



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

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.

“HERMES” I.I.A.S.GE

“HERMES” Institute of International Affairs, Security & Geoeconomy (“HERMES” I.I.A.S.GE) is an independent, non – governmental, non – profit organization, consisting of scholars dedicated in the research and analysis of international affairs in regional and global level. The Institute aims at providing objective, scientific, and reliable research analysis through a variety of studies contributing effectively and constructively in the public dialogue and the evolution of scientific knowledge.

Copyright © 2020

“HERMES” Institute for Foreign Affairs, Security & Geoeconomy

All rights reserved



ALBANIA: May 29th, the US have donated several military UH-60 “*Blackhawk*” helicopters to the Albanian Air Force. US ambassador Yuri Kim and the Minister of Defense Olta Xhacka signed the Letter of Offer and Acceptance today. Xhacka called the “*Blackhawk*” helicopters “*a colossal investment*,” which, alongside the radar system, are indicators of the rise of the Albanian Air Force “*alongside our strategic ally*.” Kim stressed that this is not a mere donation of equipment, but a “*jointly-funded program, where both the United States and Albania share the financial responsibility of defending the Alliance*.” (www.exit.al)



Albanian Defense Minister, Olta Xhacka and the US Ambassador in Albania, Yuri Kim sign the LOA for UH-60 “*Blackhawk*” helicopters
(Photo source: www.mod.gov.al)

- May 30th, purging electoral administrative bodies from party-affiliated members, using increased technology in elections, and the issue of the electoral system will be the last matters to be discussed by the Albanian Electoral Reform Political Committee today and tomorrow, before Electoral Reform talks are concluded within May 31st, 2020. Sources told Exit that the issue of a change in the electoral system will be discussed only nominally, as the Socialist majority and the opposition have agreed beforehand that the

system will remain unchanged. The Socialist majority will not budge on the issue of removing party-affiliated people from electoral committees, and replacing them with neutral individuals that must meet certain criteria, and be subsequently trained to assume their positions. Political parties will be allowed to have election observers, but no commissioners that will manage the election process. The Democratic Party of Albania’s (Partia Demokratike e Shqipërisë – PD) non-negotiable proposal, on the other hand, consists in the introduction of technology like biometric identification, electronic voting, and electronic vote counting, during next elections. Sources told Exit that seeing as both parties have brought their own non-negotiable conditions to the table, it is likely that an agreement will be reached on the de-politicization of electoral committees and, at the very least, bio-metric voter identification. This will be necessary to meet the conditions of both parties and, thus, conclude talks before May 31st, 2020. (www.exit.al.com)

- May 31st, the Government has set up Albania’s team for EU accession negotiations, Acting Foreign Minister Genc Cakaj announced. The team includes “*rare experts*” with the “*necessary professionalism and integrity*,” Cakaj stated, without revealing who they are. He called on all political parties to support them. The move comes a few days after President Ilir Meta presented a platform aimed at bringing together political parties on issues related to the EU’s conditions on Albania before the eventual start of negotiations. One of the 14-point points suggested by Meta was for the negotiating team leader to be appointed by consensus. The Government has already appointed Zef Mazi, a career diplomat, without consulting the opposition. In March, EU

leaders endorsed the opening of EU accession negotiation with Albania and North Macedonia. However, they put a list of conditions for Albania to meet before sitting at the negotiations table, many of which are included in the President's platform. (www.exit.al)

COUNTRY ASSESSMENT :

Although political crisis is still active in Albania and tension may break out at any moment, there are encouraging signs of political maturity. Ruling Socialists and opposition have reached an agreement on electoral reform which is possible to proceed until May 31st, 2020. Modernization of the electoral process by the use of technology and exclusion of political affiliated people from electoral institutions are decisive steps towards consolidation of a modern and functional democracy. Judicial reform also is in progress with positive signs. It should be noted that electoral and judicial reforms are proceeding under the close eye of the EU and US which push Albanian authorities to speed up reforms. Besides, these reforms are necessary preconditions before the first intergovernmental conference with the EU. Above all, it should be underlined that corruption, organized crime (and especially links of state's politics with organized crime), money laundering and smuggling remain as "open sores" for the country. Albania benefits from its NATO membership enjoying the US support in military equipment in an effort to modernize and strengthen its military power. In this context, Albania and US signed a LOA on acquisition of UH-60 "Blackhawk" helicopters by the Albanian Air Force from the US surplus.



BOSNIA & HERZEGOVINA:

May 25th, member of the Presidency of Bosnia and Herzegovina Milorad Dodik claimed that the decision of the Central Election Commission (CEC) to postpone the elections in the country is illegitimate. "Postponing does not suit us," said Dodik referring to Alliance of Independent Social Democrats (Savez Nezavisnih Socijaldemokrata - SNSD) party of which is the President and stated that they would like the elections to be held within the legally prescribed deadline and that they are ready to support decision on their financing. "I believe that with our coalition partners we can achieve great success," Dodik pointed out for Radio Republika Srpska. He claimed that other political subjects in BiH wanted to prolong the elections. "The CEC is illegitimate, because no procedure was conducted during the election of its members. It is unbelievable that the OSCE comes out with claims and interferes in some things, but did not react to the election of the CEC members," Dodik said. (www.sarajevotimes.com)

- May 29th, the Council of Ministers of Bosnia and Herzegovina has determined the Proposal of the basis for initiating procedure for conducting negotiations for the purpose of concluding the Agreement on Military - Financial Cooperation and the Implementation Protocol on Financial Assistance between BiH and Turkey. The value of funds planned by this project according to the current exchange rate is approximately 60 million BAM (30.677 million euro), Klix.ba news portal reports. In accordance with the provisions of this agreement and the Implementation Protocol, updated project proposals will be sent to the Republic of Turkey, including the type, quantity

and technical specifications of materials, and their implementation would significantly contribute to resolving the issue of equipment, modernization and capability of Bosnian defense system. Also, funds are planned for education of members of the Armed Forces of BiH in Turkey. (www.sarajevotimes.com)

- May 29th, the Prosecutor's Office of Bosnia and Herzegovina will propose 24-hour detention for Fadil Novalic, Fahrudin Solak and Fikret Hodzic, it was confirmed for Radiosarajevo.ba. Novalic, Prime Minister of the Federation of Bosnia and Herzegovina, Solak, suspended Director of the Federal Civil Protection Administration and Hodzic, owner of Srebrena Malina company, were officially arrested after being questioned at SIPA yesterday, where they were detained overnight. "Prime Minister Novalic is still at SIPA premises. During the day, the Prosecutor's Office of BiH will submit a proposal to the Defense and the Court of BiH to order 24-hour detention. The Court should schedule a hearing within 24 hours," Vasvija Vidovic, Novalic's lawyer, told Radio Sarajevo. She added that she could not say anything about the case for now. He is suspected of conspiracy to commit a crime, money laundering, forgery of official documents, abuse of office and receiving bribes and other forms of benefit. Novalic, Solak and Hodzic were questioned as part of an investigation into the purchase of 100 respirators from China, which cost 10.5 million BAM (5.3 million euro). The investigation is being led by the Prosecutor's Office of BiH, whose statement is expected. Purchased respirators are unusable in intensive care units and procured with citizens' money, without a tender and through the Srebrena Malina company, owned by TV presenter Hodzic. This

morning, Spokesman of the Prosecutor's Office of BiH, Boris Grubestic, told FENA that the prosecutorial team of the Prosecutor's Office of BiH is working intensively on this case, and that more information will be known during the day. SIPA representatives could not comment on the case this morning. (www.sarajevotimes.com)

COUNTRY ASSESSMENT :

Decision of Central Election Committee (CEC) for postponement of local elections rescheduled for November 15th, 2020 met the fury reaction of the Bosnian-Serb tripartite Presidency member, Milorad Dodik who asked decision to be reconsidered. Political situation in Bosnia is tense due to the money laundering scandal which has led in the arrest of federal Muslim Bosnian (Bosniak) Prime Minister, Fadil Novalic. It is a scandal which shows that corruption and organized crime have penetrated in the highest levels of state's administration. Political instability, poor economic performances, entities' rivalries, and problematic framework of state's structure (due to Dayton Accord) have left Bosnia far behind other Western Balkan countries towards the EU. Furthermore, nationalistic rhetoric and actions from the three entities creates certain conditions of mutual mistrust and work as a factor of potential destabilization. Muslim countries such as Turkey, Saudi Arabia, Qatar, and Iran maintain a permanent presence through financial donations and investments. Lately, Turkey seeks to be engaged deeper in Bosnia's Armed Forces training and modernization. Migration issue turns to become a problem of social turbulence for the regions which hosts reception structures for migrants.



BULGARIA: May 28th, an area of 20 square kilometers in the Thracian region of Turkey near the border with Bulgaria has been declared a prohibited military zone of 2nd degree, BTA reported. The statement, published in the Turkish State Gazette, said the military zone was located on the Black Sea coast in the Kirklareli district. It is located about 5 km from the border with Bulgaria. Most of the military zone is by land, only a small part is by sea. It starts north of Limankoy and extends to the village of Beyendik, the last Turkish village before the border with Bulgaria, the State Gazette said. (www.novinite.com)

- May 28th, Deputy Minister of Environment and Water Krassimir Zhivkov was taken for questioning, BGNES reports. Minutes after 1 p.m., investigators took Zhivkov out of the building of the Ministry of Ecology, where for several hours investigators and people from the Prosecutor's office were collecting materials on the pre-trial proceedings regarding the import and recycling of garbage in the country. The only thing Zhivkov said was that he had not been detained and was assisting the authorities. Zhivkov clarified that *“the topic is not water, but waste.”* Investigators have been conducting an operation in Botevgrad since the morning and entered his villa in Pravets to look for documents related to the permits for import of waste. In mid-January, Zhivkov was one of the questioned by the Specialized Prosecutor's Office in connection with the water crisis in Pernik. He was named by the lawyers of the former Minister of Ecology Neno Dimov as the person whose portfolio in the department were the dams. Dimov is the only person accused of the water crisis in Pernik, who

has been in custody for a long time, but was placed under house arrest at the end of April. (www.novinite.com)

- May 30th, S&P Global Ratings has re-affirmed its long- and short-term foreign and local currency sovereign credit ratings on Bulgaria at “*BBB/A-2,*” but downgraded its outlook from positive to stable. The change in outlook was due to the *“significant deterioration of growth prospects for Bulgaria and other economies in 2020, mainly related to measures to contain the COVID-19 pandemic,”* S&P said in a statement. The increased macroeconomic and fiscal risks removed the likelihood of a credit upgrade in the near term, but the credit ratings agency said it expected Bulgaria’s strong fiscal and external balance sheets to counterbalance the adverse effects of the pandemic over the next two years. *“Bulgaria is entering the recession with a strong external balance sheet after years of external deleveraging, thanks to recurring current account surpluses. Moreover, Government debt is low and Bulgaria has posted general Government surpluses over the past four years,”* S&P said. Although the pandemic interrupted Bulgaria’s *“strong growth trajectory”* and its economy was projected to shrink by 6.5% this year, S&P said that the country’s macroeconomic fundamentals would help absorb the shock before growth recovers in 2021. *“Similar to other countries in Central and Eastern Europe, Bulgaria is reporting fewer COVID-19 cases than many developed markets. We therefore think the economy will recover toward the end of 2020, mainly as domestic demand increases. We think that, in 2021, exports will recover as well, but the shock that Bulgaria’s trading partners are facing will likely dampen external demand compared*

with pre-pandemic years,” the credit ratings agency said. It projected unemployment would more than double, from a record low 4.2% in 2019 to 9% this year, while net Government debt was expected to rise from 12% of GDP to 17%, as a result of the pandemic. S&P noted that Bulgaria still aims to join the euro zone waiting room, the Exchange Rate Mechanism (ERM2) and the Banking Union in the coming months, but said that political considerations outside Bulgaria’s control could have an influence on whether the country does so by its July 2020 target. “This is because the ultimate decision lies with the euro zone and Denmark’s Finance Ministers, as well as with the European Central Bank. ERM2 accession would, in our view, support the credibility of Bulgaria’s monetary policy framework,” the ratings agency said. S&P said that in an upside scenario, a credit upgrade was possible if Bulgaria’s economy returned to its previous growth trajectory without a buildup of major macroeconomic imbalances, or if its external performance was significantly better than current projections. Conversely, a downgrade was possible in case of balance-of-payment pressures or if Bulgaria’s policy response to the pandemic led to more significant or permanent macroeconomic or fiscal imbalances. (www.sofiaglobe.com)

COUNTRY ASSESSMENT :

S&P has downgraded Bulgaria’s general economic situation from positive to stable due to COVID-19 pandemic and its economic repercussions. Bulgaria’s economy is at risk although it enjoys a dynamic which has stopped due to COVID-19 pandemic. Economic situation may affect not only the Bulgarian effort to enter the ERM2 mechanism; the “waiting room” before

the eurozone, but also the political stability of the country. It should be noted that Bulgaria’s goal is to join the ERM 2 mechanism by July 2020. Dispute with North Macedonia on “Macedonian” language and “Macedonian minority” may disrupt bilateral relations between the two countries. Bulgaria pushes North Macedonia to abandon its views if the latter wishes to start accession negotiations with the EU. Migration poses a national security threat but currently situation is under control since migrant and refugee flows coming from Turkey are not increased. Nevertheless, situation is closely monitored by Bulgarian authorities. Corruption and organized crime remain significant obstacles for the country’s development and should be addressed decisively. The country pays special attention to energy security developing several projects. Modernization of Armed Forces is a top priority for Bulgaria and huge armament projects are ongoing (fighter jets, armored vehicles, vessels etc). However, military operational capability of the state is questioned especially in the Air Force. Bulgarian Armed Forces are far from NATO standards.



CROATIA: May 26th, economic analysts predict a rise in public debt throughout 2020 due to the corona crisis despite being 6.5% lower in January compared to January 2019. Croatia's gross foreign debt of 41.1 billion kuna at the end of January 2020 contracted by 2.8 billion euro or by 6.5% on the year, according to the figures recently published by the Croatian National Bank (HNB). However, considering the new circumstances in connection with the coronavirus pandemic that decimated the global economy, analysts expect the deterioration in

Croatia's external vulnerability. Analysts at Raiffeisenbank Austria (RBA) said that positive trends that began back in 2013 would likely be snapped, resulting in a rise in the country's gross foreign debt both in the real and nominal terms. *“Recovery and re-launching economic activity, which will require large amounts of funding, will lead to a rise foreign loans by all key sectors,”* analysts said. As a result of growing debt and the expected sharp economic downturn, Croatia's gross foreign debt to GDP ratio is likely to increase, too. At the end of 2019, Croatia's gross foreign debt to GDP ratio was 75.7%. (www.glashrvatske.hrt.hr)

- May 26th, an investigation by Nacional alleges Prime Minister Andrej Plenkovic's Government shortchanged Croatian oil refineries by striking a deal with Hungary. The weekly Nacional has published documents that show Energy Minister Tomislav Coric signed a deal in 2018 that sent Croatian oil to MOL's refineries in Hungary instead of INA's refineries at home. The magazine published a memorandum of understanding between INA and pipeline operator JANAF outlining the transport deal, which was co-signed by Coric. Defending the move, Coric said the decision to allow MOL to ship oil out of Croatia for refining in Hungary was more profitable for the company in the long-term, which benefited Croatia as well. Coric said he is willing to take full responsibility for co-signing the document. *“As far as protecting Croatian interests in the context of bringing the contents of that memorandum to fruition, two Croatian companies, INA and JANAF, can vouch for that with their business results,”* Coric said. Croatia and Hungary's MOL have been involved in a legal dispute over INA for years. MOL owns 49% of

the Croatian refiner but has had management rights for the past decade. The Croatian state owns 45% of the company. The battle was further fueled by MOL's decision to shutter INA's refinery in Sisak and consider doing the same with and another one in Rijeka. Prime Minister Plenkovic's Government had promised to buy back MOL's stake in INA but the plan has largely faded from view in the last two years. Now, the Prime Minister says the Government will assess INA's value in June, as part of the buy-back plan. *“INA is extremely important for our energy independence and our economy. What is most important is that the consultants, Mazars, will have the first preliminary assessment around June 10th. After that, we will make decisions accordingly.”* Croatia Democratic Union (Hrvatska Demokratska Zajednica – HDZ) Parliament Speaker Gordan Jandrokovic defended the Government, saying it protected Croatian interests as best it could. Social Democratic Party of Croatia (Socijaldemokratska Partija Hrvatske – SDP) leader Davor Bernardic said the Government had betrayed Croatian oil refiners while promising to buy back MOL's stake in INA over the same issue for the past four years. *“Croatian politicians are not protecting Croatian interests. They have not been looking out for the country's energy interests, which is now evident,”* said Nikola Grmoja of Bridge of Independent Lists (Most Nezavisnih Lista – Most). *“The Memorandum of Understanding between INA and JANAF is a non-binding document and was signed on August 21st, 2018 with the aim of creating preconditions for making business decisions that ensure greater profitability and sustainability of INA's refinery business, and thus the entire company,”* INA said in a statement. (www.glashrvatske.hrt.hr)

- May 29th, commenting on the arrests of state officials, including Croatian Forests CEO Krunoslav Jakupcic and Public Administration Ministry State Secretary Josipa Rimac of the Croatia Democratic Union (Hrvatska Demokratska Zajednica – HDZ), Prime Minister Andrej Plenkovic said on Friday that nobody was above the law and that corruption must come to an end. Plenkovic told news agency Media Servis that he had heard about the arrests from a Police report. *“This is an operation carried out by independent prosecutorial and Police authorities, as it should be,”* Plenkovic said. *“If investigation proves that someone has committed a crime, they must be held accountable, regardless of their name or party affiliation. No one is above the law and our message is clear: An end must be put to corruption,”* Plenkovic said. He added that a continued and uncompromising fight against corruption was his Government's and the HDZ's policy. Social Democrat MPs Sasa Djujic and Mirela Ahmetovic commented on today's arrests in Rijeka. They pointed out that what all of the suspects have in common is that they are all members of the HDZ. Plenkovic's party is burdened by corruption and places personal interests above those of the public, they said. *“We hope these investigations will be expanded and that this is not just an election ruse to divert attention from all of the other things the HDZ has done with that company,”* Duic told a press conference. (www.glashrvatske.hrt.hr)

COUNTRY ASSESSMENT :

Croatia has entered into pre-electoral period since parliamentary elections have been called for July 5th, 2020. Political tension is on the rise due to corruption scandals of the ruling HDZ

officials. Economy after COVID-19 pandemic is the big challenge of the new Government will emerge by the elections. Croatia – Slovenia border dispute remains active, but COVID-19 pandemic and pre-electoral period in Croatia have downsized current situation. Croatia implements a policy of Armed Forces' modernization trying to form a reliable and well equipped force according to NATO standards. However, the current COVID-19 pandemic may affect the ambitious modernization plans due the economic repercussions in the country. Croatian Air Force is far from NATO standards and actually the country lacks an operational air power.



CYPRUS: May 26th, the Interior Ministry on Tuesday called a protest held by members of political movement ANTIFA Nicosia outside the migrant centre in Kokkinotrimithia a day earlier *“a concerning event.”* *“We will not allow anarchy to continue in our country,”* the Interior Ministry said. *“At a time when we are making great efforts to manage the huge number of migrants in our country, some people are deliberately trying to sabotage situation,”* the Ministry said. The Ministry added the migrants are currently hosted at the Pournara reception centre for health reasons, as they still need to be tested for the coronavirus. Some have been tested and are waiting for the results. However, many do not have the necessary documents for their asylum seeking applications to be processed. *“We can only host those who respect our laws in our country, those who have a reason to be here,”* the Ministry said. *“As soon as conditions allow it, we will repatriate those who we cannot welcome, no matter how many people will protest our*

decision,” it added. The protest on Monday was aimed at denouncing the living conditions and overcrowding at the centre. “We gathered outside the Pournara reception centre in Kokkinotrimithia to show solidarity to the migrants,” a statement released by the organization on social media. “Their struggles are the same struggles of the entire working class and we stand with them, body and soul. In the difficult days ahead, we are fighting collectively for dignity of those who have been forgotten.” The centre was designed to host asylum seekers for a maximum of 72 hours until health checks are carried out. However, because of the travel restrictions in place due to the coronavirus pandemic, reports indicate it currently hosts around 600 people. Last week, a scabies outbreak was detected there, with the Health Ministry saying that around 30 people were infected. They had presented itching and rashes and were given medication and have been isolated. Scabies occurs in places where many people live together. On Tuesday, migrant support NGO, KISA expressed its reservations as to whether the centre has indeed been infested with scabies. *“According to many detainees, they have no information of scabies cases and neither have they been visited by doctors to inform or examine them for it,”* KISA said in a statement. *“In view of this, it cannot be ruled out that the Government, using its well-trodden practice during the restrictive measures for the pandemic and using it as a pretext, in violation of all rights of asylum seekers and with racist and discriminative policies, has imposed its arbitrary decisions to transfer hundreds of asylum seekers from other places and to actually detain them at the Pournara centre.”* The NGO said that if the story about scabies is true it is the Government itself through its policies

that has created the conditions for the onset of the infection at the centre. (www.cyprus-mail.com)

- May 27th, Russia’s relations with Turkey do not affect the country’s stance on the Cyprus problem, Russian Ambassador Stanislav Osadchiy said on Wednesday after a meeting with Progressive Party of Working People (Ανορθωτικό Κόμμα Εργαζόμενου Λαού - AKEL) Secretary General Andros Kyprianou. *“We have always stood by the people of Cyprus on this issue and we agreed that more efforts should be made in this area,”* he said. *“We have our own relations with Turkey, and we are carrying them forward, not without difficulties. We have disagreed with them several times, just like we did with Syria and Libya.”* Osadchiy also said Russia was concerned about the US influence in Cyprus, particularly regarding the Menendez - Rubio bill. The bill allows the US to fully support the trilateral partnership of Israel, Greece and Cyprus through energy and defense cooperation initiatives, including by lifting the prohibition on arms sales to Cyprus. *“The Menendez - Rubio bill does not worry us. We have developed our relations for 60 years, I am hopeful we will continue to benefit from our reciprocal friendship and improve it further,”* he said. The bill also ensures that Cyprus makes continuous annual efforts to deny Russian military vessels access to ports in the country for refueling and servicing purposes. Osadchiy, however, said the close ties between Russia and Cyprus *“will allow both countries to overcome difficulties.”* Finally, Osadchiy said there are ongoing discussions between the Russian and the Cypriot Governments to bring back tourists to the island. *“However, the coronavirus pandemic is preventing us from taking real steps, so at the*

moment a real plan cannot be put in motion.”
(www.cyprus-mail.com)

- May 28th, the Cabinet on Thursday ratified the EastMed gas pipeline project, which had been signed in January by Greece, Israel, and Cyprus. The project is also supported by Italy, which has not yet signed the agreement. The EastMed project entails a 1,900 km natural gas pipeline to connect the gas reserves of the eastern Mediterranean to Greece. Energy Minister Giorgos Lakkotrypīs said the agreement includes provisions allowing Italy to sign whenever it is ready. The agreement will now be submitted to parliament for approval. Lakkotrypīs said they were now at the stage of commissioning four studies worth around 35 million euro that will be funded by the European Commission. One concerns underwater surveys while the rest regard the infrastructure, including the pipeline itself. Asked how the coronavirus pandemic might affect the project, the Minister said companies involved in such large projects plan years ahead and not based on current conditions. “*Very soon the consortium will go ahead with finding buyers for the eastern Mediterranean gas,*” he said, adding that this was the most important criterion that would decide whether the project is feasible. The pipeline includes 1,300 km of offshore and 600 km of onshore sections. It will transport natural gas from the Levantine Basin in Israel and gas fields in Cypriot waters to Greece and Italy. The project includes a 200 km offshore pipeline section that will start from Israel’s Leviathan gas field and end in Cyprus, connecting the Aphrodite gas field. A 100 MW station will be constructed in Cyprus. A 700 km offshore pipeline section will connect the pipeline from Cyprus to Crete,

where a 120 MW station will be installed.
(www.cyprus-mail.com)

COUNTRY ASSESSMENT :

The EC has foreseen that Cyprus will enter into recession, despite its impressive economic growth for several years. Despite Turkish aggression, Cyprus continues to promote its energy plans seeking to exploit its mineral wealth and to secure its energy security. Cyprus continues to react diplomatically against the Turkish drills in the Cypriot Exclusive Economic Zone (EEZ) denouncing Turkey’s aggressive behavior against international law. In this effort it enjoys the EU support but only in rhetorical level since the union lacks of comprehensive military capabilities. Cyprus cannot stop the Turkish activity so far, failing to protect its sovereign rights. Turkey has simply refused to withdraw from a region that it is considered as its strategic extension where vital geostrategic and geoeconomic interests are at stake. Cyprus lacks adequate military means (especially aeronautical forces) to deter Turkey from continuing its activity. However, it is not expected escalation of situation in the near future since energy companies have postponed their scheduled drills within the Cypriot EEZ. It is certain that Turkey will not accept “fait accompli” in a region considered as part of its strategic interests. Besides, Turkey maintains a significant military force on the island (Army Corps size) which poses a permanent threat against the Cypriot republic. 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. Illegal

migration is a challenge for Cyprus especially if migrant flows will be increased during summer.



GREECE: May 27th, Prime Minister Kyriakos Mitsotakis on Wednesday welcomed a plan by the European Commission to disburse to EU countries 750 billion euro in grants and loans to EU countries to help them recover from the economic impact of the coronavirus. “We welcome the Commission's bold proposal for a package of 750 billion euro, mainly in the form of grants funded via joint debt issuance. The bar has been set high. Now it is up to the EU Council to rise to the occasion,” he said on social media. Greece is expected to get 32 billion euro of the new recovery fund, of which 22.5 billion would be grants and 9.4 billion would be loans. (www.ekathimerini.com)

- May 28th, Greece's message to Turkey that channels of communication must remain open but that Athens is also prepared to defend its national interests was the theme that pervaded Wednesday's meeting between Prime Minister Kyriakos Mitsotakis and the Ministers of Foreign Affairs and Defense, Nikos Dendias and Nikos Panagiotopoulos, according to a Government source. Discussion between the three men, which took place in the wake of a recent exchange of demarches between Greece and Turkey regarding the Evros River border region, focused on the fact that although there has been no actual progress regarding their differences, there has been a relative de-escalation of tension. In particular, there has been a decrease in airspace violations compared to previous weeks, while migration flows from Turkey have been reduced to a minimum. What is more, the source also referred to the statement by Turkish Ambassador to

Athens Burak Ozugergin, who described the recent border situation that arose in the southern part of the Evros, due to a change in the position of the riverbed, as a technical issue that is perfectly normal for neighbors with common land borders. “*This is not an issue. Let's not turn it into an issue,*” the Ambassador said. Meanwhile on Wednesday, Citizens' Protection Minister Michalis Chrysochoidis stressed that Greece intends to press on with plans to extend its fence on the Greek-Turkish border in Evros to prevent a mass influx of undocumented migrants trying to reach the EU. “*The fence will be built in defense of our country's interests,*” the Minister said during a visit to the area. Referring to the decision to strengthen Greece's border forces with riot units and officers from other services, the Minister pointed out that this was deemed necessary as the planned recruitment of 400 border guards had been delayed due to the pandemic. (www.ekathimerini.com)

- May 31st, construction of a border fence at the Evros land border with Turkey is proceeding and the project will be ready in a few months' time, Citizen Protection Minister Michalis Chrysochoidis said. In an interview with Skai Sunday, Chrysochoidis said that, at the moment, at least, Turkey is not engaging in provocative actions and that, in any case, the Government is “*absolutely calm.*” Chrysochoidis noted that Greece has “*become a European symbol of border protection*” and that the Evros front is guarded by Army, Police and FRONTEX forces. With the hiring of 400 more border guards underway, “*the border situation will markedly improve,*” the Minister said. Asked about efforts to fight crime, Chrysochoidis noted that Police patrols are making their presence felt after many years. He

added that Police had suffered through a decade of neglect in acquiring new equipment and that, since July, 1,500 patrol cars and over 15,000 bullet-proof vests had been acquired. Chryssochoidis has served as Citizen Protection Minister three times since 2009, as well as during 1999-2003, when he dismantled the nearly three-decade-old “November 17” terrorist organization ahead of the 2004 Athens Olympics. (www.ekathimerini.com)

COUNTRY ASSESSMENT :

Greek – Turkish relations are the main concern of Greece since the latter is seeking to escalate security situation in the borders (land borders in Evros and sea borders in the Aegean). Moreover, Turkish plan to start hydrocarbon drills south of Crete in the context of the recent agreement between Turkey and Libya regarding maritime zones it may escalate tension between the two countries towards a “hot” incident. Greece seeks to avoid “fait accomplis” in a region where its Exclusive Economic Zone is located according to the international law. As long as it avoids declaring its EEZ in mutual agreements with its neighbors, Greece will have to address situations like this one. Consolidated presence of Turkey in Libya is a new source of concern for Greek foreign policy and security. Under current situation in Eastern Mediterranean and Aegean Sea Greece, Greece is obliged to strengthen and modernize its Armed Forces operational capability. In the economic field, Greece seeks to avoid recession by the EU financial support aiming to get 32 billion euro in grants and loans.



KOSOVO: May 26th, Kosovo President Hashim Thaci said on Tuesday that he

refuses to be involved in a dialogue led by EU envoy Miroslav Lajcak. “I will respond to invitations to summits by (German Chancellor Angela) Merkel, (French President Emmanuel) Macron but I have no will to take part in a negotiation process headed by Lajcak,” Thaci told reporters. Thaci has been opposed to Lajcak’s role as envoy of EU High Representative Josep Borell for the Belgrade - Pristina dialogue, claiming that he is biased in favor of Serbia. The Kosovo President said he has full confidence in American handling of the dialogue, adding that he believes the US will bring dialogue to a successful conclusion. “Without the leading role of the US there is nothing to move things. The EU will be encouraging but I am not personally in contact with Lajcak and I do not know how far the Lajcak- (Kosovo PM Albin) Kurti - (Josep) Borell negotiations have gone. We have two negotiators from countries which have not recognized Kosovo,” Thaci said. (www.rs.n1info.com)

- May 28th, Some 2,000 people rallied in Pristina on Thursday at “Protest Rehearsal,” organized by the ruling Self-Determination Movement (Vetëvendosje), calling for an early election after its Government was voted out on March 25th, 2020 the FoNet news agency reported. The gathering at the Skenderbeu Square in Kosovo’s capital ended peacefully with the outgoing Prime Minister Albin Kurti’s greeting protesters from the Government’s building window. They chanted his name and slogans “We want elections,” “Yes to elections, no to thieves,” “Self-Determination.” The movement was permitted to hold the rally for first time, after several attempts that failed. The political situation in Kosovo remains fragile after Kurti’s cabinet has been voted out and following a dispute between him and President Hashim

Thaci. Kurti's Government lost support of its main coalition partner, the Democratic League of Kosovo (Lidhja Demokratike e Kosovës - LDK). After the Parliament withdrew its support, Thaci asked Kurti to name his successor. He did not respond, saying he was busy with fighting the coronavirus epidemic, and Thaci gave the mandate to the LDK. However, Kurti appealed to the Constitutional Court, which ruled to temporarily ban Thaci's decision. The outcome of the Constitutional Court is expected on Friday. (www.rs.n1info.com)

- May 29th, the Kosovo Constitutional Court upheld President Hashim Thaci's appointment of Avdulah Hoti as Prime Minister Designate. Thaci issued the decree to appoint Hoti following a parliamentary vote of no confidence in Prime Minister Albin Kurti's Government. The decree was challenged before the Constitutional Court which issued a temporary ban on its implementation. Kurti's Self-Determination Movement (Vetëvendosje) staged a protest on Thursday, demanding new elections. A press release said that the Constitutional Court unanimously ruled that a new Government can be formed without dissolving Parliament, adding that the temporary ban has been lifted allowing Hoti to form his cabinet. The Kosovo President welcomed the ruling in a social media post. "I welcome the Constitutional Court decision about my decree on Hoti's mandate as Prime Minister. I am convinced that every step I took was completely in accord with the Constitution of Kosovo and I am glad that the Constitutional Court confirmed this," he wrote and added that no time should be wasted in forming a new Government which will have the full legitimacy of Parliament. (www.rs.n1info.com)

COUNTRY ASSESSMENT :

The "road is open" for the establishment of a new Government in Kosovo after Constitutional Court's ruling that the President Hashim Thaci's decision to give the mandate to LDK is in line with Constitution. It is confirmed that Thaci is the absolute dominant in Kosovo politics, while the Vetëvendosje leader and caretaker Prime Minister, Albin Kurti has been defeated by the President in the political struggle between the two men. However, it is not certain that political stability will reign in Kosovo after latest developments. Kurti and his supporters look determined to reject Thaci's actions and a protest has been organized last week. Kosovo – Serbia dialogue is unlikely to proceed in the near future not only because of political instability in both countries but also because Thaci rejects the EU mediation claiming that its Special Envoy Miroslav Lajcak is in favor of Serbian interests. Actually, Thaci promotes the dynamic role of the US in the whole process downgrading the respective role of the EU. Fight against corruption, organized crime, money laundering and trafficking, establishment of rule of law, accountable and transparent state institutions, and functional public administration are the main challenges for Kosovo towards its European path.



MOLDOVA: May 25th, retirees in the country who have a pension of up to 3,000 lei (157 euro) could receive one-off allowance of 700 lei (36.6 euro) from the state in the coming months. President Igor Dodon made the statement today after the weekly meeting with the country's leadership. Dodon said he had asked the Government to draft a bill to this effect.

“Financial resources have already been identified,” he said. Also, the Head of state said that the authorities will come up with a package to support the business environment in the country. First measure is related to extending the rescheduling of loans taken by companies by late 2020. Currently, the deadline is up to June 1st, 2020. The state will also cover bank interest on new loans for businesses, in the amount of six salary funds for the period up to December 31st, 2021. (www.moldpres.md)

- May 27th, Moldova will negotiate with the Council of Europe Development Bank (CEB) a loan agreement worth 70 million euro for the implementation of the project Emergency Response to COVID-19 and Support for micro, small and medium enterprises. A draft to this effect was approved by the Parliamentary Committee on Foreign Policy and European Integration on Wednesday. According to the document, the loan from Moldova will be negotiated by a Government delegation led by Serghei Puscuța, Deputy Prime Minister, and Minister of Finance. The project has two components: the health one worth 40 million euro and the support one worth 30 million euro. According to Moldovan Government estimates, the financial resources under the loan will cover COVID-19 expenses in 2020 - 2022 budget period. (www.moldpres.md)

- May 31st, border and customs authorities of Moldova have decided to reopen road traffic for both passengers and freight carriers through three other checkpoints. According to the General Inspectorate of the Border Police of the Ministry of Internal Affairs, starting with June 1st, 2020, at 08.00, the activity of Briceni - Rossosani border crossing points (road/international), Criva -

Mamaliga (road/international) and Mirnoe - Tabaki (road/international) will be resumed but keeping traffic restrictions during the pandemic period. At the same time, to facilitate and streamline the road transport of goods at the Moldovan - Ukrainian border, the goods subject to control by ANSA can still be cleared through customs Otaci – Mogiliov - Podolsk customs post. Thus, 22 border crossing points will be opened Leuseni - Albita (road/international), Sculeni - Sculeni (road/international), Ungheni - Iasi, (railway/international), Giurgiulesti - Galati (road/international), Giurgiulesti - Galati (rail/international) and Giurgiulesti (naval, road, rail/international). The border with Ukraine: PTF Otaci – Moghilev - Podolsk (road/international), Tudora - Starokazacie (road/international), Palanca – Maiaki - Udobnoe (road/international), Giurgiulesti - Reni (road/international), Giurgiulesti - Reni (rail/international), Mirnoe - Tabaki (road/international), Briceni - Rossosani (road/international), Criva - Mamaliga (road/international), Criva - Mamaliga (rail/international), Ocnita - Sokireani (road/international), Ocnita - Sokireani (railway/international), Larga - Kelmenti (road/international), Larga - Kelmenti (railway/international), Valcineț – Moghilev - Podolsk (railway/international), Etulia - Frikatei (railway/international) and Basarabeasca – Serp-niovo (rail/international). (www.moldpres.md)

COUNTRY ASSESSMENT :

Political uncertainty reigns in Moldova since the Chicu Government is not so stable enjoying a fragile parliamentary majority. Rapid political developments are not unlikely including early parliamentary elections. Presidential elections

announced for November 1st, 2020. The President, Igor Dodon is the absolute dominant of state's politics and any further political development should have his approval. Moldova has become a field of the ongoing rivalry between the West (namely the EU and NATO) and Russia for influence. The country is considered by the US and EU of great strategic importance being in the soft underbelly of Russia. On the other hand, Moldova is considered by Russia as an important region for its national security belonging by principle to its sphere of influence. Although the President Igor Russia maintains troops in Transnistria which are considered by pro-western forces as violating Moldovan sovereignty. The frozen conflict of Transnistria is always a "running sore" for the country working as a potential factor of destabilization. Corruption, lack of transparency and accountability reign in public administration and state's politics.



MONTENEGRO: May 25th, negotiations between the Government of Montenegro and Metropolitanate of Montenegro and the Littoral over the implementation of the Law on Freedom of Religion will be resumed when conditions are met, the Prime Minister Dusko Markovic said. At the press conference organized today on the occasion of successful dealing with the coronavirus epidemic Prime Minister said that that dialogue had started before the epidemic. "Nothing's more important than health. I have received a letter from Metropolitan Amfilohije. As soon as conditions are created, talks will resume," Markovic said. The Prime Minister pointed out that dialogue would take place in favorable and friendly environment only. "We will not allow anybody to scare us with

religious processions. If public gatherings are allowed, religious processions will be allowed too," Markovic said. (www.cdm.me)

- May 28th, Montenegro has been target of attacks from the neighboring Serbia for a long time. The highest representatives and leaders of opposition parties are assisted by the media which publish texts against Montenegro every single day. According to Serbian journalist and writer, Tomislav Markovic, attacks on Montenegro continue where they stopped before the COVID-19 pandemic, as expected. In a statement for CdM, Markovic points out that this chase has been on for years because official Serbian politics just cannot come to terms with the fact that Montenegro is an independent state. While religious procession was popular, several tens of thousands of texts with anti-Montenegrin propaganda were published. "Serbia keeps attacking Bosnia and Herzegovina, Croatia, Kosovo... Nationalist politics cannot come to terms with the existing borders in the Balkans and sees them as provisional and temporary. Therefore, destabilization of the region is the model of foreign policy of Serbia, which conveniently matches with Russian interests," Markovic said. Dominant nationalist narrative is not aimed against neighbors only, but also against citizens. "We saw during the epidemic that anyone can become an enemy: returnees from abroad, infected people, pensioners, pet owners... The world of nationalist paranoia is surrounded by fictitious enemies, always in the state of immediate war danger," Markovic concluded. (www.cdm.me)

- May 31st, the ruling coalition in Budva, comprising the Democratic Front (Demokratski Front - DF), the Democratic Montenegro

(Demokratska Crna Gora – DCG), the Civic Movement United Reform Action (Građanski Pokret Ujedinjena Reformska Akcija - URA) and the Social Democratic Party of Montenegro (Socijaldemokratska Partija Crne Gore - SDP), did not adhere to legal obligations and literally opened the door for the Kotor scenario. Namely, councilors of the parties in power in Budva did not decide on the dismissal of the President of that Municipality, Marko Carevic, within deadline and were obliged to do so until midnight. Councilors intentionally derailed the discussion and played a waiting game so in the end, the voting did not take place and the deadline expired. When the councilors of the Democratic Party of Socialists of Montenegro (Demokratska Partija Socijalista Crne Gore - DPS), the Montenegrin (Crnogorska) party and the independent councilor, Stevan Dzakovic, figured out that the discussion will not end by midnight, they simply left. In the end, the President of the Municipal Assembly, Krsto Radovic, had to interrupt the sitting and reschedule it for June 29th, 2020 as there was no quorum present. As for the sitting itself, the objects of Carevic's verbal attacks were quite many of councilors – primarily Dzakovic, whom he called a thief, freak, cheater, prostitute... and he even used violent language while speaking about the Dzakovic family. Having in mind a heated debate the councilors had yesterday, today's sitting was supervised by the Police all the time. (www.cdm.me)

COUNTRY ASSESSMENT :

Tension between Montenegro and Serbia remains despite the COVID-19 pandemic. Montenegro claims that Serbia works methodically to

destabilize the country implying that Russia is in the background. The fact is that Montenegrin citizens are divided and this is dangerous for the state. There are concerns that coming autumn will be a hard one due to the COVID-19 consequences in the state's economy. So the Government seeks to call for elections in late summer or beginning of autumn. Opposition looks divided without a common stance but there are several parties which will boycott the elections protesting for lack of democratic values, media freedom and establishment of an authoritarian regime by the ruling DPS. Corruption, smuggling (especially cigarettes) and money laundering are dominated in the country setting significant obstacles and risks for every investor. Such situation has strongly affected progress of accession negotiations with the EU. Montenegro 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. The coming elections in the country should be seen as a democratic stress test. The country focuses on strengthening its Armed Forces by purchasing modern equipment.



NORTH MACEDONIA: May 25th, Internal Macedonian Revolutionary Organization – Democratic Party for Macedonian National Unity (Внатрешна македонска револуционерна организација – Демократска партија за македонско национално единство - VMRO-DPMNE) Spokesman Dimitar Arsovski said that the ruling Social Democratic Union of Macedonia (Socijaldemokratski Sojuz na Makedonija – SDSM) party is abusing the Police

for surveillance of opposition officials, just as it is using the judiciary for politically driven trials. Arsovski pointed to Toni Janevic, Head of the covert bureau of the large BJB uniformed Police department, as the person responsible for the surveillance. *“The leadership of VMRO-DPMNE is targeted with warrantless phone surveillance and physical surveillance. As soon as the new parliamentary majority is established by us, VMRO-DPMNE will act on the requests to conduct oversight over the state security agencies,”* Arsovski said. Photographs of opposition officials are frequently published in Government aligned news sites. Arsovski also accused Filip Medarski, the lawyer of SDSM party leader Zoran Zaev, of conducting politically driven trials and criminal cases in the judiciary, where his family has been long established. This control, Arsovski said, prevents any independent oversight into the state security services at the moment. *“I want to warn all who are involved in these illegal activities, remember that a day will come when SDSM and Zaev will no longer be in office and they will not be able to protect you anymore. They will not even know you then. A day will come when the rule of law will return to the Republic of Macedonia. Think twice if a failed politician and criminal like Zoran Zaev is worth having your lives destroyed over,”* Arsovski said. (www.republika.mk)

- May 28th, Izet Mexhiti from the Democratic Union for Integration (Demokratska Unija za Integracija - DUI) party said that the differences in talks between the main parties about next elections have boiled down to several days in July. *“Whether it is July 5th or July 12th, it is a matter of days, and we can find a mutually acceptable solution,”* Mexhiti said. Earlier,

another DUI official Bujar Osmani, said that the party wants elections on July 5th, 2020. The two main parties, Internal Macedonian Revolutionary Organization – Democratic Party for Macedonian National Unity (Внатрешна македонска револуционерна организација – Демократска партија за македонско национално единство - VMRO-DPMNE) and Social Democratic Union of Macedonia (Socijaldemokratski Sojuz na Makedonija – SDSM), are at odds over when to conduct elections. SDSM wants the vote as soon as possible, even as early as June 21st, despite the worrying coronavirus statistics in North Macedonia and the threat of spreading the virus during the elections. SDSM apparently believes that a low turnout election will suit them best. VMRO-DPMNE, on the other hand, pushes for elections in mid August or September. (www.republika.mk)

- May 31st, all political parties should take part in the election to demonstrate democratic capacity and offer options to the citizens, Interim Prime Minister Oliver Spasovski said Sunday in Kumanovo after the coordination meeting of MP candidates from Social Democratic Union of Macedonia (Socijaldemokratski Sojuz na Makedonija – SDSM) coalition for second election district. *“I wish that political parties reach a consensus, respect laws and the Constitution. All political parties should take part in the election to demonstrate democratic capacity, but if party leaders cannot find common ground, it is up to institutions to take action. The Security Council decided Saturday to extend the state of emergency an additional 14 days, in order to implement economic measures and this means that the election should be held July 5th,”* Spasovski told reporters. He underlined

expectations that political parties will rise to the occasion, demonstrate democratic capacity and take part in the election. *“At the end of the day, those who wished to take part in the election will do so, regardless of situation. I expect parties to engage in discussion of their visions, so that citizens can make decisions based on this,”* Spasovski said. Regarding the election campaign, the Prime Minister underlined, the power of social media will be utilized to connect with citizens, discuss issues, present the election program and SDSM’s vision for the future. (www.republika.mk)

COUNTRY ASSESSMENT :

Political dispute on elections date continues in North Macedonia. SDSM seeks elections to be held as soon as possible, while VMRO-DPMNE wants elections to take place end of August or beginning of September. Consequently, a long rhetoric has broken up for the elections date. Although the country has a caretaker Government situation is not stable since the Parliament has been dissolved and there is no elected Government to handle major state’s issues. The country should focus on reforms regarding justice, rule of law, fight against corruption and money laundering, public administration, and respect of human rights in order to accelerate its European integration process.



ROMANIA: May 27th, the Romanian Government asked the state company NUCLEARELECTRICA, which runs the nuclear power plant in Cernavoda, to terminate negotiations with its Chinese partner CHINA GENERAL NUCLEAR POWER CORPORATION (GCNPC) on the construction of

nuclear reactors 3 and 4 at Cernavoda. The Government said NUCLEARELECTRICA needs to find new partners for the project. A Memorandum of Understanding was signed between NUCLEARELECTRICA and GCNPC in November 2015 to build the two reactors. According to the document, the two parties were to set up a joint venture project company in which the Chinese company would hold a stake of at least 51% of the shares. The new joint venture was planned to take over the value of NUCLEARELECTRICA’s investment in its subsidiary ENERGO NUCLEAR SA, the former company that had been due to handle the project for reactors 3 and 4 at the Cernavoda plant. In May 2019, the Energy Ministry under the former Social Democratic Party (Partidul Social Democrat - PSD) Prime Minister Viorica Dancila signed another document with the Chinese company, concerning a 200 million euro a year investment from GCNPC. But the current Prime Minister, Ludovic Orban, condemned the deal in January 2020. *“It is clear to me that it will not work with the Chinese ... We will see with which partner [the reactors will be built]. It is about partners and funding,”* Orban said in an interview for Hotnews. Economy Minister Virgil Popescu said in January 2020 that NUCLEARELECTRICA could build reactor 3 at Cernavoda by itself, and added that a new joint project with a NATO partner was a more viable scenario. Romania is a close ally of the US and its movement away from key deals with Beijing has likely been affected by the dramatic cooling in US - China ties since Donald Trump took office in Washington. In April 2016, the US Justice Department accused GCNPC along with ENERGY TECHNOLOGY INTERNATIONAL of nuclear espionage. The US justified its

accusation, citing *“conspiracy to unlawfully engage and participate in the production and development of special nuclear material outside the United States, without the required authorization from the US Department of Energy.”* The Romanian Energy Ministry holds the majority share capital of 82.49% of NUCLEARELECTRICA, while Property Fund owns 7.05% and other shareholders have 10.45%. NUCLEARELECTRICA shares registered an increase of 34.4% on the Bucharest Stock Exchange since the beginning of 2020. The rise was linked to transactions worth 168.3 million lei [about 35 million euro. (www.balkaninsight.com)



Cernavoda Nuclear Power Plant
(www.nuclearelectrica.ro)

- May 20th, Romania's President Klaus Iohannis presented the new National Defense Strategy for the period 2020 - 2024, adopted by the Supreme National Defense Council (CSAT) on Wednesday, May 27th, 2020. *“Romania is a state that must defend its citizens wherever they are, a state that ensures their security, respects their rights, and puts public institutions at their service,”* Iohannis said, quoted by Digi24.ro. He added that partnership with the US, the EU, and NATO are the main pillars of the new strategy. As an element of novelty, the strategy refers to a multi-dimensional concept of security, based on the relationship security - prosperity - rule of law - democracy - identity, and the balance between

state and individual as beneficiaries of national security. Consequently, security management also involves the participation of civil society. That is why the strategy encourages more effective inter-institutional collaboration and coordination, including by setting up a Strategic Reflection Group, so that changes in the international environment can be analyzed and evaluated in a common framework. (www.romania-insider.com)

- May 29th, Romania's main opposition party, the Social Democratic Party (Partidul Social Democrat - PSD) will submit a no-confidence motion if the Liberal Government amends the law on public pensions by emergency ordinance, former Labor minister Lia Olguța Vasilescu announced on Thursday, May 28th, 2020. The Government must change the pension law if it wants to avoid the 40% pension hike scheduled for September 1st, 2020. Vasilescu said that PSD's interim National Permanent Bureau took this decision on Thursday. *“They can only make this change in the law through an emergency ordinance, and when they adopt it, we will already start collecting signatures for the no-confidence motion,”* Vasilescu announced in a press conference, G4media.ro reported. In principle the Government should come up with the amendment to the pension law after July - when the second budget revision is expected. The general elections are most likely to be held in early December. Vasilescu stressed that when PSD submits a no-confidence motion, it will make sure that it has the votes to overthrow the Government of Prime Minister Ludovic Orban. Orban said on Saturday evening that pensions would increase as the economy allows. The Government has been analyzing several options to carry out the 40% pension hike in stages, as the

COVID-19 crisis has further increased the pressure on the state budget. (www.romania-insider.com)

COUNTRY ASSESSMENT :

Political situation in Romania is rather stable since opposition threatens to file a motion of no-confidence against the Government of PNL. Besides, PNL enjoys a fragile majority in the Parliament. Nevertheless, it should be considered that PNL was seeking to hold early elections aiming to get the parliamentary majority. It is not still certain that PNL has the same goal since it has to address the wear and tear of time in power. Romania enjoys advanced upgrade in US and NATO strategic plans due to its geographical position located close to Russia. In this context, Romania's new defense strategy highlights security bonds between the country and the US, NATOA and EU. Tension also has been noted between Romania and Moldova due to mutual provocative statements by both state's officials. Abolishment of the 2015 agreement between Romania and China for the construction of two nuclear reactors by a Chinese company hides deeper geopolitical reasons namely the rivalry between the US and China and the NATO effort to reduce China's penetration in Europe through energy, maritime and trade agreements. Romania keeps strengthening its Armed Forces seeking to achieve NATO standards.



SERBIA: May 26th, Prime Minister Ana Brnabic stated that Serbia will not close its borders for Montenegrin citizens, as Podgorica did for the citizens of Serbia. However, she added that the Serbian border will be closed for Montenegrin mobsters and criminal clans.

According to the Prime Minister, Serbia will not introduce reciprocal measures, but she pointed out that Serbian citizens should not go where they are not welcome. She said that Serbs could now see that they are not welcomed in Montenegro, because, as she pointed out “*we did not lie that people were dying from the flu and pneumonia, instead from the coronavirus.*” “*We will continue to act responsibly, and tell the truth,*” the Prime Minister said, although, as she added, the reason for Montenegro's decision to reopen borders for a number of countries, but not for Serbia, is not based on the facts pertaining to the coronavirus epidemic and the number of infected. However, Serbia will not respond with reciprocal measures towards Montenegrin citizens. “*We will not prevent Montenegrin citizens from entering Serbia, but we will not allow criminals and mafia clans from Montenegro to enter Serbia,*” Brnabic said. She pointed out that “*we will show no mercy in the fight against criminals.*” “*This attitude of the Montenegrin Prime Minister sent a clear message to the citizens. I would ask Serbian citizens to stay in Serbia instead of going to the country where Serbs are unwelcome,*” Brnabic concluded. (www.b92.net)

- May 28th, Russian Ambassador to Belgrade Alexander Botsan-Kharchenko stated for “*Sputnik*” as far as Russia is concerned, it is the first country that knows and demands that, when it comes to Kosovo, to act according to Resolution 1244, which remains in full force. “*I said and I can repeat that, when and if a solution is reached, and we believe that only a solution between the two sides is possible without imposing solution from outside,*” Botsan-Kharchenko explained regarding speculation that “*great powers*” based on their interests, they can

tailor a map of the Balkans behind Serbia's back. *"We respect Resolution 1244 and there is no other position - we respect the sovereignty and territorial integrity of Serbia. We always start from that. There are a lot of issues in Resolution 1244 that relate to interim institutions, temporary status, international activities, etc.,"* he said. If there is a more stable solution between Belgrade and Pristina, it will probably be possible to change several points of Resolution 1244, which refer, for example, to the international presence, Botsan-Kharchenko said. *"We do not think that KFOR or EULEX or some other international institutions are going to be present there forever. That is why amendments are possible. But now, in any case, it is too early to talk about details, because now no one can say exactly what is possible. No one can say with certainty when it would be possible to start a dialogue between Belgrade and Pristina, despite a lot of pressure. As for Russia, we are not asking for anyone to allow us to participate because Russia is a permanent member of the Security Council. We, as a permanent member of the Security Council, are present. Of course, the most important thing for us is Belgrade's wish and interest for Russia to take part in dialogue,"* Botsan-Kharchenko concluded. (www.rs.n1info.com)

- May 29th, the US Ambassador to the OSCE James Gilmore said in a statement that Washington supports the Serbian people's goals of strengthening democracy and integration into European institutions but warned that recent decisions by the Government to purchase Russian weapons and engage in non-transparent deals with China are counterproductive to those objectives. In his reaction to a report to the OSCE Permanent Council by the Head of the OSCE Mission in

Serbia Ambassador Andrea Orizio, Gilmore said that the US *"strongly supports a democratic, prosperous, and peaceful future for the Western Balkans and recognizes Serbia's important role in this."* *"My Government has demonstrated our sincere commitment to such a future by appointing a special presidential envoy to secure tangible progress in the talks between Pristina and Belgrade, in addition to the State Department's special representative for the Western Balkans,"* he said. Gilmore said that challenges to media freedom remain and encouraged the OSCE mission in Serbia to continue working with the Government to improve media freedom, transparency, and literacy; while enhancing journalists' safety, ethics, and professionalism. *"In an environment deeply affected by the global pandemic, it is more important than ever we all underscore our commitment to democratic values and assure the Serbian people that the international community remains engaged in support of democratic progress. Some Serbian officials have publicly incited discrimination and used an ethnic slur that Serbia's courts have ruled could be considered hate speech. While the United States does not agree with the criminalization of speech, I do encourage you to condemn and counter the spread of revisionist narratives and hate speech,"* he added. The US envoy said that Serbia's June 21st, 2020 parliamentary vote, like all elections in the OSCE area, would benefit from ODIHR observation, the international gold standard. *"While the COVID-19 pandemic has made the organization and execution of an observation mission difficult, we urge all parties involved to think creatively to allow meaningful international observation to proceed,"* he said. *"During the pandemic, the Serbian Justice Ministry took the*

unprecedented step of allowing criminal trials by video conference for individuals accused of violating self-isolation orders, quickly sentencing some individuals to as many as three years' confinement for violating self-isolation orders. Some observers contended these individuals had not been properly informed of the various isolation requirements. The OSCE's efforts in the rule of law will help the Serbian Government ensure laws are applied fairly, and therefore strengthen the Serbian people's support of their own Government," the Ambassador said. (www.b92.net)

COUNTRY ASSESSMENT :

Serbia has entered in full pre-electoral period. Opposition claims that elections will not be free and fair while international community expresses its concerns for the elections. There is no doubt that coming elections will be a strong democratic test for the country. The US and EU push Belgrade and Pristina for restarting dialogue regarding normalization of relations between Serbia and Kosovo. Although Kosovo got a new Government dialogue could not start before the Serbian elections. Serbia claims that Montenegro acts against Serbia for political reasons. In fact, Serbia is frustrated by Montenegro's decision to keep its borders closed for Serbs (but not for other Western Balkan people). Tension between two countries is getting harder and it is a question how it will end. It is a fact that this tension acts destabilizingly for the region. The EU has raised serious concerns over Serbia's effectiveness on independence and accountability of the judiciary, freedom of expression, prevention of corruption and the fight against organized crime. Serbia pays special attention in improving operational

capabilities of its Armed Forces declaring towards all sides that they are the power of the state. It implements an ambitious armament program mainly supported by Russia.



SLOVENIA: May 25th, three centre-left opposition parties filed legislative amendments to crack down on activities by self-styled militias or home guards after uniformed members of one such group made a visit to a Police station in the north-east of the country over a week ago. The proposal submitted by the Social Democrats (Socialni Demokrati - SD), List of Marjan Sarec (Lista Marjana Šarca – LMS) and Party of Alenka Bratusek (Stranka Alenke Bratušek - SAB) is the same as that filed by the previous minority Government under their guide, but which was defeated in Parliament shortly before the change of Government in March. Earlier, the President Borut Pahor told commercial broadcaster POP TV that self-styled uniformed village guards or militias should not be allowed in Slovenia. He thinks such activities should be banned by law. *“Slovenia is a safe country, we have competent authorities protecting the public order, there is no need for village guards of any kind.”* Turning to the work of the Government, the President assessed that the cabinet was doing a good job in fighting off the looming recession. *“But I do think it could be a big problem if political spirits continue to drift apart,”* the President said. (www.sta.si)

- May 26th, coalition and opposition MPs remained on opposite banks in a parliamentary debate on whether to activate Article 37.a of the defense act to give limited Police powers to the Army to enhance border protection; the proposal

ended its way through Parliament with today's debate after it failed to muster the required two-thirds majority on the parliamentary Defense Committee in April. Today's debate was held after being postponed on April 7th, 2020, when the coalition MPs indicated they would check whether the National Assembly could still vote on the proposal despite it failing to get past the Committee a few days earlier. (www.sta.si)

- May 28th, ruling coalition has offered the opposition a partnership agreement in a bid to facilitate the adoption of measures to help economy recover from the coronavirus crisis and carry out systemic reforms. The coalition is "sending the opposition an invitation to cooperate ... The hand has been offered," Prime Minister Janez Jansa said on social media. The partnership would give opposition parties a role in the drafting of pre-agreed legislation prior to bills being adopted; in exchange they would strive to make sure their MPs vote in favor of these bills. (www.sta.si)

COUNTRY ASSESSMENT :

Ruling coalition of SDS enjoys a fragile parliamentary majority of 46 MPs in a 90 seats Parliament. The Prime Minister, Janez Jansa seeks to reach a wider consensus offering opposition an agreement for the adoption of certain bills. Migration is considered as a major threat against the country and additional measures will be taken for strengthening border control. Appearance of paramilitary groups aiming to protect local communities from migrants is a concerning issue which attracted the President Borut Pahor and opposition parties' attention for eliminating it. Slovenia – Croatia dispute regarding the Piran Bay is still active but

without tension or escalation due to COVID-19 pandemic. 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.



TURKEY: May 25th, UN experts have unmasked a secret mission of private western forces in Libya, according to a confidential report seen by Designated Person Ashore (DPA). At least 20 people from Australia, France, Malta, South Africa, Britain and the United States were reportedly involved in the so-called "project Opus" mission in support of putschist Commander Khalifa Haftar. According to the report, they boarded a cargo plane in Amman, Jordan, at the end of June 2019. Officially, they were traveling on behalf of the scientific community to carry out "geophysical and hyperspectral investigations" in Libya on behalf of Jordan. But the UN report calls this a "cover-up story." According to the information, they are members of privately owned military companies. They were allegedly supposed to stop Turkish supply ships on their way to the coastal capital city Tripoli, and intercept arms supplies meant for internationally recognized Government forces, according to the report. A power struggle rages between the internationally recognized unity Government in Tripoli and putschist General Haftar. Since last April, the eastern forces led by Haftar have been trying to seize the capital Tripoli. The UN has documented foreign mercenaries working in the country. It said the

current arms embargo has also been violated many times, with weapons coming in from places including Turkey, which supports the unity Government. According to the report on the newly discovered mission, planning of the secret operation was mainly carried out by companies based in the United Arab Emirates - the report highlights “*Lancaster 6*” and “*Opus Capital Asset*.” They had reportedly procured six military helicopters in South Africa in mid-June 2019, first brought to Botswana by land and then flown to Benghazi in Libya, a Haftar stronghold. At the same time, at the southern tip of Europe in Malta, “*Opus Capital Asset*” rented two military inflatable boats to be equipped with a machine gun and taken to Benghazi on June 27th. The alleged secret mission was aborted for unknown reasons after only a few days. There are no immediate indications that any attacks have actually been carried out. Egypt along with the UAE, France, Russia and Saudi Arabia are the main supporters of Haftar's militias. The UAE has been a strong supporter of the warlord for years, spending large amounts to finance his offensive on the UN-backed Government in Tripoli. The UN also revealed that the UAE has been supporting Haftar with arms and mercenaries. Haftar, the leader of the illegal armed forces in eastern Libya, has intensified attacks on civilians since the beginning of May as the Libyan army recently gained an advantage and inflicted severe losses on his militants. Libya's Government has been under attack by Haftar's forces since April 2019, with more than 1,000 killed in the violence. It launched Operation “*Peace Storm*” on March 26th to counter attacks on the capital. Following the ousting of late ruler Moammar Gadhafi in 2011, Libya's legitimate Government was

founded in 2015 under a UN-led political agreement. (www.dailysabah.com)

- May 28th, air power has played an increasingly important role in the Libyan conflict. The relatively flat featureless desert terrain of the north and coast means that ground units are easily spotted, with few places to hide. The air forces of both the United Nations-recognized Government of National Accord (GNA) and eastern-based Commander Khalifa Haftar and his self-styled Libyan National Army (LNA) use French and Soviet-era fighter jets, antiquated and poorly maintained. While manned fighter aircraft have been used, for the most part the air war has been fought by unmanned aerial vehicles (UAVs) or drones. With nearly 1,000 air strikes conducted by UAVs, UN Special Representative to Libya Ghassan Salame called the conflict “*the largest drone war in the world*.” UAVs are useful for several reasons. Not only do they provide valuable information about the enemy that can be spotted a long way off, but they are able to attack any targets immediately with a far higher rate of success. In the event the drone is shot down and destroyed, the pilot is safe, back at base and able to pilot the next drone that takes off. The arrival of Chinese-made “*Wing Loong*” drones in 2016 made a significant difference to the LNA's military capabilities. First used in the battle for Derna in eastern Libya, the drones had a decisive impact on the outcome as forces loyal to Haftar battled fighters from the Shura Council of Mujahideen in a brutal confrontation for the city. These Chinese-made drones - operated by pilots from the United Arab Emirates (UAE) and flown out of the Al Khadim airbase in the east - have a combat radius of 1,500km (932 miles), meaning they can deliver precision-guided missiles and

bombs, striking anywhere in the country. These drones were used to great effect in the battle for Tripoli, which General Haftar announced in April 2019 against the GNA. Government forces were repeatedly pushed back into a tight pocket as the capital was besieged by the LNA. For all the talk of “*precision*” air strikes, the civilian casualty toll mounted as targets were hit in increasingly built-up urban areas. There were no doubts that the UN-recognized GNA, led by Prime Minister Fayez al-Serraj, could hold out much longer, despite support from Italy and Qatar. That all changed in December 2019 when Turkish President Recep Tayyip Erdogan confirmed Turkey would sharply increase its military support for al-Serraj and the GNA. Along with troops, Erdogan sent Turkish-made armed drones, namely the “*Bayraktar*” TB2. Smaller and with a much shorter range than the “*Wing Loong*,” the Bayraktar was still able to engage and destroy the LNA's ground targets, harass its supply lines, and attack forward air bases that were once considered safe. Pro-government ground troops could now advance with air cover, the enemy's positions known to their Commanders. This, combined with the timely arrival of “*Hawk*” missiles, among other air defense systems, meant the main GNA airbase at Tripoli's Mitiga airport could now operate without fear of attack. The effect was dramatic as the GNA launched a counteroffensive and in a lightning strike seized the coastal towns of Surman, Sabratah and Al-Ajaylat along with the border town of Al-Assah. This was followed up by repeated attacks on the Al-Watiya airbase, which Haftar's forces were using as their main point of operations. The airbase was finally retaken on May 18th, 2020 a severe blow to Haftar's ambitions in western Libya as not only was it the LNA's principal headquarters there, it

was also his supply and logistics hub. LNA units were forced to retreat, especially as their Russian-made, UAE-supplied, “*Pantsir*” S-1 air defense units were being comprehensively destroyed, leaving the retreating forces with little to no protection from air attacks. Media reports claimed sophisticated Turkish jamming gear was responsible for disorienting the “*Pantsir's*” radar, leaving it vulnerable to air strikes from the “*Bayraktar*” drones. Further advances to the south and east of Tripoli significantly loosened Haftar's grip on the capital, as forces loyal to him have been forced to retreat. Hundreds of mercenaries from the Russian military contractor “*Wagner Group*” have been evacuated from Bani Walid airport. In an ominous turn of events, the United States Africa Command said Russian fighter jets flew from its Khmeimin airbase in Syria to the LNA-held facility at Jufra, in central Libya, to bolster Haftar's forces and their allies. Multirole MiG-29s and two Sukhoi Su-24 ground attack fighters were sent along with an escort of at least two Su-35 advanced 4.5 generation long-range fighter jets, in a clear signal to Turkey and the GNA that Haftar's defeat should only go so far. The US's reaction to this has been sharp - the issuing of satellite photos an indication of its concern. The potential threat is that Russia could “*seize*” bases on the Libyan coast and “*deploy permanent anti-access, area denial capabilities*” creating, according to US Air Force General Jeffrey Harrigan, “*very real security concerns on Europe's southern flank.*” While airpower can at times turn the tide in a military conflict, it has also been used in Libya as a threat-level indicator, a diplomatic tool, and a warning of potential escalation if events are left unchecked. (www.aljazeera.com)

- May 29th, Turkey's state banks sold about 44 billion US dollars of hard currency in the first four months of this year and some 77 billion US dollars since the beginning of 2019 to support the lira, according to Central Bank data and the calculations of four bankers. Two of the bankers estimated more selling took place in May to boost the Turkish currency and offset an outflow of funds amid the coronavirus pandemic, bringing total sales this year to more than 50 billion euro. The foreign exchange (FX) interventions by state lenders have heightened investor concerns over a drop in Turkey's foreign currency buffer as its economy tips into a sharp downturn. The Central Bank's net FX reserves have fallen to as low as 26 billion US dollars this month, from 40 billion US dollars at the start of 2020. Calculations and estimates are based on the Central Bank's latest data. The bankers, who requested anonymity due to the sensitivity of the matter, previously estimated state banks sold at least 32 billion US dollars as of March. The Central Bank declined to comment. Its Governor, Murat Uysal, said last month that fluctuations in reserves were normal and temporary in such periods of stress. Finance Minister Berat Albayrak has said the bank may intervene to reduce volatility in the currency. The lira has outperformed most emerging market (EM) peers this year, even while it is down 15% against the dollar and hit a record low in May. Adding to market concerns, Turkey's external debt obligations are nearly 170 billion US dollars over the next 12 months. Hunting for extra foreign funding, the Government this month sealed a deal with Qatar to triple a currency swap line to 15 billion US dollars helping to raise the Central Bank's net FX reserves to 32 billion US dollars last week. Local swaps obscure the true level of reserves, analysts say. "But if they keep

burning reserves at the current pace," the new funds from Qatar will also be indirectly spent to boost the lira, said Cristian Maggio, Head of EM strategy at TD Securities in London. Kerim Rota, a founding member of Turkey's new Future Party (Gelecek Partisi - GP), which opposes President Recep Tayyip Erdogan's ruling Justice and Development Party (Adalet ve Kalkinma Partisi – AKP), said he calculated interventions of more than 11 billion US dollars in April alone, and 77 billion US dollars in the past 16 months. These "backdoor" interventions diminish Turkey's transparency and reputation, and turn away foreign investors, Rota, a former banker, said on social media. Separate Central Bank data showed that official reserves fell by 16.6 billion US dollars in March, reflecting a steady outflow of foreign funds in the last few months. Foreigners' share of Turkish bonds is at near-record lows. Albayrak, who is Erdogan's son-in-law, said on May 5th, 2020 that developing economies accumulate reserves in part "to provide liquidity to markets during such difficult times." (www.aljazeera.com)

COUNTRY ASSESSMENT ■ :

Turkish effort to stabilize Lira continues despite huge amounts of money were spent by the Central Bank (44 billion dollars in first quarter of 2020). In the field of external policy, it seems that Turkey has stabilized the Syrian front. In Libya, the UN-recognized Government of Fayez al-Sarraj gains ground supported by Turkish assets such as UAV's. Turkish UAV "Bayraktar" TB2 has been tested in the battlefield, while Turkey enjoys the privilege to join the "biggest drone war" of history. The fact is that Turkey protects its strategic interests by the use of hard power, expansion of its influence in several geographical


regions (North and east Africa, Middle East etc) and the use of soft power (Muslim religion, COVID-19 diplomacy, financial support etc). Turkey maintains its claims in the Aegean Sea and Cypriot Exclusive Economic Zone violating constantly their sovereign rights. In the east Mediterranean front, Turkey will not accept “fait accompli” in the region and is expected to react violently if balance of power is jeopardized. The country continues to face several restrictions in freedom of expression and human rights. Elected MPs, Mayors, journalists and thousands of citizens 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 develops an ambitious armament project aiming at becoming self-sufficient in defense sector; if it succeeds it will set the base to become a regional military super power. Without any question, Turkey has the characteristics of a regional superpower and it tries to act like one.


www.hermesresearch.eu


email: info@hermesresearch.eu


Editor in Chief: Ioannis Karamelas


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.

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