Prime Minister Ramush Haradinaj is opposing rescinding of the tax, saying the tariffs will be revoked only after Serbia recognizes Kosovo and in case Kosovo gets assurance by internationals that a final deal with Belgrade would include recognition of Kosovo from Serbia. Thaci said that the state should not be kept hostage by populist decisions of any leader. *"Personal decisions of any of the state leaders should not harm interests of our state and strategic relations of the US with Kosovo. Populist actions should not undermine the vision and strategic decisions of Kosovo. Harming relations with the US, and violation of this sacred alliance, represents the beginning of the deterioration of our state. Also, exorbitant arrogance in relation with the*

European Union does not honor our country and makes no proud our US allies. The alliance of Kosovo with the U.S. weights more and is more important comparing with interests of individuals,” he said. The EU-facilitated dialogue between Kosovo and Serbia has been suspended after Belgrade is refusing to continue talks because of tariffs on Serbia’s goods. The US President, Donald Trump in a letter addressed to President Hashim Thaci asked reaching of an agreement with Serbia as soon as possible. He asked the Kosovo-Serbia agreement be balanced. The US indicated that they will support any deal agreed between Kosovo and Serbia. President of Kosovo, Hashim Thaci, and Prime Minister Ramush Haradinaj clashed also over topics which are expected to be discussed with Serbia as part of the final phase of dialogue on normalization of relations. Thaci is pushing forward a proposal which includes correction of border, whereas Haradinaj said that nobody dares changing current border of Kosovo. (www.gazetaexpress.com)

COUNTRY ASSESSMENT :

Kosovo has reached a critical point where only through normalization of relations with Serbia it will be able to move forward namely to enter the UN, NATO, EU and to achieve a normal status of a state. However, the state’s authorities show a tendency of escalating tension with Serbia undermining a peaceful resolution of the case. By imposing 100% tariff on Serbian (and Bosnian products), establishing Kosovo army, executing Special Forces operation in northern Kosovo, arresting Serbs, and requesting special court for Serbs it is created a climate which does not facilitate dialogue and the establishment of confidence between the two parties. However, there are signs that Kosovo Government is going

to remove 100% tariff after decisive pressure by the US administration and the EU. It should be also underlined that at the moment Kosovo’s political power are divided regarding negotiation process and goals. The Prime Minister Haradinaj and the Government are not in harmony with the President Thaci who is the chief negotiator of the state. There is even a matter of legitimacy within the state regarding who is authorized to represent the country in dialogue with Serbia. Kosovo Government works on establishing a legal framework regarding dialogue with Serbia. The EU and the Foreign Policy High Representative rejected Haradinaj’s unilateral actions accusing him of undermining dialogue. The question of border exchange or simply change continues to divide Kosovo political forces and population. However, it could be estimated that if Kosovo keeps on acting in such way it may be isolated on the table of international negotiations. It seems that the U.S (and the EU) has a leading role in the background pushing for the idea of territorial change (or exchange). Thaci reiterated once again his confidence that dialogue will start again and agreement will be reached. It is assessed that there is somekind background talks between Thaci and Vucic which strengthen Kosovo President’s confidence that his country will be recognized by Serbia. It is a fact that Thaci, and the EU wish to isolate Haradinaj intervention in the dialogue process. Kosovo lacks determination over its critical reforms which will establish in the country rule of law and modern functional administration. Path towards the EU and NATO will be long and hard. Kosovo announced the establishment of its army; an issue which may provoke rapid reaction by the Serbian side including military and Police power. One should take into consideration that the Serb President has already ordered all defense and security

stakeholders to take all necessary measures for protecting Serbian population in Kosovo.



MOLDOVA: January 17th, Prime Minister Pavel Filip had a meeting with Foreign Affairs Minister of Romania Teodor Melescanu. Filip congratulated Romania on taking over the Presidency of the Council of the European Union and he noted that Moldova further relies on the support of Romania in implementing the domestic reforms and strengthening the EU's backing for the carrying out of its European agenda. At the same time, Filip thanked for the constant support provided to Moldova by Romania. *"On this period, they have been speaking much about brotherhood; we came up with a pragmatic approach and set to make the Union through infrastructure,"* the Prime Minister said. Infrastructure projects, with Romanian support, include renovation of 900 kindergartens, acquisition of school buses, restoration of culture buildings, construction of bridges, interconnection in terms of electric energy and natural gas, and removing the roaming tariffs. Filip also stressed the importance of Romanian investments in the national economy; procurement of Victoriabank by Banca Transilvania, taking over of Vestmoldtransgaz by Transgaz and privatization of the Air Moldova company by Blue Air. For his part, Teodor Melescanu said that Romania would continue supporting Moldova and is interested in the completion of the implementation of the infrastructure projects underway, for the benefit of the citizens. The diplomat underlined that Moldova would be a first priority within Romania's Presidency at the Council of the European Union. (www.moldova.org)

- January 17th, the US urged the authorities of Moldova to take all necessary steps to ensure a

free and fair electoral process and a transparent result that respects the will of Moldovan voters, said a message on the State Department's website. The US also urged the authorities in Chisinau to implement the recommendations of the OSCE Office for Democratic Institutions and Human Rights (ODIHR). *"Local and national authorities should ensure that candidates are able to be registered for participating in the elections and to conduct their campaign without the fear of harassment or physical aggression. The media should offer equal access to all candidates and address them in a fair, balanced and impartial manner in accordance with Moldovan media laws,"* the message said. According to the message the goal of all parties and candidates is the same; ensuring a prosperous and democratic future for Moldova and its citizens. The US will continue to help the Moldovan people achieving this goal. Parliamentary elections will take place in Moldova on February 24th, 2019. Unlike previous parliamentary elections, they will be based on the mixed electoral system in a national constituency and in uninominal constituencies. In the uninominal constituencies 51 Deputies are elected, and other 50 Deputies are elected on party lists. (www.moldova.org)

- January 18th, *"we need a settlement based on the sovereignty and territorial integrity of Moldova, within the internationally recognized borders, with special status for the Transnistrian region,"* the OSCE Chairman-in-Office, Foreign Affairs Minister of Slovakia Miroslav Lajcak said after a meeting with Foreign Affairs and European Integration Minister Tudor Ulianovschi. In this context, Miroslav Lajcak welcomed the efforts and contribution of Moldova's Government to achieving real results, which are for the benefit of citizens. The Slovakian foreign affairs minister

stressed that “OSCE and Slovakia, as country holding the Chairmanship, is willing to provide every needed support. I unveiled the priorities of the Slovakian Chairmanship in Vienna in late last year and today I am in Chisinau; this shows what a priority is for us Moldova and the Transnistrian settlement process, in particular. We want to focus on the political aspect, as well as to help people hit by conflicts.” Referring to the parliamentary elections scheduled for next February, Miroslav Lajcak reiterated their importance for Moldova, noting that the OSCE mission of observers is already working in Moldova. Ulianovschi expressed confidence that, during this year, with joint efforts, there would be an efficient cooperation, based on mutual respect, in order to foster the dialogue within the political talks and advancement in the Transnistrian settlement process. At the meeting, the Moldovan diplomacy Head reiterated the Chisinau authorities’ increased interest in the organization by the Slovakian Chairmanship of a new round of 5+2 format of negotiations, in order to preserve a positive dynamic of the earlier OSCE Chairmanships. Ulianovschi highlighted that Moldova relies on Slovakia’s support in its efforts in terms of resuming, on the OSCE platform, the discussions on the withdrawal of the Russian troops from its territory and turning the present peacekeeping operation into a civilian one with international mandate. In this context, Ulianovschi referred to the need to carry out an international inspection of the depot of ammunitions from Cobasna which, in the shadow of the political discussion, becomes a greater and greater social and humanitarian danger both for Moldova and the neighbor countries. According to the Minister, the participants in the discussion tackled subjects on the bilateral cooperation between Moldova and EU. “I noted that Moldova

stays fully committed to the implementation of the European agenda,” the Moldovan official added. (www.moldpres.md)

COUNTRY ASSESSMENT ■■■:

Political life is “hostage” of the pro-Russian President Igor Dodon and pro-Western Government rivalry which undermines the institutional function of the country. In the wider framework Moldova is between the Euro-Atlantic structures on the one hand and the Russian influence on the other. Political situation in the country is alarming and the EU has hardened its policy towards Moldova pushing for more reforms which will strengthen state’s transparency, accountability and democratic values. Coming parliamentary elections scheduled for February 24th, 2019 will be closely monitored by the international community and especially the US and EU as a “democratic stress test.” Romanian Presidency of the EU Council is a positive conjuncture for Moldova changing the climate between Moldova and EU. Moreover the US express concerns over a possible Russian interference in the elections. The Government is sliding into dangerous paths which support corruption and organized crime and deep and determined justice reforms are needed. The U.S, EU and IMF express their major concerns. Opposition parties try to establish a single united bloc against the ruling coalition accused of nepotism and corruption. The ongoing crisis between Russia and Ukraine may affect Moldova; First of all Russia maintains military forces in Transnistrian ground and secondly it shares common borders with Ukraine which cannot go unnoticed by international stakeholders. Moldova, together with Georgia and Ukraine released a particularly aggressive announcement

against Russian actions in Kerch Strait and Azov Sea. One should keep an eye on current political (and public) trend on reunification with Romania. The “Transnistria case” is always a “running sore” for the country working as a potential factor of destabilization.



MONTENEGRO: January 14th, Secretary General of the Association of Banks of Montenegro, Bratislav Pejakovic said that a potential danger from money laundering “does exist,” but the banking system is capable of defending any such attempt. Considering the indicators, such as deposits, liquidity, solvency, from the systemic point of view we can say that measures imposed by the Central Bank on Atlas and IBM did not affect work of individual banks in Montenegro, nor worsen the systemic indicators. “We support every attempt to find optimal solutions for the recovery of Atlas and IBM banks as soon as possible,” Pejakovic said. He reminded that deposits by client of up to 50.000 euro are protected. (www.cdm.me)

- January 17th, Montenegrin Ministry of Defense will construct a cyber security operation center for monitoring and protecting information of the Ministry and the Army of Montenegro. In addition, the Ministry also plans to construct the cyber polygon, which would be completed by 2028, reports the daily Pobjeda. The long-term defense development plan suggests that development of capacities for cyber security and upgrading measures for data protection represent a significant challenge in developing capacities within the Ministry of Defense and Army of Montenegro. “In the forthcoming period, we plan to focus on developing our own capacities in terms of cyber security, primarily through setting up of an operation centre in charge of monitoring

and protecting data (Security Operation Center, SOC). The Center will be responsible for monitoring, in accordance with the NATO Initiative on (Future Mission Network, FMN),” the defense plan suggests. The Ministry also intends to establish an incident response team within the Ministry and Army (CIRT) and thus handle events involving computer security breaches. (www.cdm.me)

- January 20th, the initiative of the Democratic Front (Демократски фронт - DF) leader Andrija Mandic and Milan Knezevic on the opening of the borders between Montenegro, Serbia and the Republika Srpska (RS) is a direct copy of the idea of creating a “Greater Albania,” said political analyst Dusan Janjic adding their interpretation is “let them make Greater Albania, we will make Greater Serbia. It's a counter at any price.” Mandic and Knezevic idea was preceded by the announcement by Albanian Prime Minister Edi Rama of opening the border with Kosovo, as well as his statement that “he seeks the same procedure when it comes to Montenegro, Macedonia [F.Y.R.O.M], and Greece.” Janjic believes that the idea of the DF leaders is “absolutely crazy.” “I do not know if they are informed that a part of the municipality of Foca is in the Federation of BiH. This story has to do with the map regarding the renewal of the idea of Sandzak as a region connecting Bosniaks, and in turn they give the RS communication to Serbia. Montenegro is not mentioned yet but a possible involvement of Montenegro would go through Rozaje. This was once a Russian plan, but there are many influences of the French intelligence service and Turkey. However, the main reason for such an idea is domestic politicians’ nationalism. Their policies lead to war,” Janjic said. Civic Alliance (Građanska Alijansa – CA) Executive

Director Boris Raonic said that the story of opening the borders is “a very dangerous move” but useful for nationalists. (www.cdm.me)

COUNTRY ASSESSMENT :

Although the country enjoys a period of “euphoria”, major reforms should be implemented in order the country to come closer to the EU. The EP assessment is positive praising the state’s efforts to implement major reforms, but on the other hand it underlines the problems of the rule of law, media freedom, corruption, money laundering, and organized crime. However, the EP expressly states that Montenegro under certain conditions may be able to access the EU by 2025. The Government promotes state’s political and economic stability which creates an almost ideal investment environment. Although the Government takes concrete measures against corruption, organized crime, and money laundering it is assessed that a lot should be done to reach such a level of economic activity; mainly in the field of public administration, public sector corruption, and money laundering. Imprisonment of opposition MPs is a worrying and alarming sign regarding rule of law and democratic values in the country. Montenegro shows activity within NATO trying to prove that it is an equal partner of the alliance with military capacity according to NATO standards. Although the state fulfills its obligations as a full member of the Alliance questions are raised for such initiatives due to their impact in Montenegro’s society but also in country’s foreign relations. A significant number of people is opposed in NATO and maintains pro-Russian stance.



ROMANIA: January 15th,

Romania’s Prime Minister Viorica Dancila had a tense dialog with the leader of the liberal group (ALDE) in the European Parliament, Guy Verhofstadt, related to the Romanian ruling coalition’s rumored intention to promote an ordinance for amnesty and pardoning. Several other members of the European Parliament said that such an initiative would be unacceptable. Dancila said that such an ordinance does not exist on her cabinet’s agenda and that the Government only wants to protect its people against abuses, according. She also said that, despite their strong attachment to the EU, Romanians feel they are treated unfairly because their country is kept out of the Schengen area. The dispute took place after Dancila presented to the European Parliament Romania’s priorities during the EU Council Presidency, in a plenary session. Verhofstadt warned Dancila that Romania takes the EU Presidency at a critical moment, when vital legislative proposals are being discussed. He also mentioned the Article 7 procedures against Poland and Hungary. “I hope that during your Presidency there won’t be a third case, one against your Government. And I must say; you are not very far from this. You are getting nearer to Article 7 because you continue to ignore the Venice Commission’s recommendations,” the ALDE leader told Dancila. Other MEPs also urged Dancila not to ruin the EU Council Presidency by adopting measures in Romania that are against EU principles. The Romanian Prime Minister replied that she did not go to the European Parliament to be held to account and that the MEPs were misinformed about her Government’s intention to issue an ordinance on amnesty and pardoning. In a press conference after the European Parliament debate, Dancila

said that there's no risk that Article 7 is activated in Romania's case because rule of law is not in danger. (www.romania-insider.com)

- January 17th, NATO Secretary General Jens Stoltenberg has confirmed his presence at the informal meeting of Defense Ministers of EU member states, scheduled to take place in Bucharest on January 30th and 31st, 2019 Defense Minister Gabriel Les said. According to Les, the meeting, which will take place in the presence of the High Representative of the Union for Foreign Affairs and Security Policy, Federica Mogherini, will start on January 30th with a session discussing a common interest of the UN, NATO and the EU issue “*Women, Peace and Security*.” “*NATO Secretary-General Jens Stoltenberg, who has also confirmed his presence, and UN Deputy Secretary-General for Peacekeeping Operations, Jean-Pierre Lacroix, were invited to participate in the debate*,” Minister Les said. The Minister of Defense also said that on January 31st, 2019 will be held “*in-depth discussions on the state of implementation of the EU Global Strategy for Foreign and Security Policy, with emphasis on the progress made in the implementation of defense initiatives*.” “*We will also discuss ways of ensuring the consistency of various European defense initiatives from the perspective of transposing EU Council decisions and using the best tools the Union has in hand to capitalize on the potential of innovation and technological research, for the support of the Member States armed forces*,” the Minister said. Les also stated that the informal meeting of Defense Ministers of the EU Member States, which is the first ministerial event organized in Romania after taking over the Presidency of the Council of the EU, “*eyes a common reflection and an exchange of views on the consolidation of the European*

project, focusing on the security and defense issues.” (www.romaniajournal.ro)

- January 18th, the President Klaus Iohannis sent a letter to Prime Minister Viorica Dancila informing her that the proposals for appointing Lia Olguta Vasilescu as Development Minister and Mircea Draghici as Transport Minister do not fulfill all the legal conditions and he cannot decree their appointments. This is the third time Iohannis rejects the Government's nominees and the second time he rejects the same candidates. The Presidency argued that the documentation sent by the Government for the two candidates is incomplete as it does not include the candidates' criminal records. Consequently, the President said he could not verify if the candidates suffered criminal convictions in the past, which would not allow them to hold positions in the Government. Lia Olguta Vasilescu served as Labor Minister from January 2017 until November 2018, when the ruling Social Democratic Party (Partidul Social Democrat - PSD) decided to put her at the helm of the Development Ministry. (www.romania-insider.com)

COUNTRY ASSESSMENT ■ :

Political struggle between the President Klaus Iohannis and Government has been transformed into an “open battle” leading the political functionality in a deadlock. The President rejects the Government's proposals one after another leading in institutional and constitutional deadlock. Apart from that the state looks divided in major institutional issues such as national defense, justice, and security. Romania took over the Presidency of the Council of EU facing criticism and non-confidence by the EU member states' high officials. In this context, one should

add the direct European Parliament warning for activating article 7 of the EU Treaty (suspending certain rights of an EU member state when a country is considered at risk of breaching the EU's core values). It is assessed that the Romanian Government is reaching a deadlock which could overthrow it only through early elections. On the other hand, it is "unrealistic" a state holding the EU Presidency to face snap elections; It could be detrimental. One should also take into consideration that the ruling coalition has lost majority in the Chamber of deputies which makes things more complex. Iohannis strongly opposes in Government's plans to intervene in judicial system while there are specific signs that the Government works towards controlling state's justice. As a conclusion, the state faces political abnormality in many levels which at the moment could be resolved only by early parliamentary elections. Romania according to NATO strategic and operational planning has become an advanced base close to Russia. Its strategic importance and role has been upgraded and high level NATO exercises take place in its territory. Current crisis between Russia and Ukraine may affect Romania's security situation as a forward NATO base.



SERBIA: January 14th, Minister of Construction, Transport and Infrastructure Zorana Mihajlovic said she is in favor of calling early parliamentary elections. Mihajlovic said that if elections were to take place, this should happen to see if citizens support the work of the Serbian Government led by the Serbian Progressive Party (Srpska Napredna Stranka - SNS) party. *"I am always in favor of elections, it may even be good for the SNS, but I don't know if they will happen. I suppose that (SNS leader) Aleksandar*

Vucic, as someone with much more information than all of us individually, will be guided on this issue more by the interest of the state than of the party," she said. The Minister added that she *"absolutely"* did not see herself in Vucic's words that *"some people from SNS are stabbing him in the back."* Commenting on the demands for her resignation during a civil protest in Nis the Minister said that there should be dialogue with everyone who protest, but not with *"a few alleged opposition figures."* (www.b92.net)

- January 15th, President Aleksandar Vucic said he had a working lunch with the representatives of the EU and thanked member states for their support to Serbia's European road. Vucic met in Belgrade with Ambassadors and diplomatic representatives of EU member states. As he said, the meeting lasted more than two hours, and concerned *"what Serbia must do when it comes to its European path."* *"There are two things there. After the anti-civilization taxes imposed by Pristina (on goods from central Serbia) have been abolished, to continue the (Belgrade-Pristina) dialogue,"* he said, and added *"Despite the fact that this is not politically popular, nor does it appeal to our people, I said that we are ready to continue this dialogue. You know I'm not an optimist, but energy needs to be dedicated to solving this problem."* *"The second thing and what is EU's focus is the rule of law and we have received many different things that we must do in the fight against corruption and crime, freedom of the media, independence of the judiciary. Much is ahead of the Government, but also the Parliament that has to play the most important role,"* Vucic said. He added that *"all regional issues"* have also been discussed. (www.b92.net)

- January 17th, Russian President Vladimir Putin criticized Kosovo's decision to form an army after meeting Serbian President Aleksandar Vucic, who said that Belgrade had received “*significant support*” from the Russian President on the issue of Kosovo. “*Russia’s opinion is known; we agree that a mutually acceptable solution based on UN Resolution 1244 is necessary,*” Putin said after talking to Vucic. The Resolution was passed at the end of the 1998-1999 conflict between Serb forces and Kosovo's ethnic Albanian majority and regulates the mandate of the UN mission there. Vucic insisted that Serbia is ready for compromise with Kosovo, which independence Belgrade has refused to recognize since it was declared in 2008. “*We will continue to seek [compromise], but I repeat, and I told this to Putin, we will not let anyone to humiliate Serbia,*” Vucic said.



One day visit of Russian President Vladimir Putin to Belgrade

(Photo source: www.kremlin.ru)

The two Presidents reaffirmed the strong ties between Belgrade and Moscow, citing the large number of bilateral agreements signed during Putin's one day visit. The two countries reportedly signed a total of 21 agreements. It was previously announced that the agreements would concern the peaceful use of nuclear energy, digital technological development and innovation in the

electricity sector, among other topics. Putin said he expected an agreement to be signed by the end of the year on a creating free-trade zone with the Russian-led Eurasian Economic Union, EAEU, and Serbia. Before their joint press conference, Putin handed Vucic an award, the Order of Alexander Nevsky. During the Russian President's visit, thousands of citizens from different parts of Serbia gathered in front of Saint Sava Church in Belgrade to welcome the Russian leader who is popular among many Serbs. (www.balkaninsight.com)

COUNTRY ASSESSMENT :

It is assessed that Serbia has followed so far a successful diplomatic strategy regarding Kosovo achieving to be appeared in the international community as a reasonable voice seeking a compromise resolution via dialogue regarding the Kosovo case. Apart from that Serbia took in advantage that it is a member of the UN, while Kosovo it is not. In this context, Serbia pushed the UNSC for a more active role in resolution process sending a message to the EU that its dialogue process has reached a deadlock. It is estimated that Serbia seeks the engagement of Russia and China which are considered as friendly towards Serbian arguments. Security situation is complex and uncertain since Serbia apart from political and diplomatic means has engaged its military and security forces. The Armed Forces are in high readiness alert but Vucic tried to de-escalate situation by stating that war is not a possible solution. However, none could predict Serbia's reaction in a possible accidental or pre-planned (provocation included) incident in Northern Kosovo against local Serbs. One should have in mind that top state officials have said in public that Serbia will protect Kosovo Serbs by any

mean including security and military force. It is assessed that a possible Kosovo Police operation in the north or security forces deployment may provoke Serbia's security forces engagement for the protection of Serbian population; however, this scenario is not very likely. Russian President Vladimir Putin reaffirmed during his visit in Belgrade his support to Serbian stance on Kosovo issue. At the moment, Serbia looks like acting in accordance with the international law aiming at reducing tension in the region. In other words state's leadership is acting in a "reasonable" and "wise" way avoiding mistakes of the past which have isolated Serbia from the international community. Of course, under these circumstances none could speak for restarting of Belgrade – Pristina dialogue. There are certain analysts who claim that such situation will inevitably lead in Kosovo partition with the north part going to Serbia. Some of them claim that this scenario has already agreed by Vucic and Thaci. Serbian repayment will be Kosovo recognition. By expressing neutrality and maintaining equal distance from the U.S.A and Russia it moves in an environment of fragile balance.



SLOVENIA: January 16th, List of Marjan Sarec (Lista Marjana Šarca - LMS), Modern Centre Party (Stranka Modernega Centra - SMC), and Party of Alenka Bratušek (Stranka Alenke Bratušek - SAB) announced in December 2018 the attempt to form a common candidate list for the European elections, scheduled for May 26th, 2019. Whether they will succeed, it is still not clear, as the parties have entered into negotiations. According to media information LMS insists on getting the three first places of the candidate list. On the other hand, SMC has started its process to form its own candidate list.

Moreover, SMC leader Miro Cerar announced that since LMS entered the liberal European political group it is almost impossible to present a common candidate list. After the meeting of the SMC Executive Board, Miro Cerar stated that in the talks on the formation of a joint list, they expect cooperation in accordance with the current parliamentary balance of power. In SMC they believe that establishing a common list is a complex issue that can be carried out only after talks and negotiations "behind closed doors." Finally, SAB enjoying 5 seats in the Parliament and being the weaker comparing with LMS and SMC is waiting for proposals. "We are therefore waiting, responding to invitations and confirming the dates of the meetings, which are then canceled," explained SAB Secretary General Jernej Pavlic. If the other two parties will not be able to find a common language, SAB will form an independent candidate list for the European elections. According to the latest information, the LMS, SMC, and SAB party Presidents would meet at the beginning of February 2019. The first meeting on the topic of European elections was convened before the Christmas and New Year holidays, but was then repeatedly canceled. (www.dnevnik.si)

- January 18th, the National Assembly will debate the opposition-sponsored motion to impeach Prime Minister Marjan Šarec at the session starting on January 28th, 2019. Accusation against Sarec was filed by the Slovenian Democratic Party (Slovenska Demokratska Stranka - SDS), and the Slovenian National Party (Slovenska Nacionalna Stranka - SNS). According to the Speaker of the National Assembly, Dejan Zidan the session on January 28th, 2019 will be one of the most important debates due to the constitutional accusations against Sarec, although according to

the assessment of Deputy Groups, the proposal has no realistic prospects for being successful. SDS and the SNS decided to file a motion against Sarec claiming that the Government refused to follow Constitutional Court's ruling to amend the law on the organization and financing of private primary education. Both parties criticized the Prime Minister for violating Constitution and failing to amend the law properly. Sarec announced that the Government would try to implement the decision of the Constitutional Court. (www.dnevnik.si)

COUNTRY ASSESSMENT :

Slovenia enjoys a relative political stability. The Government has to address several internal social issues (increase of minimum wage, health care, pensions etc) which may test governmental cohesion. Border dispute with Croatia is still ongoing and former Government of Miro Cerar filed a lawsuit against Croatia over its refusal to implement the border arbitration. Although the Prime Minister Marjan Sarec announced that his Government will follow the same policy in the issue, he showed up with an attitude of compromise by claiming that his country will not stop Croatia's accession in the Schengen zone. The Slovenian Armed Forces face problems mainly in the field of modern equipment and manning. The med-term 2018 – 2023 defense program it could improve situation, but under current political situation it is doubtful if it will be implemented to the end.



TURKEY: January 14th, the US President Donald Trump has threatened to “devastate” Turkey's economy if it carries out a military offensive against Kurdish fighters in

Syria, drawing a response from Ankara which warned Washington against “shadowing” the country's strategic partnership with “terrorist propaganda.” Trump's threat came amid tensions between the US and Turkey over the fate of Washington's Syrian Kurdish allies in the fight against DAESH following his announcement last month that he plans to withdraw US forces from Syria. “We will attack again from existing nearby base if it reforms [DAESH]. Will devastate Turkey economically if they hit Kurds,” Trump said, while pushing for the creation of a 30km “safe zone.” “Likewise, do not want the Kurds to provoke Turkey.” Trump did not detail who would create, enforce or pay for the safe zone, or where it would be located. Ankara has long condemned Washington for its military relationship with the Kurdish People's Protection Units (YPG), its main ally in the war against DAESH in Syria for several years. Meanwhile, Turkey's Foreign Minister, Mevlut Cavusoglu said nothing could be achieved by threatening Ankara economically and strategic partners should not communicate over social media. (www.aljazeera.com)

- January 15th, Turkish President Recep Tayyip Erdogan said his country would set up a security zone in northern Syria as suggested by the US President Donald Trump as both leaders sought to ease growing tensions. Addressing his Deputies Erdogan said he held a “quite positive” telephone conversation with Trump late on Monday where he reaffirmed “a 20-mile [32-km] security zone along the Syrian border ... will be set up by us.” Erdogan said he viewed the planned security zone in Syria positively and added its range may be extended further. The President added he and Trump reached “a historic understanding” during the phone call, but Erdogan didn't elaborate. Trump confirmed the idea of establishing a zone

around the border in social media earlier, referring to the proposed area as a “safe zone.” The phone conversation came amid heated discussions about a US decision to withdraw forces from Syria and rising tensions over the fate of the US-allied Kurdish fighters in the war-torn country. Ankara considers the Kurdish People's Protection Units (YPG) and its political wing - the Kurdish Democratic Union Party (PYD) - to be “terrorist groups” with ties to the banned Kurdistan Workers' Party (PKK) in Turkey. For weeks, it has vowed to carry out military operations against the YPG and has condemned the US for its military relationship with the armed group. The Trump administration has defended its YPG alliance and made the Kurdish fighters' safety a pre-condition to the US troop withdrawal. Turkey's state-run Anadolu Agency reported during the phone conversation the two leaders also discussed the need to complete a security plan for Syria's border town of Manbij to prevent a power vacuum once US forces pullout. (www.aljazeera.com)

- January 17th, a U.S. delegation and Turkish officials have discussed a 3.5 billion dollars sale of the Patriot missile and air defense systems and its technical aspects in a recent visit, dwelling on compatibility of the U.S.-made F-35 fighter jets and Russian-made S-400 defense system. During the visit in Ankara, the U.S. delegation informed their Turkish counterparts about the capabilities of the Patriot system, reiterating U.S. fears of Ankara's purchase of S-400s and its effects on F-35 fighter jets. In response to the delegation's concerns, the Turkish side assured them that the S-400 will be based on domestic software. The delegation underscored that the S-400 systems may obtain certain confidential information on the jets including the detection range and the

operation mode. As an answer to the U.S. delegation's concerns, Turkish officials assured the delegation the S-400 will be based on domestic software and will operate with its unique radar, detection and surveillance systems. Ankara also discussed the provision of credits, technology transfer and joint production possibilities for the purchase of the Patriot missiles during the meeting. In relation to the issue, Foreign Minister Mevlut Cavusoglu yesterday emphasized that Turkey needs both the S-400 and Patriot systems, but technical delegations have a lot to talk about. The U.S. delegation has visited Turkey twice so far to negotiate the sale of the Patriot missile and air defense systems. The system includes 80 Patriot missiles and 60 other missiles along with radar sets, engagement control stations and launching stations. The talks between the delegations are expected to continue with the expectation of a decrease in the price down to 2.5 billion dollars. Presidential Spokesperson Ibrahim Kalin said Tuesday that there is no relation between the purchase of the S-400s and the Patriots, adding that Ankara will not accept preconditions that stipulate the annulment of the S-400 purchase. (www.dailysabah.com)

COUNTRY ASSESSMENT ■ :

Turkey faces several restrictions in freedom of expression and human rights. Elected MPs and journalists are in custody or convicted by the state Courts. Local and international observers claim the country moves towards an authoritarian regime with thousands of citizens being persecuted. Turkish – U.S relations have strongly been harmed forcing Ankara to approach new allies such as Russia. Although Turkey re-examines its relations with the EU in an effort to avoid international and regional isolation, the EU

sends messages of terminating the EU – Turkey accession talks. Turkish Armed Forces have been engaged in military operations against Kurds and PKK in Northern Iraq and against YPG Kurds in Syria as well. The U.S reconsiders its unconditional withdrawal from Syria after domestic and international critics. Protection of Syrian Kurds and YPG forces is a priority for the U.S troops which will remain in Syria as long as it is necessary. In this context, dialogue between Turkey and the U.S is ongoing aiming at reaching a common point of understanding. Although Erdogan announced that Turkey will not conduct a new military operation against Syrian Kurds, it reinforces its military presence in the area. New forces appeared in the Turkish – Syrian borders conducting military drills. The General Staff has already presented not only an operational plan for an imminent operation in Syrian Manbij, but also a plan for establishing a “safe zone” in Syrian border under Turkish control. At the moment, Turkey is engaged in military operations in the territory of two other countries, it threatens to start a new operation in Syria, maintains a significant military force in North Cyprus, and threatens a NATO ally – Greece – with an armed conflict. Apart from the use or the threat of use of direct armed violence Turkey participates actively in diplomatic processes in the region (Syria negotiations, Nagorno-Karabakh conflict, Cyprus question, Qatar crisis etc). The state demonstrates decisively its leading role in the wider region of the Middle East, Southeast Europe, and Southeast Mediterranean. Announcement of a huge navy drill in the Aegean and Mediterranean Sea may raise tension with Cyprus and Greece. Kurdish question is a major security threat for Turkey affecting stability, peace and even unity of the state. Regarding Turkish interests in East Mediterranean Sea it

seems that they are reaching a critical point since Cypriots have already started hydrocarbon drills in their Exclusive Economic Zone via the US energy giant ExxonMobil. Is Turkey ready to move from rhetoric to action? It is rather difficult to see a direct harassment against the drill ship but none could exclude a “hot” incident in the Aegean Sea. The Turkish President and high state’s officials express Turkey’s determination to protect its interests no matter what. It seems that strengthened multilateral cooperation between Greece, Israel, Cyprus and Greece, Cyprus, and Egypt raises its concerns of regional isolation in a region (Eastern Mediterranean Sea) where Turkey considers it as a preferential field of action.

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NOTE

-  Stable situation. No security risk
-  Rather stable situation. Security risk is monitored
-  Major concerns over stability and security. significant security risk in specific regions
-  Imminent major incidents regarding stability and security. High security risk
-  Evolving or ongoing crisis or violent/armed conflict