

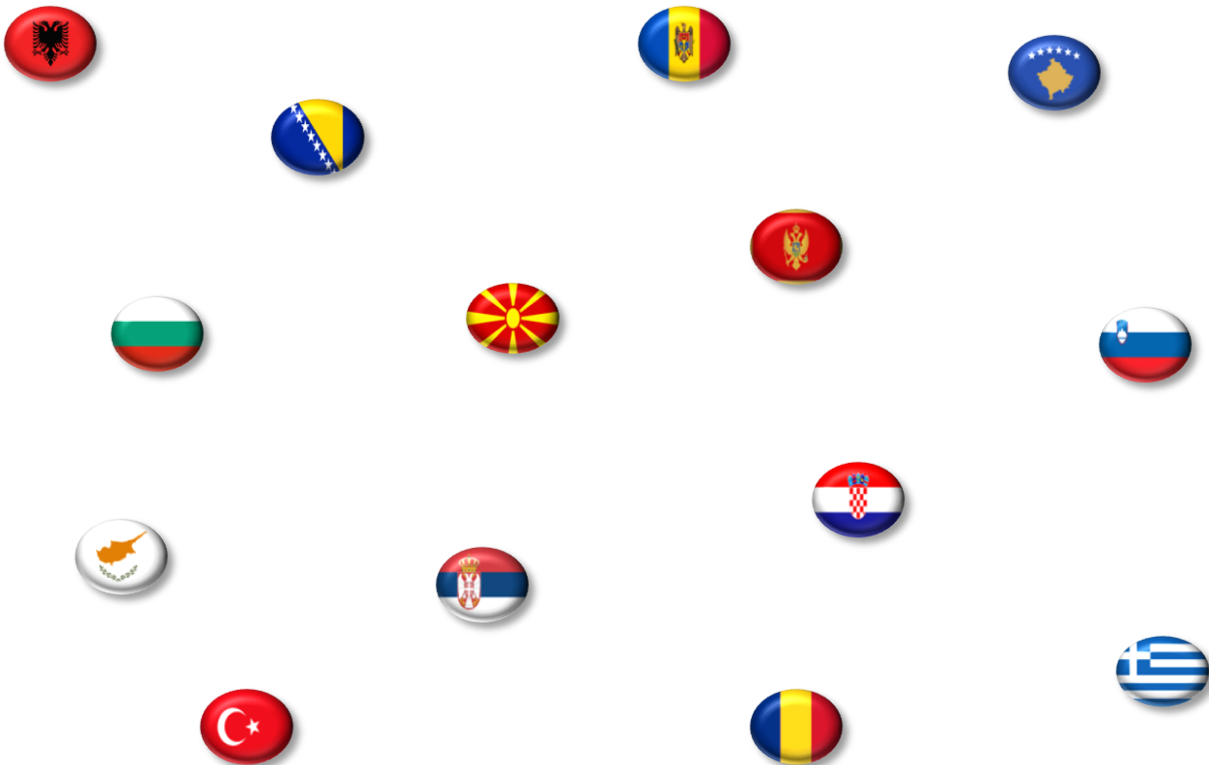
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**Hermes Institute of
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SOUTHEASTERN EUROPE

AT A GLANCE



SOUTHEAST EUROPE DIRECTORATE

“SOUTHEASTERN EUROPE AT A GLANCE” (ISSN: 2654-0304) 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, Greece, Kosovo, Moldova, Montenegro, North Macedonia, 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: August 29th, two TV shows known for their critical coverage of Prime Minister Edi Rama will not be broadcast next season, fuelling concerns about diminishing media freedoms in Albania. The two shows, “*The Unexposed Ones*” and “*Krasta/A Show*”, which were both aired by the News 24 channel and were known for criticizing Rama, will not be broadcast in the new TV season starting in September, sparking allegations that Government pressure was behind their cancellation. However, Irfan Hysenbelliu, the owner of News 24, a local station based in Tirana, denied he was pressured by the Government, while Rama’s office called the allegations “*fake news*.” “*The Unexposed Ones*” was a show hosted by Ylli Rakipi, who alleged that the cancellation was result of direct Government pressure on the owner. “*The show was closed due to the pressure. There has been always pressure directly by Edi Rama to close down the show,*” Rakipi told Balkan Investigative Reporting Network (BIRN). Rakipi’s show exposed last December a major fraud in which a company won a contract for public works using falsified documents, presenting itself as a major US contractor. Following the report, the Government acknowledged that the company was indeed a fake one, while Prosecutors started a formal investigation. However, nine months later, no one has been arrested or faced charges. Since then, Rama had filled two defamation suits against Rakipi, claiming his reputation was damaged by derogatory language used by the TV host in some of his shows. “*Krasta/A Show*,” which was hosted by Adi Krasta, also known for criticizing the Government, will be cancelled in September. Krasta declined BIRN’s request for a

comment. Hysenbelliu said his decision to cancel the shows was because he was conducting an “*internal reform*.” “*Nobody has dared to pressure me, not this Government, nor the previous one,*” he said. Rama’s press office described the allegations of pressure on News 24 to drop the critical shows as a “*wave of defamations*,” and warned that it could sue over the claims. News 24 is a small channel with about 7.5% of the free-to-air television market measured by revenue. The market is dominated by Top Channel and TV Klan, who jointly control 64% of the revenue, and are seen as in favor to the Government. Rama has been criticized for exerting pressure on media in various ways, from using derogatory language against critical journalists to issuing threats of lawsuits and pushing for laws that aim to curb freedom of speech. In January this year, Rama slammed US Congress-funded Voice of America as “*garbage*” after an investigation into alleged political hiring in the prison system. In June, he threatened German newspaper Bild with lawsuits following the publication of a series of intercepted conversations showing the collusion of Rama’s Socialist Party with various criminal gangs for the purpose of election rigging, vote-buying and putting pressure on voters. More recently, Rama has been criticized by Albanian and international rights organizations for attempting to create a media censorship system through proposed changes in the country’s audio-visual media laws. (www.balkaninsigt.com)

- August 30th, with the beginning of the new parliamentary session opposition will discuss a new strategy on how it will proceed with protests which aim to remove the Government. According to Albaniandailynews.com, a meeting is planned

to be realized soon among all parties in opposition to force majority to accept free and fair elections by a transitional Government, without current Prime Minister Edi Rama as one. In this respect, Chairman of Environmentalist Agrarian Party (Partia Agrare Ambientaliste – PAA), Agron Duka and Chairman of Republican Party (Partia Republikane e Shqipërisë – PR), Fatmir Mediu claim that opposition is not divided. Regardless, they still have different points of view, considering that Duka supports the principle that opposition should not run in the elections with Edi Rama as Prime Minister, while Mediu is in favor of indirect negotiations between Rama and Democratic Party of Albania (Partia Demokratike e Shqipërisë – PD) leader Lulzim Basha. On the other hand, both Duka and Mediu think that popular opposition protests should be accompanied by approaching citizens in order to promote opposition's governance alternative. (www.albaniandailynews.com)

- August 30th, in an interview for the Italian newspaper Il Giornale, Albanian President Ilir Meta said once more that June 30th, 2019 local elections were anti-constitutional and illegal, and that only the currently dysfunctional Constitutional Court could cancel out his decree to postpone them for October 13th, 2019. *“The June elections were neither constitutional legal, nor legitimate; only the Constitutional Court can challenge the President's decree. It is unfortunate that to date the activity of the Court has been suspended at Rama's will. To understand the irregularity of these elections, it is enough to think of the fact that in all 61 municipalities where the elections were held, the Socialists won because they had no opponent, as under the*

communist regime,” Meta said. He added that if he had not postponed the local elections date by decree a clash between the country's two opposing political sides would have been inevitable. *“Let me tell you more; not only has the Prime Minister's party elected all Mayors, but also all members of city councils, including the city of Tirana. The turnout was announced after more than twenty days and was officially 23%, but was actually lower,”* Meta told the newspaper. He also spoke about the German weekly BILD newspaper, which a few weeks before the June 30th, 2019 elections published a series of wiretaps for Socialist Party politicians, Police officials and elements of organized crime, indicating that many deals were the result of an exchange of votes, revealing a worrying corruption system. *“I believe that our membership in the European Union is needed, although the progress made to date is not very encouraging. What concerns me the most is the high rate of youth emigration; it is necessary to create future prospects for young people who decide to leave Albania. Tens of thousands of people leave our country every year, and if we continue to do so, we will face depopulation that resembles that of the 1990s, after the fall of communism,”* Meta concluded. (www.tiranatimes.tv)

COUNTRY ASSESSMENT :

Political crisis not only remains active in Albania, but is escalated due to “criminalization” of internal politics. Opposition reassesses its strategy with the aim to topple the Government. In this context, there are opposition voices which promote negotiations with Rama in order a mutual accepted agreement to be reached.

However, under these circumstances it is rather impossible to see an approach between the ruling PS and opposition which would lead in reducing political tension. As long as opposition PD refuses to join local election (PS as well) scheduled for October 13th, 2019 by the President Ilir Meta it could be assessed that the whole procedure would be a fiasco which will be reflected directly to Meta. To conclude, the country has entered in an endless crisis undermining its democratic function according to the European values and standards. In other words, Albania is under a political and constitutional chaos. Such situation strongly affected Albania's EU perspective. Combination of political instability, ties between politics and organized crime, and corruption made the EU to postpone the opening of accession negotiations for Albania for the near future. According to the Enlargement Commissioner, situation will be re-examined by October 2019, but is rather in question if the country will get a positive answer. Rama's Government collapse and snap elections is a possible scenario, especially after opposition has started to reveal evident for criminal activity of Socialist political executives. 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. Albania monitors Kosovo – Serbia negotiations and definitely has a role as a "mother nation." The state maintains its leading role in the Albanian

world providing guarantees and support to Albanian population in the region namely Kosovo, Serbia, Montenegro, and North Macedonia. In this context, the Albanian Prime Minister and his Government work on promoting Kosovo interests in international community using any forum they have access.



BOSNIA & HERZEGOVINA:

August 26th, Serbia's Defense Minister Aleksandar Vulin made an "aggressive attack on sovereignty and territorial integrity of Bosnia and Herzegovina" by saying that Republika Srpska (RS), Bosnia's Serb-dominated entity, "might not have an Army but that the Serb people do," the Party of Democratic Action (Stranka Demokratske Akcije - SDA), said. "Vulin would obviously like to say that the Army of the Republic of Serbia is also the Army of Serbs in Bosnia and Herzegovina, intentionally ignoring the fact that the state and not people have Armies," the party said, stressing that the Armed Forces of Bosnia and Herzegovina are a military force of all people in the country, including Serbs. Such words might threaten the stability of the entire region, the SDA stressed. Speaking at a traditional cultural event on Sunday, dedicated to Bosnia-born Serb author Petar Kocic, Vulin said that Republika Srpska might not have an Army but that the Serb people do. "You cannot have the national issue of Albanians solved without solving the national issue of Serbs," said Vulin. Milorad Dodik, a hardline Bosnian Serb leader who has been advocating for years the Serb region's secession and its merging with Serbia, said the border between the two countries is unnatural. "Nobody has ever managed to create the border with

Serbia, not even the one on the Drina river which is formal but we do not see it. Every time I pass it I feel discomfort because it is there. I will keep on dreaming the dream of all of you that this border will not exist one day,” Dodik said addressing the gathering, held near the northwestern city of Banja Luka, the administrative seat of RS institutions. (www.ba.n1info.com)

- August 27th, the extraordinary session of the Presidency of Bosnia and Herzegovina (BiH) in which it was included the vote on the appointment of Zoran Tegeltija as the Chairman of the new Council of Ministers of BiH, has been canceled.



Members of the BiH tripartite Presidency, Sefik Dzaferovic (Bosnian Muslim), Zeljko Komsic (Bosnian Croat), and Milorad Dodik (Bosnian Serb)

(Photo source: www.predsjednistvobih.ba)

“Milorad Dodik withdrew his request to hold the session and said he would no longer address it,” BiH Presidency Chairman Zeljko Komsic told reporters in Sarajevo. The extraordinary session was scheduled at Dodik’s request and he previously stated that members of the Presidency reached an oral agreement on the 37th extraordinary session of the Presidency with the item *“Appointment of the Chair of the Council of Ministers”* at the session held on August 20th,

2019. Dodik also recalled the Principles for Formation of Government, signed by Dodik, and leaders of the Party of Democratic Action (Stranka Demokratske Akcije - SDA) and Croat Democratic Union (HDZ BiH), Bakir Izetbegovic and Dragan Covic on August 5th, 2019 claiming that they set a precise deadline of 30 days for Government formation. The reason why it will not be voted for Tegeltija is still unknown, and according to unofficial information, Dodik will no longer apply for his nomination. (www.sarajevotimes.com)

- August 28th, as long as developments in Bosnia are unpredictable, the European Union's military deployment (EUFOR) has to continue its presence there, Operation Commander of EUFOR Operation *“Althea”* Lieutenant General Olivier Rittmann said during his visit to Bosnia and Herzegovina and its institutions. *“EUFOR has to continue its work as a physical and psychological presence, a visible assurance of the European Union’s commitment to peace and stability of the Western Balkans,”* a press release by EUFOR HQ quoted Rittman as saying. *“It is not a sprint that we are running, but a marathon,”* he added. EUFOR's Operation *“Althea”* was introduced in 2004 as a successor of the NATO's SFOR and IFOR peacekeeping missions in Bosnia, in charge of overseeing the military implementation of the Dayton Peace Agreement (DPA), a treaty that ended the 1992-95 Bosnian war and that contains the country's Constitution. The civilian part of the peace treaty's implementation is overseen by the Office of the High Representative, a top foreign authority in Bosnia with powers to impose laws and decisions. (www.ba.n1info.com)

COUNTRY ASSESSMENT :

Political instability and uncertainty continues in Bosnia despite latest encouraging political developments regarding Government's formation. A Government has not been established since October 7th, 2018 general elections extending a political deadlock. 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) have reached an agreement on August 5th, 2019 in forming a Government within 30 days, have failed to do so. A strong dispute has broken out if this agreement precedes progress on Bosnia's NATO membership. In specific, the agreement is rather vague regarding Bosnia's relationship with NATO. Bosnian Serbs refuse any progress in the NATO accession process, namely to submit the Annual National Program (ANP) to NATO. The other two parts; Bosnian Muslims and Croats seek to move forward the whole procedure having the goal to join the Alliance. Time is running out and there are little chances for a successful outcome, namely the establishment of a Government. The EU increase diplomatic pressure towards the three parties to finally form a Government and a positive "surprise" is still an option. Country faces several functional and institutional problems. Consequently political fragility maintains permanent uncertainty and institutional mistrust blocking any attempt for economic growth and major reforms. Croatia and Serbia keep on intervening in Bosnia's internal affairs destabilizing the state. 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 North Macedonia would join the Alliance within 2019. These two countries (Serbia and Bosnia) are the only "vehicles" for Russia to maintain a narrow influence in Southeastern Europe. Apart from external influence and intervention the country has to confront several internal "threats" which undermine its sovereignty, cohesion, and viability. EU path is too far for Bosnia and only for geopolitical interests it could have chances entering the EU. Bosnia faces a significant problem of illegal migration which may lead in new disputes between state's ethnicities. Saudi Arabia, Iran, Turkey, and other Muslim countries approach the country mainly through "investments" and/or funding ethnic or religious groups according to their interests.



BULGARIA: August 27th, the Prime Minister and Citizens for European Development of Bulgaria (Граждани за европейско развитие на България - GERB) leader Boyko Borissov signed a pre-election agreement for general participation in the local elections with the Union of Democratic Forces (Sayuz na Demokratichnite Sili - SDS). This happened at the GERB headquarters at an event for which no media was invited. The signing of the agreement took place in the presence of Sofia Mayor Yordanka Fandakova. Borisov predicts "mean" elections in the capital. According to Fandakova, the union of the new and the old right political wing is not only necessary but also very important. The agreement is not central and national, said UDF leader Rumen Hristov,

expressing hopes together with GERB to reach an agreement for the large municipalities in Bulgaria, which are also significant such as Sofia, Plovdiv, Varna, Burgas and Stara Zagora. *“The right political wing governs better and must continue to govern not only Bulgaria but also the municipalities,”* Hristov said. (www.novinite.com)

- August 28th, the extremely good security co-operation between the UK and Bulgaria was the main topic of a phone conversation between British Prime Minister Boris Johnson and his Bulgarian counterpart Boiko Borissov, the Government information service in Sofia announced. The conversation, held at the request of Johnson, focused on the large number of successful joint operations in the fight against crime and drug trafficking. We must continue to work in these areas, Borissov said, according to the Government statement. He said that another important area of co-operation that needs to be strengthened is education. The two Prime Ministers also agreed on the importance of protecting Europe’s external borders, the statement said. On the topic of Brexit, Borissov said that Bulgaria would do everything possible for a deal to be reached, which, he said, would be good for everyone. Borissov noted that there are many Bulgarian citizens living in the United Kingdom and many UK citizens living in Bulgaria. This, in his words, enriches the two societies. (www.balkaneu.com)

- August 29th, Bulgaria has sent the first of a total of eight Soviet-era Su-25 fighter jets to Belarus for overhauling and retrofitting, according to a statement by the Defense Ministry in Sofia. The Su-25 was dismantled and loaded on to an Il-76

transport aircraft on August 28th, 2019. Transportation to the 558th Aircraft Repair Plant in Baranovichi, Belarus, was successful, the Defense Ministry added. The repair of the eight aircraft is expected to cost about 50 million euro without VAT. The Bulgarian Air Force has 14 Su-25s. Defense Minister Krassimir Karakachanov has said that he wants to have at least 10 overhauled jets by the end of the current Government’s term in office. (www.sofiaglobe.com)

COUNTRY ASSESSMENT :

Although the minor partner of the ruling coalition, the United Patriots, faces “structural” problems, the Government is stable. Corruption and organized crime remain significant obstacles for the country’s development 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. The latest report on defense situation confirmed the major problems the Bulgarian Armed Forces are facing. Security situation stable; no major threats.



CROATIA: August 28th, recent statements by the Independent Democratic Serb Party (Samostalna Demokratska Srpska Stranka - SDSS) leader and MP Milorad Pupovac that Croatia had become a factor of instability in the region were labeled by Prime Minister Andrej Plenkovic on Tuesday as *“inappropriate and unacceptable.”* In a recent interview, which came

after a series of attacks on ethnic Serbs in Croatia, Pupovac said that Croatia had become a “*factor of instability*” in the region because of attempts to “*promote intolerance and to rehabilitate the World War II Ustasha regime.*” On Tuesday, Plenkovic called on Pupovac - whose party supports the ruling coalition - to avoid contributing to the “*polarization of society.*” “*We consider them extremely inappropriate, even unacceptable the statements by our coalition partner that would point to the conclusion that Croatia is a factor of instability in Southeast Europe and that present-day Croatia should be compared with the NDH (WWII Nazi-styled Independent State of Croatia) regime. We consider that to be absolutely untrue and this should be said clearly and I resolutely reject that,*” Plenkovic told reporters after a meeting of the ruling Croatian Democratic Union (Hrvatska Demokratska Zajednica – HDZ) leadership. He again strongly condemned last week attacks on Serbs and said he expected the Police to prosecute the perpetrators. He added that the policy of the Government and HDZ is to create a country in which all minorities will feel good and safe, including the Serb minority. Plenkovic underlined a polarization of society occurred in 2015-16, boiling down to “*us or them,*” and that he had insisted that ethnic minorities and their representatives be part of the parliamentary majority. Plenkovic said he would talk with Pupovac and that, at today's meeting, HDZ did not discuss the possibility of dissolving the coalition with SDSS. (www.hr.n1info.com)

- August 29th, the Government formally announced today that Unions had collected enough signatures to trigger a referendum on

limiting the retirement age to 65. According to the Government's count, Unions collected 706,568 valid signatures, nearly twice the number needed to force a referendum. The Government has forwarded its report to lawmakers, who will now either call the referendum or ask the Constitutional Court to review whether the referendum question is constitutional. Labor Minister Josip Aladrovic said he still expects to discuss the referendum with Unions. However, when asked if current legislation could be amended to avoid a referendum, Aladrovic declined to answer and said “*the ball is in Parliament's court, where one of the options is a constitutional review.*” Union leader Kresimir Sever said it is possible that the Constitutional Court could shoot down the referendum question. Opposition MPs, like Bozo Petrov of Bridge of Independent Lists (Most Nezavisnih Lista - Most), said the Government must not hesitate on this issue. Croatia's leading Trade Unions said in May they had collected enough signatures to trigger a vote aimed at reversing the country's retirement age to 65 from a planned gradual shift to 67, under legislation that came into effect this year. (www.glashrvatske.hrt.hr)

- August 29th, four companies - INA, Crodux Derivati Dva, Vermilion Zagreb Exploration, and the Hungarian company called Aspect Croatia - were on Thursday awarded permits for hydrocarbon exploration and exploitation at six locations in northwestern and central parts of the country. Thus, the Government issued two permits to INA for two locations, and two permits to Crodux, while the other two companies were given one permit each. In late October 2018, the Government invited applications for seven sites,

and offers have been sent for all but one location. Energy and Environment Protection Minister Tomislav Coric today expressed satisfaction with the fact that everything had passed smoothly to date. According to the Minister, locations are believed to have 25 exploitation wells. (www.hr.n1info.com)

COUNTRY ASSESSMENT :

The country enjoys political stability and support from EU towards its Eurozone goal. Croatia implements a hard-line foreign policy with its neighboring countries maintaining open disputes with Bosnia, Slovenia, and Serbia. However, a series of violent and verbal attacks against Croat Serbs raises questions over smooth coexistence of ethnic communities in Croatia. It should be noted that state institutions act decisively in resolving these cases sending a strong message that such attacks are not tolerated in Croatian society. Unofficial sources claim that the country has fulfilled all Schengen zone criteria and it is a matter of time (during September 2019) to officially announced. However, the matter may become a new field of confrontation with Slovenia due to the Piran Bay border dispute. In this context, the Croatian Foreign Ministry called Slovenia for talks in order a mutual accepted to be reached. It is a question if Slovenia will block Croatia's entrance in the 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: August 28th, Cyprus is one of the eight countries in Europe totally dependent on oil imports for its consumption, according to a new Eurostat report. In 2017 the EU relied on net imports for 87% of its oil consumption. This ratio, known as the oil import dependency rate, is unchanged from 2016 and two percentage points below the peak of 89% recorded in 2015. Dependency rates above 100% indicate a build-up of oil stocks, while negative dependency rates indicate a net exporting country. The EU Member State with the highest oil import dependency rate in 2017 was Estonia (115%). At the other end of the scale, the dependency rate for the UK was 35% and minus 4% for Denmark. Cyprus, with 101%, is in the group of eight countries with dependency levels of 100% and more. A further 11 member states are between 96% and 99% dependent on oil imports. (www.cyprus-mail.com)

- August 29th, EU Defense Ministers discussed ways to coordinate the deployment of naval forces in “areas of interest” during an informal meeting in Helsinki, Defense Minister Savvas Angelides said, supporting the idea of including the Eastern Mediterranean due to energy programs and Turkish activities in the island’s Exclusive Economic Zone (EEZ). Speaking to CNA, Angelides said the discussion to coordinate EU naval forces is at an early stage and aims at promoting security and stability in certain regions of the Union. Preparatory discussions are already underway at the Council’s working groups. In his intervention, Angelides asked his counterparts to agree to specific criteria in order to designate “areas of interests” where the presence of EU

navy would be justified. He said that he argued in favor of including the Eastern Mediterranean, by making reference to Cyprus' EEZ and the ongoing development of hydrocarbon resources. Resources in the Eastern Mediterranean would provide an alternative energy source for the EU, thus the matter is of immediate concern for the Union. He also briefed his counterparts on Ankara's illegal activities in the region. On the sidelines of the meeting, Angelides together with his counterparts from France, Florence Parly, and Belgium, Didier Reynders, signed a Letter of Intent concerning the development of BLOS (Beyond Line of Sight Land Battlefield Missile System). Angelides said the signing of the Letter of Intent aimed at further developing this system, in the framework of PESCO, the EU's defense program. According to PESCO website, the project aims at developing an EU new generation medium range BLOS Land Battlefield missile systems family. The output is intended to be integrated on an extensive variety of platforms (ground-to-ground and air-to-ground) and to provide integrated and autonomous target designation capability. The project includes joint training and formation aspects, while a dedicated "users' club" is envisioned, to develop a common European doctrine on BLOS firing. (www.cyprus-mail.com)

- August 30th, Turkey has issued a new navigational warning (NAVTEX) reserving a sea area off the island's western coast for gas exploration until November 1st, 2019. Essentially, it is the same area, 36 nautical miles west of Akamas, where its drillship, Fatih, has been carrying out drilling since May 3rd, 2019. The previous NAVTEX expires on September 3rd,

2019. Ankara says that areas Cyprus claims encroach on its own continental shelf and that in other cases Turkish Cypriots are entitled to a share of the resources. It has dispatched two drill vessels to conduct operations east and west of Cyprus. The move prompted the EU to suspend talks with Turkey on a comprehensive air transport agreement and to freeze any high-level dialogue with Turkey. Government spokesman Prodromos Prodromou said Turkey continued its illegal interventions, which did not help in resolving the Cyprus problem. "*We hope Turkey will appear willing to negotiate a solution for all Cypriots and this means ceasing the policy of tension,*" he said adding that "*Turkey should not delude itself; this is not the way to participate in eastern Mediterranean energy equation.*" (www.cyprus-mail.com)

COUNTRY ASSESSMENT :

Cyprus has reached a deadlock in the ongoing crisis with Turkish invasion of drillship Fatih (while the second one Yavuz has also started drilling activity off Karpasia, according to Turkey) within its EEZ. Fatih is there for almost four months, while Turkish administration declares that offshore drilling will continue until an agreement between Greek Cypriot and Turkish Cypriot communities will be reached regarding exploration and exploitation of natural gas. In this context, Turkey issued a new NAVTEX until November 3rd, 2019 showing that it intends to maintain tension in coming autumn. Turkey's objective goal is to force (by the presence and activity of drill ships) Cyprus to compromise reaching an agreement with the occupied north part. Despite international calls to Turkey for

abandoning its plans of violating the Cypriot EEZ and its sovereign rights, Turkish actions remain “unanswered.” Not only that, but Turkey seeks to escalate tension by sending a fourth research vessel; the “Oruc Reis”. With four research vessels in the region and Turkish navy ships protecting them autumn is expected to be “hot”. Cyprus is trapped failing to act decisively and effectively for protecting its sovereignty. Actually, Cyprus is trapped because it does not have a mechanism of power (military, diplomatic, economic etc) to force Turkey to withdraw its ships. Cyprus lacks of naval and air forces which could deter Turkey of violating Cypriot sovereign rights, while Greece appears reluctant in sending naval units in the region showing presence and exercising deterrence. The EU prepared a draft with sanctions against Turkey but the latter rejected them claiming that it will continue its activity. Turkish message is very clear; we are present in Cyprus, we are present in the energy “game” and nothing works leaving Turkey aside. In other words, energy security includes Turkey; otherwise eastern Mediterranean is not a stable and secure sea. It is rather strange that Anastasiades promotes restart of negotiations with the Cypriot Turkish side, while Turkey violates the state’s sovereignty. It seems that there is somekind of “external” pressure for moving forward towards the Cypriot question resolution and consequently the island’s energy resources. Biocommunal, biozonal federation is a base for talks regarding Cyprus status. Despite current situation, Cyprus works systematically in order to become a major part of the East Mediterranean energy hub. It is favored not only by its natural gas deposits, but also by its strategic position in the “heart” of East Mediterranean Sea and of

course of being an EU member state. The strategy of multilateral cooperation seems to be fruitful. Turkey looks like being isolated from the energy game and its current aggressive reaction is attributed to this situation. It is certain that Turkey will not accept “fait accompli” in a region considered as part of its strategic interests. 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. A “hot” incident cannot be excluded during autumn.



GREECE: August 26th, in a speech in Parliament, Greek Prime Minister Kyriakos Mitsotakis announced the full lifting of capital controls, introduced in June 2015 to protect Greek banks amid a political crisis. Describing the closure of Greek banks in 2015 as “catastrophic,” Mitsotakis declared that, “*Capital controls are from today a thing of the past.*” Snap general elections in July 2019 that brought his center-right New Democracy (Νέα Δημοκρατία – ND) to power “*have restored faith in Greek economy and banking system,*” he said, adding that, “*at last, a four-year cycle of insecurity comes to an end.*” Finance Minister Christos Staikouras is to submit an amendment in Parliament later in the day, lifting the final restrictions. The changes are to come into effect on September 1st, 2019 he said. Earlier in the day, officials of the Finance Ministry had convened with members of the country's banks and the Capital Markets Commission. Bank of Greece Governor Yannis Stournaras had recommended in July that the final restrictions be lifted after observing a continuing

increase in bank deposits. One of the key aims of the abolition of all restrictions is Greece's upgrading by credit agencies, a move that will boost investor interest in Greece. (www.ekathimerini.com)

- August 29th, Greece wants to draw up a major investment program with Germany, especially focused on climate protection, Prime Minister Kyriakos Mitsotakis said on Thursday during a visit to Berlin. *"We want, together with the (German) Chancellor to present an ambitious program on climate protection in the next few years,"* Mitsotakis said at a news conference with Germany's Angela Merkel, via an interpreter. He said this would include investment in electric mobility. In a separate question, he also said that a settlement of a Greek reparations claim against Germany over Nazi occupation of the country could tighten relations. Calling it a difficult and *"sensitive"* issue for Greeks, Mitsotakis said he hoped that *"this chapter could someday close."* Greece sent a diplomatic note to Germany earlier this year urging it to discuss Athens's claim for war reparations. *"We look forward to a positive response and I am convinced that a final settlement of this issue would be exceptionally useful for the further strengthening of relations between our two peoples,"* he added. German Chancellor Angela Merkel said she believes that the implementation of Greece's commitments as part of its enhanced supervision would now be easier. *"The climate has improved. We talked about the economic policy of the Prime Minister who presented it to me and we also talked about our bilateral relations which can be further improved,"* she said during a joint press conference with visiting Greek Premier Kyriakos

Mitsotakis in Berlin. *"I believe Greece's commitments will now be easier, as 50 percent of the economy is psychology,"* she added. The two sides also discussed migration, with Merkel pointing out that both countries agree that the EU-Turkey statement has to be implemented. (www.ekathimerini.com)

- August 31st, responding to a spike in migrant arrivals from neighboring Turkey, the Government's Council for Foreign Affairs and Defense (KYSEA) has decided on seven measures to ease pressure on the Aegean islands and curb the influx. Saturday's session was called after more than 500 migrants reached Lesbos on Thursday – the largest mass arrivals since the peak of Europe's refugee crisis in early 2016. Following the meeting chaired by Prime Minister Kyriakos Mitsotakis, Government Spokesman Stelios Petsas said that the gradual increase in migration flows in recent months necessitates a *"new, robust policy."* The measures decided include the transfer of migrants from cramped camps on the islands to facilities on the mainland, the immediate relocation of 116 unaccompanied minors from the islands ahead of their reunification with relatives in other EU countries, and the transfer of another 250 minors to the mainland in the coming weeks. Additionally, authorities are to boost the monitoring of Greece's borders, with the help of the EU's FRONTEX border agency and NATO. There are also plans to change the institutional framework for the issuing of asylum with the abolition of reviews of rejected applications. There is also an increase in Police patrols to locate migrants whose asylum applications were rejected, but are still in the country. The efforts of the Coast Guard in the

Aegean will be bolstered with the procurement of 10 speedboats that will be dispatched to intercept suspected smuggling vessels heading towards Greece from neighboring Turkey. Finally, additional support will be provided to local authorities that are bearing the brunt of hosting undocumented migrants, in particular on the islands. The spike in arrivals has further strained ties between Athens and Ankara. On Friday, Foreign Minister Nikos Dendias summoned Turkey's Ambassador to Athens and urged the neighboring country to honor a deal for migrant returns signed with the EU in March 2016. Athens views Ankara's stance as an attempt to exert pressure on the EU for more funding to tackle the refugee crisis and a milder stance opposite Turkey vis-a-vis its drilling for oil in the Eastern Mediterranean. (www.ekathimerini.com)

COUNTRY ASSESSMENT :

Greece enjoys political stability and Prime Minister Kyriakos Mitsotakis paid an important visit to Germany where he met the Chancellor Angela Merkel presenting his economic program and state's reforms. Political stability and governmental productive work (several draft laws regarding tax relief, facilitating of investments, and public security have been submitted to the Parliament) create an encouraging climate for further improvement of Greek economy. Massive arrival of more than 500 migrants from Turkey raises concerns for increase of refugee flows. The Government announced a series of measures with the aim to relief the eastern Aegean islands which are the entrance points (Lesvos, Samos, Chios) and to strengthen border surveillance. Control of migrant flows by Turkey is a critical point for

Greek national security and consequently EU's security. Greek – Turkish relations are in a critical point due to Turkey's decision to violate Cypriot Exclusive Economic Zone (EEZ) aiming at conducting oil and gas drills. Moreover, Turkey maintains a hard rhetoric against Greece regarding its territorial and maritime sovereign rights. Greece is concerned due to Turkish intention to search for hydrocarbons within its EEZ near to Kastelorizo region. The critical question is "how Greece would react if a Turkish drillship would appear in its territorial waters." It should be noted that situation may be escalated rapidly especially after the end of the touristic season (end of September – mid October). Moreover, a crisis to Cyprus means a crisis to Greece forcing Armed Forces to deploy military, naval, and air units. Taking into consideration that Cyprus lacks of naval and air power it is Greece which will support the small and vulnerable island located in the East Mediterranean heart. Turkish fighter jets keep on violating Greek airspace massively. Strengthening of military cooperation between Greece and the US upgrades Greece's strategic role in Eastern Mediterranean and Middle East as a western (US, EU, NATO) forward military base. Greece seeks to modernize its Armed Forces by receiving US military aid. It is a fact that Greek military force has been affected by the long economic crisis threatening the balance of power with Turkey. Security situation is of high risk due to an accidental or preplanned incident by Turkey and the complicated current situation in Cypriot EEZ (not likely within the summer touristic period).



KOSOVO: August 26th, the President of Kosovo, Hashim Thaci announced early elections for the Kosovo Assembly and has assigned Sunday, October 6th, 2019, the date for the holding of the elections. In the signed decision it is said *“The Central Election Commission of the Republic of Kosovo is instructed to undertake all the necessary actions for the organization and holding of the elections for the Assembly of the Republic of Kosovo, in accordance with this decision and the legislation in force.”* During the day, President Thaci decreed the dissolution of the Kosovo Parliament. (www.president-ksgov.net)



Kosovo President, Hashim Thaci

(Photo source: www.president-ksgov.net)

- August 30th, outgoing Prime Minister Ramush Haradinaj said on Friday that the idea of an ethnic division of Kosovo had been stopped at the Berlin summit earlier this year, Pristina-based RTV 21 reported. *“The Constitutional Court did not empower anyone to discuss a division of Kosovo or take part in a non-transparent process to talk about the division,”* Haradinaj said and added that his mission was to stop that process and remove its legitimacy as was the case in Berlin. Haradinaj recalled that German Chancellor Angela Merkel

said clearly that she is against border changes and a division of Kosovo. (www.rs.n1info.com)

- August 30th, the US Ambassador to Kosovo, Philip Kosnett, said that some parties in Kosovo are already using intimidation and underhanded tactics to reduce competition or disenfranchise voters. *“Concerned about rumors some parties are already using intimidation and underhanded tactics to reduce competition or disenfranchise voters. To the people of Kosovo: if you see anyone undermining your democracy, speak up,”* Kosnett wrote in social media. (www.gazetaexpress.com)

COUNTRY ASSESSMENT :

Parliamentary elections was announced for October 6th, 2019. Political parties have entered in pre-electoral period, while coalition agreements are underway. International community (US, EU) has called for fair elections, while the EU will send monitors the election day. Under these circumstances dialogue with Serbia comes in second priority. International community namely the US and EU will repeat their efforts towards restarting dialogue between the two parties after elections, assessing the new Kosovo political reality. Restart of bilateral negotiations could not be expected before December 2019 or beginning of 2020. However, Kosovo insists on maintaining high level of tension with Serbia due to a series of provocative actions; ban of Serbian officials to enter north Kosovo populated mostly by Serbs, Police operation in the north arresting Serbs, 100% tax on Serbian and Bosnian products, Kosovo Assembly resolution that Serbs committed genocide during 1998-1999 war, establishment of Kosovo Army, request for a special Court for

Serbs undermining any possibility of negotiations with Serbia. Only through normalization of relations with Serbia, Kosovo will be able to move forward namely to enter the UN, NATO, EU and to achieve a normal status of a state. Kosovo lacks determination over its critical reforms which will establish in the country rule of law and modern functional administration. Kosovo unresolved status, political instability, corruption, and organized crime are not encouraging factors for its future within European community. Path towards the EU and NATO will be long and hard. The possibility of Kosovo Army presence in the north it is assessed of high security risk which may lead in armed violence.



MOLDOVA: August 28th, President Igor Dodon presented the agenda of priority reforms and the main goals the Government has to resolve on 5 directions. According to Dodon, first priority of the Government is to reform justice. *“The Government has a common stance towards justice reform including the Superior Council of Magistracy, the Superior Council of Prosecutors, the Anticorruption Prosecution Service and other institutions. We all understand and support the idea that Judges and Prosecutors to be assessed on the basis of professionalism and integrity by special commissions, which will include outstanding justice activists, including from abroad. In the coming days, we together with the Speaker of the Parliament and the Prime Minister will present to people the main elements of the judiciary reform concept, after which we will organize public consultations,”* Dodon said. Fight against corruption, improvement of services of state institutions, and respect of human rights

are other important tasks of the current Government. *“These goals may be achieved only if we manage to strengthen democratic institutions, ensure real and efficient separation of state’s powers, guarantee media independence, fight against the restriction of freedom of expression and access to information, return state institutions to servicing the citizens, to raise the level of responsibility of state institutions before citizens and the country,”* he said. Moreover, the President pointed on the economic development and improvement of social justice, saying that Moldova needs a policy of stimulating the economic growth, while support of development partners and conditions connected with this must no way damage the business environment or the investment climate. Dodon also spoke about strengthening of country’s neutrality and reintegration, pointing at the importance of observing this constitutional principle, which depends much on the success in resolving the Transnistrian problem, the country reintegration and ensuring the international peace and agreement. Besides, he insisted on conducting a balanced external policy. *“It is very important to promote a balanced external policy, without any excesses or knowingly unfriendly actions against other countries or traditional partners. Moldova needs support from the main world powers to resolve its most important internal problems. We have the existing agreement of external partners concerning the current leadership in Chisinau and we see in this a good opportunity to use this assistance. For this, I will bring back into my agenda the earlier announced initiative on the ‘Big Package for Moldova’,”* the President said. (www.infotag.md)

- August 29th, the US National Security Adviser John Bolton arrived to Moldova on Thursday, met with Moldovan Prime Minister Maia Sandu and gave a joint press conference after the meeting. He pointed at the timeliness of his visit given the upcoming trip of Head of the Moldovan Government to Washington, stressing that within the discussion a wide spectrum of issues was considered. *"We welcome and wish success to the Government and its anticorruption campaign. This issue is very important for potential American investors and business partners, who got used to trust in the power of law supremacy, state institutions that can be trusted, as well as in business environment free from corruption. Thus, success in this direction is important both for Moldova and for its partnership relations with countries of the entire world,"* Bolton said. According to him, at the meeting with Sandu, the two officials discussed the issues of security, as Moldova is facing challenges both in the region and outside it. *"The US firmly trusts in Moldova's sovereignty and independence, in the fact that Moldovan citizens must decide their country's future without any external influence. We expect continuation of our cooperation in the field of defense and economy, including in the issues of ensuring cyber security, energy. The relations' agenda is very rich and has potential for development,"* Bolton said. (www.infotag.md)

- August 29th, a new meeting in format 5+2 will be held on October 8th to 10th, 2019. The announcement was made by President, Igor Dodon, after his meeting with Dusan Dacho, Ambassador of Slovakia to Moldova. According to President, during the meeting, there were addressed several issues regarding the internal

and external political situation of Moldova, as well as existing state of Moldovan – Slovak relations. In particular, it was discussed the topic regarding the settlement of the Transnistrian problem. *"Given that Slovakia holds the Presidency – in – office at OSCE, I was informed that on 8 to 10 October, the meeting is planned in format '5+2,' the agenda of which contains important discussions, aimed at boosting the settlement process of Transnistrian dispute,"* wrote Dodon on his official page. The President of Moldova said that he would have shortly a meeting with Tiraspol administration leader, Vadim Krasnoselski. At the end of July 2019, Deputy Prime Minister for reintegration, Vasili Sova, announced that it is necessary to strengthen the dialogue with external partners and start preparations for the next official round of the negotiating group "5+2" and a new Bavarian conference in autumn. (www.moldpres.md)

COUNTRY ASSESSMENT

The country enjoys political stability and the Government should focus on reforms in order to boost Moldova towards European standards. Reforms will focus on justice (top priority), fight against corruption, improvement of state's public administration and services, respect of human rights, social justice, and economic development. Foreign policy and balance between the west and Russia is another priority issue that the Government should work. It is not a coincidence that Russian Defense Minister, Sergey Shoygu and US security adviser, John Bolton visited Moldova last month. It should be noted that Russia closely follows political developments in Moldova and it will not allow any overcome of its

“red lines” such as Moldova’s integration in NATO or EU. Moldova is considered as a pivotal country for Russian national security. However, Sandu openly promotes state’s western orientation, while her visits have special political symbolism; she visited so far Brussels (the EU “capital”), Kiev, Vilnius, and Washington. The ongoing crisis between Russia and Ukraine may affect Moldova, especially after Prime Minister Maia Sandu’s clear intention to strengthen cooperation with Ukraine. It should be underlined that Russia maintains military forces in Transnistrian ground and secondly Moldova shares common borders with Ukraine which cannot be unnoticed by international stakeholders. The “Transnistria case” is always a “running sore” for the country working as a potential factor of destabilization.



MONTENEGRO: August 30th, Russian intelligence agencies are adaptable and resourceful. Lessons we learned in Montenegro are very helpful, but the only way to ensure stability is through further cooperation and utmost caution. Establishment of resistant democracies, strengthening institutions and raising public awareness is the right way to defend ourselves, said in an interview for Pobjeda Damon Wilson, Executive Vice-President at the Atlantic Council. Wilson pointed out that Washington has strong interest in the EU enlargement process. *“Western Balkans is an unfinished job in Europe. It is obvious that forthcoming decision concerning Albania and North Macedonia will forge a path for the next several decades. Considering some brave steps taken by leaders in Skopje especially steps related to reaching permanent agreement*

with the neighbors in Athens, it would be a pity if European leaders withdrew now,” Wilson said. Asked if Russia will try to destabilize region again, Wilson said he is quite sure that it would. According to him Montenegro - Serbia relations are complicated. *“Serbia and Montenegro are supposed to be natural partners and allies. For that, countries must have mutual respect and good will. Only Russia could take interest in hindering the reconciliation and cooperation process in the region,”* Wilson said. (www.cdm.me)

- August 31st, Montenegro is going to get the first NATO counter-hybrid support team, according to an article published on the portal Politiko.eu dealing with “hybrid threats” in the world, reported Pobjeda daily. In July 2018, NATO leaders agreed to set up counter-hybrid support teams, which provide tailored targeted assistance to allies upon their request, in preparing against and responding to hybrid activities. *“The European Union is improving cooperation with NATO, the Alliance that has intensified its activities in responding to hybrid threats. The so-called ‘counter-hybrid support teams’ are in their testing phase right now, and there is the first one which will be sent to Montenegro, according to diplomatic sources,”* reported Politiko.eu. The support teams will be sent to NATO member states but it is still unknown whether the first such team would be sent to Montenegro, NATO clarified for Pobjeda daily. (www.cdm.me)

- September 1st, Democratic Party of Socialists of Montenegro (Demokratska Partija Socijalista Crne Gore - DPS), announced today that their continuous calls on the opposition to end boycott and turn back to the Parliament and the working

body for electoral legislation reform were not in vain. The DPS now claims that the opposition has ended up with the boycott and they [the DPS] are actually waiting for them to join the Committee. *“It represents the victory of our policy that aims to improve the social and political environment in the State. However, an active relation of the Montenegrin opposition towards the institutions that they were boycotting until recently announces somewhat different relation towards politics, which makes us happy, as it means the victory of democracy at the Montenegrin political scene,”* the DPS said in a statement. *“We urge opposition not to derail the improvement of electoral environment, as they would only exclude themselves from the political race,”* DPS noted. (www.cdm.me)

COUNTRY ASSESSMENT :

Political fragility remains in Montenegro, but one could assess that ruling DPS is the powerful stakeholder which controls domestic politics. Opposition has shown signs of compromise announcing end of boycott of parliamentary works. Although EC Progress Report is assessed as a positive one, it raises specific concerns over media freedom, corruption and organized crime. Report is elaborating on specific cases signaling detailed research. Montenegro enters into a crucial crossroad regarding its EU future and specific reforms and actions should be implemented if it remains committed in its goal to access the EU by 2025. The Government promotes state's political and economic stability which creates an almost ideal investment environment; However, the state needs more concrete reforms in the field of justice, rule of

law, fight against corruption, money laundering, and organized crime, public administration transparency and accountability in order to become a stable and attractive investment environment. Russian influence continues to be considered as a “threat” against state's national security and NATO plans to send special units to address “hybrid threats.” In other words, the west still is concerned for Russian interference in Montenegro's domestic issues.



NORTH MACEDONIA: August 28th, North Macedonia could receive a date for the start of negotiations in the fall, while this scenario is less realistic for Albania, said former MEP Eduard Kukan. *“North Macedonia has been meeting the criteria for years, but the Union has been postponing the opening of accession negotiations, which is absolutely embarrassing and demotivating,”* said Kukan in an interview with the Slovak Foreign Policy Association. North Macedonia, the Slovak diplomat said, could be given a specific date at the European summit in the fall, which I consider realistic, while (France President) Emmanuel Macron had very categorical statements on the issue, it seems that he is already easing them. While he is aware that Tirana is also waiting for a similar step, Kukan believes that situation in Albania is completely different. *“They have to implement a huge judicial reform, opposition boycotts the Parliament and, above all, the Albanians cannot find compromises,”* he stated. *“It would be unrealistic for Albania to receive the date at the moment,”* he added. Kukan chaired the Western Balkans Working Group during his time in the European Parliament. (www.nezavisen.mk)

- August 28th, “A consensus-based solution is the best for Public Prosecution,” North Macedonia’s Prime Minister Zoran Zaev said Wednesday after visiting the Buchim mine in Radovish. “No one wants us to be seeking solutions pressed for time, all of us, politicians and parliamentarians. There are always alternatives leading to solutions. But, the best solution would be the one reached with consensus by at least a two-third majority,” Zaev said. I believe, he added, that in the next few days we will become wise enough and responsible before the citizens in order to adopt the law on Public Prosecution with consensus. (www.nezavisen.mk)

- September 1st, The Director of the National Security Agency Viktor Dimovski at a press conference said that the National Security Agency is becoming operational, as its capacities have been put in function in line with the law on its establishment. Dimovski said today was a historic day. “Today marks the end of a key phase of the process to reform the country’s security sector. Today, the Administration for Security and Counterintelligence (UBK), which in the past was abused by individuals and group of people for their interests, is now a thing of the past... Today marks the start of a new era in the field,” Dimovski stressed. The National Security Agency, he said, is an independent institution that is not part of the Interior Ministry and it marks the completion of reforms of the security and counterintelligence system in North Macedonia. The Agency will focus on implementing reforms in line with European security standards, thus contributing to the process of integration of the country into NATO and the EU as a factor of stability in the region, according to him. “With the

formation of the Operational Technical Agency (OTA), the grip held for years by the UBK on the system for the interception of communications has been finally broken. It guarantees that illegal wiretapping will never happen again,” Dimovski vowed. A system of parliamentary and civil oversight has been established, according to him, adding the Agency would be fully transparent. “I am confident that with the National Security Agency in compliance with the Constitution and the laws of our country and full implementation of the fundamental European values we will demonstrate commitment to and capacity in addressing complex security challenges in the coming period,” said Dimovski. (www.nezavisen.mk)

COUNTRY ASSESSMENT :

North Macedonia’s politics are shaken by a series of corruption and extortion scandals which undermines not only country’s political stability, but also its European perspective. Fancy names such as “Extortion”, “Empire”, “Racket”, “Titanic”, “Monster” are nothing more than scandals involving politicians, businessmen, criminals, and judicial servants demonstrating that corruption, absence of rule of law and non transparency dominate in state’s function. There are several European voices calling North Macedonia to focus on judicial reforms, rule of law, and fight against corruption in order to achieve a positive result in coming October regarding the opening of accession talks with the EU. Major EU countries such as France appear concerned over a positive signal under these circumstances. It looks quite difficult for Zaev and his Government to survive until October 2019;

most probably he will be forced to call early elections. Zaev has strongly promoted his plan for a well-governed state where rule of law and a functional justice system would dominate. He actually based his pre-electoral campaign against VMRO-DPMNE on such rhetoric. Consequently, it is rather contradictory to watch ruling SDSM politicians and state's servants to be involved in scandals and illegal activities. Implementation of justice reform and transparent investigation of the "Racket" scandal which touches governmental officials are two "key" points for a successful signal of the EU.



ROMANIA: August 26th, the political crisis that has been boiling in Romania over the last two months has broken out, as the junior ruling party – the Alliance of Liberals and Democrats (Alianța Liberalilor și Democraților - ALDE) decided to leave the governing coalition. This leaves the Social Democratic Party (Partidul Social Democrat - PSD) alone in the Government, with very fragile support in the Parliament. Moreover, ALDE, which announced it would form an alliance with the party of former Prime Minister Victor Ponta, PRO Romania (PRO România - PRO), could decide to support a no-confidence motion to be filed by the main opposition party – the National Liberal Party (Partidul Național Liberal - PNL) according to political sources quoted by Mediafax. ALDE decided on Monday that its Ministers will resign from the Government led by PSD leader Viorica Dancila on Tuesday. Those who do not comply with the party's decision will be excluded, ALDE President Calin Popescu-Tariceanu announced after the party leadership's meeting. Energy

Minister Anton Anton, Environment Minister Gratiela Gavrilescu and the Minister for the Relation with the Parliament Viorel Ilie will likely leave the cabinet, but newly appointed Foreign Affairs Minister Ramona Manescu said she would remain part of Dancila's team. Meanwhile, Prime Minister Viorica Dancila said on Monday that PSD would continue to govern with whatever support it may get from ALDE and PRO MPs. The PSD leaders already came with nominations for new Ministers to replace the ALDE cabinet members who will leave. Economy Minister Nicolae Badalau will also take over as interim Energy Minister and the Minister of Waters and Forests Ioan Danes will also act as Environment Minister. ALDE president Calin Popescu-Tariceanu will step down as President of the Senate, a position he has held in the last five years. He also decided to withdraw from the presidential race as his party will make an alliance with PRO, the party of former PM Victor Ponta, and support the candidacy of former MEP Mircea Diaconu, a Romanian actor who announced over the weekend that he would run in the presidential elections as an independent. PSD decided over the summer to support PM Dancila for the presidential elections, which led to the conflict with ALDE, as its President Calin Popescu-Tariceanu wanted to be the coalition's single candidate in the presidential race. (www.romania-insider.com)

- August 26th, the National Liberal Party (Partidul Național Liberal - PNL) will file a censure motion against Prime Minister Viorica Dancila's Government, Liberal Chairman Ludovic Orban announced on Monday, adding the Liberal leaders in Parliament will start negotiating with the other

parties to secure endorsement for the motion. “PNL has decided today to file a censure motion; the breakup of the incumbent ruling coalition is imminent,” Orban said. He announced the Liberals will reject negotiations with other political parties and groups represented in Parliament to convince them to endorse the censure motion. “PNL’s main goal is to stop as soon as possible this toxic Government that is hugely harming Romania. We are ready to obtain the parliamentary majority to give a no confidence vote against this Government,” the PNL President added. He pointed out that PNL is ready to assume ruling in case Dancila is toppled down. (www.romaniajournal.ro)

- August 29th, Romania’s Chamber of Deputies rejected with 177 votes, one vote against and two abstentions, the draft law for pardoning some punishments and educational measures involving depriving of liberty, Agerpres reported. Acting Justice Minister Ana Birchall announced before the vote that the Government supported the rejection of this project. The project provided the amnesty for prison sentences up to 5 years. The project was initiated by the Government headed by Prime Minister Sorin Grindeanu in 2017 and was adopted by the Senate in the same year, after which it was tabled due to protests. Romanians said at a referendum earlier this year that they agreed to banning amnesty and pardoning for corruption and that they also agreed to ban the Government from changing sensitive justice legislation by emergency ordinances. (www.romania-insider.com)

COUNTRY ASSESSMENT :

Romania faces political instability since the minor partner of the ruling coalition ALDE withdrew his support. Dancila’s Government fights to remain “alive” but it is rather difficult to stay in power. Early parliamentary elections are imminent especially if main opposition party PNL files a censure motion against the Government. It is more than certain that such an initiative will gain overwhelming support in the Parliament. Ruling PSD has to address another opponent to remain in power; it is President Iohannis who will do whatever it takes to force the Government to collapse. Even if PSD Government achieve to continue as a minority one it will not a functional Government blocking any major reform in the country. The country enjoys advanced upgrade in US and NATO strategic plans due to its geographical position located close to Russia. Consequently, Russia reacts in this close military cooperation between the two countries perceiving it as a threat against its national security. Romania keeps strengthening its Armed Forces seeking to achieve NATO standards.



SERBIA: August 27th, assistant Defense Minister Milan Rankovic confirmed to Belgrade daily Blic that the drafts of two strategic defense and security documents which Parliament is due to adopt soon clearly define national and defense interests for the first time. “*This is the first time that national and defense interests have been formulated clearly,*” Rankovic told the daily, commenting the Strategies on National Security and on Defense which the Government adopted at an August 8th, 2019 cabinet meeting. According to Blic, the Strategies of National Security and of Defense state that Serbia will remain militarily

neutral, that it will strengthen cooperation with Organization for Collective Security which includes Russia and several former Soviet republics and add that improving cooperation with NATO is in the interest of both sides. The newspaper said that the four top priorities set out in the strategies are efficient defense, keeping Kosovo as part of Serbia, strengthening the country's international position and preventing separatist activities. *"There is a need to introduce new things, amend and upgrade the existing strategies and in that context the national and defense interests have been formulated clearly for the first time as the lasting need of Serbia and its citizens. Their implementation protects national values which are also defined in those documents and are based on the Constitution, universal values and historic heritage,"* Rankovic said. Rankovic said the strategies are based on key state interests. *"A number of things affected the drafting of the strategies, especially the efforts of the state leadership to strengthen the position of the state in resolving the complex situation in Kosovo, efforts aimed at economic development efforts and overall prosperity, as well as efforts invested in the negotiations on accession to the European Union,"* he said. Blic said the two documents have been sent to Parliament and could be adopted in October. The Government adopted them with the explanation that they keep up with changes in the region and adapt the country's security policy to protect national interests in the best possible way. The existing strategies were adopted in 2009. (www.rs.n1info.com)

- August 30th, EU Foreign Ministers called on Serbia not to shift from the Euro-integrations by

signing the free trade agreement with Eurasia Economic Union (EAEU) due to be finalized in October, the FoNet news agency reported on Friday. At the meeting of the EU and Western Balkans Foreign Ministers in Helsinki, Miroslav Lajcak, Slovakia's Chief diplomat, said Serbia's decision to join EAEU is *"confusing."* Last week, Alexander Botsan-Kharchenko, the newly appointed Russian Ambassador to Belgrade, told N1 that Russia saw Serbia as a link between the West and Moscow, adding the free trade agreement between Serbia and Eurasian Economic Union (EAEU) is expected to be signed on October 25th, 2019. He added that Serbia's road to the EU should not be distant the country from EAEU and that EU candidates should not face Brussels or Moscow choice. However, the Associated Press quoted Lajcak as telling Belgrade on Friday that *"if you are sure in your European orientation, do not make decisions which are not in line with it, as this one is not."* (www.rs.n1info.com)

- August 30th, the Serbian economy has structural vulnerabilities which have to be taken care of, IMF resident representative in Serbia Sebastian Sosa told N1. He said that Serbia is seeing economic growth with an improved macro-economic situation and strong employment figures but added that it has to continue reforms to counter those vulnerabilities. Sosa said that a growth rate of more than 3%, which is expected this year, is much better than before but still not enough to secure a faster growth of personal income for the population. The IMF official said that two things are important in understanding how to lower unemployment levels. The rise and fall in employment over the past three years has to

do with people leaving the country and the average age of the population, he said and warned that the labor-capable population is dropping in numbers according to UN figures and will drop by 5% over the next 15 years, impacting productivity because young people are leaving the country. That problem will be an obstacle to growth in the future, he said. According to Sosa, a drop in emigration would help growth but that takes time. He said that salaries have to grow over a long period to motivate people to return to Serbia. Sosa said that quality of institutions, rule of law, efficiency of the judiciary are all important to people thinking about leaving the country. (www.rs.n1info.com)

COUNTRY ASSESSMENT :

President Aleksandar Vucic remains stable controlling domestic politics. He announced that elections (parliamentary and local) will be held on March or April 2020. Opposition said that if its requests will not be fulfilled, elections will be boycotted. Regarding Belgrade – Pristina dialogue there is nothing to be expected in the near future; the whole process has reached a deadlock. It is announced that next Belgrade – Pristina meeting will be held on September, but it is more than doubtful if it will take place since early parliamentary elections will be held in Kosovo on October 6th, 2019. Serbia strengthens its relations with Russia (and China) seeking stronger support regarding Kosovo case. Actually, the country tries to balance between the west (EU, US) and east (Russia). Serbia's intention to sign a free trade agreement with Eurasia Economic Union (EAEU) has raised reactions in the EU which sends alarming

messages to Serbia regarding its European future. Security situation is complex and uncertain. None could predict Serbia's reaction in a possible accidental or pre-planned (provocation including) incident in Northern Kosovo against local Serbs. One should have in mind that top state officials have said repeatedly in public that Serbia will protect Kosovo Serbs by any mean including security and military force. Serbia pays special attention in improving operational capabilities of its Armed Forces declaring towards all sides that they are the power of the state.



SLOVENIA: August 29th, Foreign Minister Miro Cerar met his Croatian counterpart Goran Grlic-Radman on the sidelines of an informal EU ministerial, but he had said in advance that the border arbitration agreement would not be a topic. Cerar did emphasize at the meeting Slovenia's commitment to the rule of law. Ahead of the meeting held on the sidelines of a dinner as part of the two-day informal meeting, Cerar told the press that Slovenia would advocate the enlargement of the EU to the Western Balkans and that respect of the rule of law is important. He told RTV Slovenija that it was a short, informal talk mostly discussing the priorities of the EU presidency. (www.sta.si)

- August 29th, ruling coalition parties said on Thursday they would not endorse the opposition Left's (Levica) proposal for abolishing top-up health insurance, deeming it ill-conceived. They highlighted they would not give in to the party's threats of withholding its support for the crucial 2020-2021 budgets if the Government did not

back the proposal. Following today's first regular Government session after summer recess, Prime Minister Marjan Sarec told the press that the Left has the right to carry out its own politics, but he reminded to the party that the Government has other options in case the Left decides to withdraw its budget support. Asked whether by that he is implying cooperation with New Slovenia – Christian Democrats (Nova Slovenija – Krščanski Demokrati - NSi), the Head of the List of Marjan Sarec (Lista Marjana Šarca - LMS) replied that it all depended on the further developments. Modern Centre Party (Stranka Modernega Centra - SMC) Deputy Group Head Igor Zorcic said the coalition is willing to discuss the issue with the Left despite its blackmailing tactics; however, they are not sure if the party is actually willing to discuss it or if it just wants to end the cooperation with the Government. The Chamber of Commerce and Industry (GZS) as well as the Chamber of Trade Crafts and Small Business (OZS) were also critical of the Left's proposal, deeming it unacceptable. The former said it would threaten the stability and sustainability of the healthcare system, while the latter believes it would leave businesses to take the brunt of the related costs. (www.sta.si)

- August 30th, Prime Minister Marjan Sarec, the leader of the ruling List of Marjan Sarec (Lista Marjana Šarca - LMS), dismissed on Thursday Brane Kralj as the party's Secretary General following a report against him which claims that Kralj had tried to exert staffing pressure. Sarec told the press he had not been aware of the controversial phone call. The decision comes after the party launched a debate on the allegations, saying it would take action regarding the incident.

Kralj has been reported to the authorities by the Chief Supervisor of Uradni List, Irena Prijovic, who claims that he called her and tried to secure a top job at the state-owned publisher of the Official Gazette for former MEP Igor Soltes and exert staffing pressure on her. After holding talks with Kralj, Sarec concluded that “*the truth is somewhere in between and that it was not that brutal. I trust Kralj more than some other people who would have probably not reported the issue if the caller was someone of the right kind,*” said Sarec, adding that this was a “*one person's word against another one's*” incident. According to the Prime Minister, Kralj did however behave in a naive, inexperienced and incorrect manner, with the phone call being inappropriate. (www.sta.si)

COUNTRY ASSESSMENT :

Although Slovenia enjoys a relative political stability, the minority Government of Marjan Sarec has entered in a period of fragile balance due to the Left party announcement that it will reassessed its support towards the ruling coalition. Left party is the key factor for Government's stability and viability by supporting it in the Parliament. Without the Left's support the Government would be toppled and early elections should be called. Under these circumstances Prime Minister Marjan Sarec does not exclude a confidence vote together with the 2020 – 2021 budget adoption by the Parliament. Sarec seeks to bear his partners responsibilities towards the Government's support and either to stabilize his ruling coalition or to call early elections. At the moment it is assessed that none of the ruling coalition parties wish snap elections. Besides, opposition NSi expressed its will to support the

minority Government offering an alternative to Sarec Government. It is assessed that minority ruling coalition is stable with limited possibilities of an unexpected event. Sarec has been proved of being flexible in Slovenia's politics so far achieving to balance adequately between different political trends. Looking in the future and next parliamentary elections he seeks to unify political forces belong to the ALDE family against SDS which keeps on being the most powerful political force in the country. The Government has to address several internal social issues (increase of minimum wage, health care, pensions etc). Border dispute between Slovenia and Croatia remains active with low scale skirmishes not excluded periodically. Unofficial announcement by the EC that Croatia has fulfilled the Schengen Zone criteria and it would be accepted during the coming autumn has put a dilemma in Slovenian foreign policy towards its relations with Croatia. Is Slovenia going to block Croatia's entrance in the Schengen area or it will vote for it? It is assessed that September will be a month of intense contacts between Slovenia and Croatia, while the EU is expected to push Slovenia to facilitate Croatia's accession to the Schengen zone. It should be underlined that relations between Croatia and Slovenia are in low level and an "underworld war" is ongoing (at political, diplomatic and intelligence context). The issue of illegal migrants entering Slovenia mainly from Croatia is high in the agenda lately. The Government deployed military force to support Police tasks. Furthermore, the Government decided to activate auxiliary Police for helping regular Police. The Slovenian Armed Forces face problems mainly in the field of modern equipment and manning. The annual

report on the Armed Forces operational readiness released by the Armed Forces Chief of Staff is disappointing since it assessed that the Armed Forces have limited operational capabilities in war time namely they cannot accomplish their mission. Major General Alenka Ermenc, Chief of the Slovenian Armed Forces (SAF) General Staff announced last week that situation remains unchanged and only by increase of funding could be improved. 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: August 27th, delivery for the second battery of the Russian S-400 missile air defense system will begin on Tuesday, Defense Minister Hulusi Akar said Monday. "We aim to protect our country and people from external aerial and missile threats," Akar said. The first part of the S-400 delivery was completed in late July after 30 planeloads of S-400 hardware and equipment were delivered to the capital Ankara from Russia as part of the initial batch. According to sources inside the Ministry, the second part of the shipment will also be delivered to Murted Air Base in Ankara. The Russian missile system has been a sticking point between Turkey and the US for the past few months as Washington argued the S-400 system would be incompatible with NATO systems and expose the F-35 fighter jet to possible Russian subterfuge. Turkey, however, emphasized the S-400 would not be integrated into NATO systems and would not pose a threat to the Alliance and rejected to step back from the deal. The dispute prompted the US to suspend Turkey from the F-35 fighter jet

program and with further threats of sanctions under Countering America's Adversaries Through Sanctions Act (CAATSA). (www.dailysabah.com)

- August 27th, leaders of Russia and Turkey have held discussions about a possible expansion of defense industry cooperation, even as differences appeared to remain over the situation in northwestern Syria, where a Moscow-backed Government offensive has been going on since late April. Russian President Vladimir Putin and his Turkish counterpart, Recep Tayyip Erdogan, met in Moscow on Tuesday, just days after Ankara said one of its observation posts in Syria was surrounded and a military convoy was attacked by Syrian Government forces in two separate incidents. Speaking to reporters alongside Putin, Erdogan said the offensive has disrupted the calm that set in after Turkey and Russia - which back opposing sides in Syria's war - agreed last year to turn rebel-held Idlib province into a de-escalation zone. Erdogan said it is unacceptable that Syrian forces were *"raining death on civilians from the air and land under the pretence of battling terrorism."* *"We do not want this to continue. All necessary steps will be taken here as needed,"* he added. *"Situation [in Idlib] has become so complicated that at this moment our troops are in danger,"* he said. For his part, Putin said the two leaders had agreed on *"additional joint steps"* to *"normalize"* situation in Idlib, but did not provide any details. *"Situation in the Idlib de-escalation zone is of serious concern to us and our Turkish partners,"* Putin told the news conference, referring to the September 2018 deal between the two countries that prevented a major Syrian offensive on the

enclave then. Putin also said that his country is concerned about attacks by fighters in the zone, targeting the Syrian Government forces and Russian positions, and asked Ankara to stamp out these attacks. He repeated that Moscow does not want this region to be a *"haven"* for *"terrorists."* The two leaders hold frequent meetings and have forged close ties focused on energy and defense cooperation despite the differences over Syria. Earlier in the day, they visited an airshow outside Moscow where Sukhoi Su-57 stealth fighter jet performed demonstration flights. (www.aljazeera.com)

- August 31st, Turkey will launch its own operation to establish a *"safe zone"* in northern Syria if talks with the United States fail to give Turkish troops control of the area *"within a few weeks,"* President Recep Tayyip Erdogan has said. *"We do not have too much time or patience regarding the safe zone. Within a few weeks if our soldiers do not start controlling this area, there will be no other option left but to implement our own operation plans,"* Erdogan said on Saturday during a speech in Istanbul, repeating his calls on Washington to go ahead with the promise to establish the zone. The US - Turkey deal for the zone agreed earlier this month is intended to manage tensions between Turkey and US-backed Kurdish-led forces over the border in war-torn Syria that Ankara brands as *"terrorists."* Details of the plan are still unclear as is the size of the *"safe zone"* and how it will be managed or divided. Turkey and the US have set up a joint operation centre for the planned zone, but talks about the details in question are still going on. In his speech, Erdogan did not say what the plan would entail, but he has previously warned that

Turkey would mount a cross-border offensive on its own to clear the Kurdish People's Protection Units (YPG) fighters from its border if necessary. US President Donald Trump proposed the “safe zone” last year, having announced plans to withdraw US Special Forces from northern Syria. But he later suspended the plan to ensure Washington's Kurdish allies would be protected. (www.aljazeera.com)

COUNTRY ASSESSMENT :

Turkey “is losing its temperature” with the US delays over the establishment of a “safe zone” in Turkish – Syrian borders. Once again it threatens with a unilateral military operation within Syrian territory aiming at eliminating YPG fighters. Although Turkey appeared to be satisfied with the agreement accomplishing its initial goal; to force the US to announce the safe zone establishment recognizing Turkish concerns for its national security, it is currently nervous with the delays in the action plan. It should be noted that Turkey is a pivotal country enjoying geopolitical importance and having one of the largest militaries (the 2nd within NATO. Due to its geopolitical and geostrategical aspects Turkey has the ability to achieve its national goals and protect its interests either by diplomatic means or by the threat of use or use of force. The US obviously does not seek a full rift with its NATO ally. On the contrary, there are still open official and unofficial channels of communication working on improving bilateral relations. Undoubtedly, the US needs Turkey and the opposite, especially in a period where Middle East is in turbulence. Nevertheless, the American administration exercise pressure to its ally through a couple of sensitive issues such as


expulsion of the F-35 fighter jet project, support of Kurdish Syrian YPG (and avoidance of establishing a safe zone within Syrian territory), and support of Cypriot activities in East Mediterranean. Latest Progress Report on Turkey was disappointing “freezing” any further development regarding its accession process. Turkey is heading in a major economic crisis and the new Central Bank Governor takes initiatives to maintain state’s liquidity “alive” in order to avoid an unpleasant situation. 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. Turkey seeks to strengthen its defense and trade cooperation with Russia, despite Turkish disappointment over Russian stance in Syria. The state demonstrates decisively its leading role in the wider region of the Middle East, Southeast Europe, and East Mediterranean implementing its doctrine for a diligent capability development effort to be able to fight two multi-front, inter-state armed conflicts while being able to simultaneously carry on large-scale counterterrorism operations at home and beyond borders. Kurdish question is a major security threat for Turkey affecting stability, peace and even unity of the state. In Eastern Mediterranean Turkey continues its drilling operations with two ships (Fatih and Yavuz) maintaining a tense situation. It achieved to establish an almost permanent presence within Cypriot Exclusive Economic Zone (EEZ) without any real cost. It is assessed that Turkish actions seek to incorporate the hydrocarbon exploitation issue as part of the

talks between the Cypriot state and the Turkish Cypriot community for resolving the Cypriot question. The cost so far, for Turkey, is zero achieving simultaneously to question Cypriot sovereign rights. EU declaration for imposing sanctions against Turkey seems not enough to force Turkey to back down. It is assessed that Turkey is fully determined to escalate tension in the region including armed violence (if it is necessary) aiming at securing its interests. Taking into consideration that Cyprus and Greece act in coordination and the latter guarantees defense and security of Cyprus it cannot be excluded an accidental or pre-planned “hot incident” in Cyprus or the Aegean Sea (not likely scenario during summer).


www.hermesresearch.eu


email: info@hermesresearch.eu


Editor in Chief: Ioannis Karampelas


 Evolving or ongoing crisis including major armed violence or violent/armed conflict. Civil, inter-state or non –state actors war.

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. Low tension incidents.

 Imminent major incidents regarding stability and security. Violent incidents or armed violence in specific regions. Ongoing tension or crisis. High security risk.