

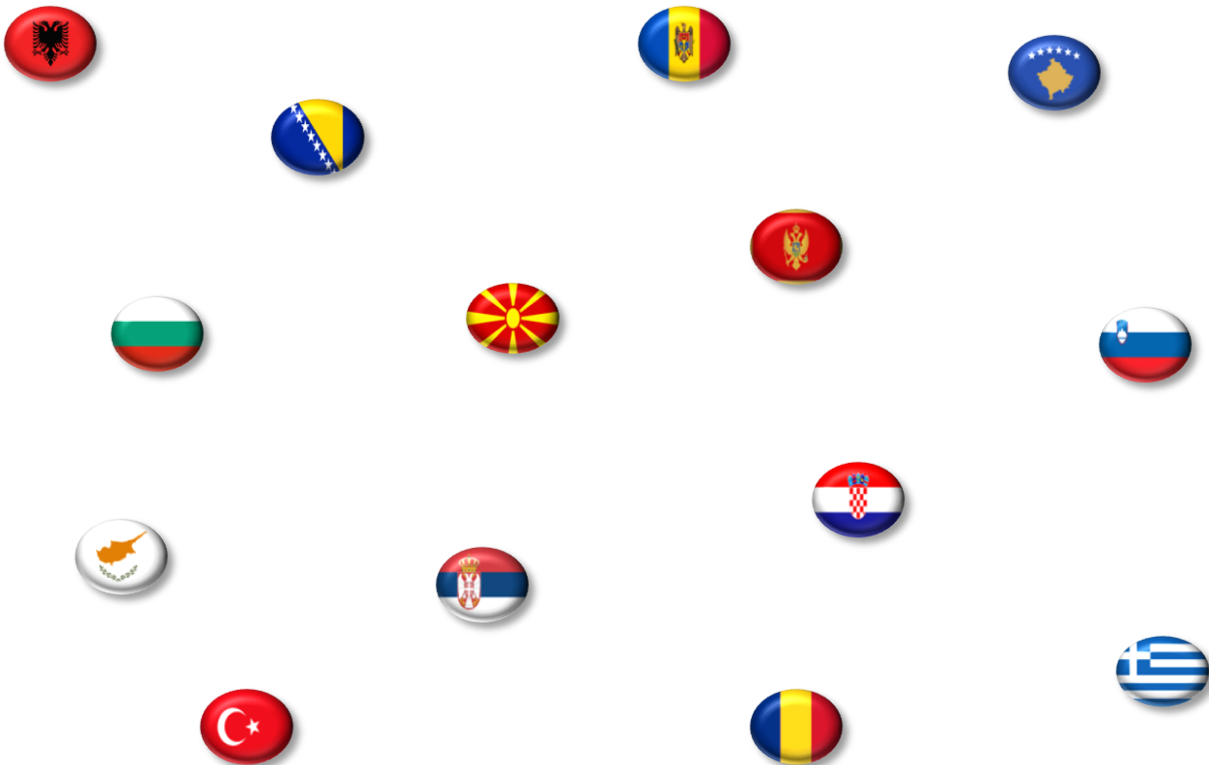
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**Hermes Institute of
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SOUTHEASTERN EUROPE

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 12th, President Ilir Meta has once again appealed to the Democratic Party of Albania (Partia Demokratike e Shqipërisë – PD) to join elections of October 13th, 2019, despite the fact that he did not mention a specific party or leader in social media posts. The Head of state said that October 13th, 2019 election is not only a legal procedure, but a necessity to give the country an opportunity to open EU accession negotiations. “No one should exasperatedly continue to find excuses and alibis unless they are well founded,” Meta wrote on social media, adding that the OSCE is ready to intervene for overcoming the ongoing crisis. (www.tiranapost.al)

- August 13th, “Albania is at the end of the beginning, not the beginning of the end of its EU accession process,” the EU Ambassador to Albania, Luigi Soreca said. Speaking for Euronews, Soreca referred to Winston Churchill when he was asked about the phase in which Albania is right now regarding its EU accession ambition. “91% of the population in this Balkan country is in favor of [EU] accession, but France and the Netherlands may block the accession talks,” Soreca said. The Albanian Prime Minister, Edi Rama, expressed his disappointment for the situation, and stated in Euronews “We have to realize more and more the decision-making of the Council is not based on what we do, on what countries like us do, but on the internal situation or internal political dynamics in different member states.” (www.top-channel.tv)

- August 16th, Valdrin Pjetri, who won the mayor of Shkodra mandate in the June 30th, 2019 local elections, announced on Thursday evening his

resignation through a status on his social media page. Pjetri was accused three days earlier by the Democratic Party of Albania (Partia Demokratike e Shqipërisë – PD) of being convicted in Italian Court for narcotics trafficking in 2003 and of extradition from the neighboring country. The PD presented the original documents proving Peter’s conviction by the Italian Court. In his social media announcement, Pjetri stated that “*under these conditions, his attention and energy will now be fully focused on resolving and legally clarifying this event which happened 17 years ago, the legal responsibilities of which he claimed he was not aware of.*” “Aware of the importance of the political image and determined to undertake this legal clarification in the position of an ordinary citizen, without burdening anyone, I decide to resign from the post of Mayor of Shkodra,” Pjetri wrote. Also on Thursday, PD presenting to the media a luxury hotel in Tirana, which Pjetri co-owns, demanded the confiscation of his property, suspected of stemming from his drug trafficking activity. (www.tiranatimes.com)

COUNTRY ASSESSMENT :

Political crisis not only remains active in Albania, but is escalated due to “criminalization” of internal politics. In specific, the PD leader Lulzim Basha presented evident that the newly elected Mayor of Shkodra, Valdrin Pjetri has been convicted by an Italian Court for drugs trafficking. Pjetri resigned, while Basha stated that he has evident for 17 more Socialist Mayors and MPs who are linked in criminal cases. Consequently, it is expected further escalation of Albanian political crisis in coming days. 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 to Meta. If elections of October 13th, 2019 will not be successful the President of Albania would appear weakened in the battlefield called “Albanian domestic politics.” 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 12th, Croatia's Foreign and European Affairs Minister Gordan Grlic-Radman and his Bosnian counterpart Igor Crnadak, who met for the first time since Grlic Radman recently stepped into office, agreed on the need to solve outstanding issues in the bilateral relations and to work on the improvement of the relations in the region. According to the press release issued by the Bosnian Foreign Ministry, the meeting was held in the southern Croatian seaside resort of Brela on Sunday evening. The press release quotes Crnadak as commenting on Croatia's plan to build a disposal site of waste from the Krsko nuclear power plant at the Trgovska Gora location near the border with Bosnia and Herzegovina. He urged the completion of the construction of a new bridge across the River Sava at Gradiska near the Croatia-Bosnia border. The two Ministers also discussed the implementation of the August 5th, 2019 agreement reached by the leaders of the three constituent peoples in Bosnia and Herzegovina. As soon as the agreement on the formation of the state-level authorities in Bosnia and Herzegovina was concluded, Zagreb welcomed that deal. “*The agreement is vital for the further stabilization of BiH and its progress in*

the EU integration, which Croatia fully and unequivocally supports,” Croatian Foreign Ministry announced on August 6th, 2019. (www.ba.n1info.com)

- August 13th, there are still 22 days left to form the Council of Ministers of Bosnia and Herzegovina (BiH), and according to the signed principles for state-level Government formation between the Party of Democratic Action (Stranka Demokratske Akcije - SDA), Croatian Democratic Union of Bosnia and Herzegovina (Hrvatska Demokratska Zajednica Bosne i Hercegovine - HDZ BiH), and Alliance of Independent Social Democrats (Savez Nezavisnih Socijaldemokrata – SNSD) parties. The day after the agreement was signed, SDA President Bakir Izetbegovic said the BiH Council of Ministers would probably not be formed within 30 days and that article 12 stipulates that if 30 days have passed since the signing, without the Council of Ministers of BiH has been formed, the Agreement shall no longer be valid. 8 days after the Agreement was signed, there is no scheduled session of the BiH Presidency. Leader of HDZ BiH Dragan Covic underlined that Croatian side has urged all parties to talk and agree on the formation of a Government and finally this effort has been fruitful in favor of all BiH citizens. The agreement lasts 30 days and will be considered invalid if the Council of Ministers, which is equivalent to the national Government in BiH's complex political system, is not formed until then. Political parties have firmly committed to establish functioning authorities and to continue with the implementation of necessary legislative and socio-economic reforms as well as with concrete steps in the key area of fighting

corruption and organized crime. *“To keep the necessary momentum, we expect political leadership in Bosnia and Herzegovina to proceed with the formation of authorities and to enable the regular functioning of all institutions without further delay to ensure reform implementation in line with European standards and values,”* was stated by the EU Delegation to BiH. (www.sarajevotimes.com)

- August 14th, the Bosniak (Bosnian Muslim) member of the tripartite Presidency Sefik Dzaferovic said he expects that the three members will reach a compromise at a session on August 20th, 2019 regarding the sending of the Annual National Program (ANP) to NATO, an issue that has been at the center of a deadlock in forming the new Government since the October 2018 election. Forming the Government and sending the ANP are legal obligations and touch upon the rule of law in the country, Dzaferovic said. *“A partial approach to resolving the mentioned issues is not possible,”* Dzaferovic said, referring to an Agreement Bosnia's political leaders signed last Monday which contains 12 principles that need to be fulfilled for the Government to be formed. The agreement mentions Bosnia's relationship with NATO, but very vaguely. Sending the ANP is the issue at the center of political bickering between the three right-wing parties which won the October 2018 election and it is the main reason why the Government, in Bosnia called the Council of Ministers, has not yet been formed. Bosnian Serb leader Milorad Dodik and his party are opposed to any steps that could bring the country any closer to NATO membership, while Bosniaks insist on it. The cabinet of the Bosnian Serb presidency member

received Wednesday morning Bosnia's NATO ANP, a disputed document Bosnian Serbs have said they will never approve. Dragoljub Reljic, Milorad Dodik's advisor on constitutional-legal issues, said the document was sent by the cabinet of Dodik's Croat colleague, Zeljko Komsic. (www.ba.n1info.com)

COUNTRY ASSESSMENT :

Political instability and uncertainty continues in Bosnia despite latest encouraging political developments, because it has not formed a Government since October 7th, 2018 general elections. 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. However, 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. Although 20 days is plenty of "political" time it is doubtful if the three parties will form a Government eventually extending political uncertainty. 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 12th, Belene Nuclear Power Plant (NPP) and Bulgarian cooperation on two seas discussed Bulgarian Prime Minister Boyko Borissov and his Russian counterpart Dmitry Medvedev at a meeting. The two met during the First Caspian Economic Forum in Turkmenistan. The topic of the discussion was the possibility of realization of the project for the NPP, but under conditions set by the Bulgarian side, the Council of Ministers announced. Applications for participation in this procedure for selecting a strategic investor for the project are accepted until August 19th, 2019.

According to Borissov, there will be an increased need for clean electricity at affordable prices, taking into account the increasingly ambitious targets for reducing emissions in all sectors of the economy. In this sense, Belene NPP could become exactly such an electricity source for the region. Medvedev suggested that possibilities of cooperation between Russia and Bulgaria should be discussed trying to connect the Black Sea and Caspian regions. Borissov noted that the region “has huge opportunities” and Bulgaria, located on the other side of the Black Sea, is “a kind of gateway to the European continent.” The Black Sea “must remain a sea of peace, trade, tourism, and transport links,” provided by ferries, yachts and gas pipelines, stressed Borissov, quoted by TASS. (www.novinite.com)

- August 12th, Bulgaria’s Ministry of Defense has transferred to the US the entire amount of 1.2 billion dollars under international Government procurement contracts to acquire eight F-16 Block 70 aircrafts and related equipment and armaments. The transfer to the US Defense Security Cooperation Agency (DCSA) was ordered on August 8th, 2019 by the Ministry of Defense on behalf of the Republic of Bulgaria. “With this step, the Bulgarian side has fulfilled its commitment under the contracts concluded under the project for the acquisition of a new type of combat aircraft for the Bulgarian Air Force,” the Ministry of Defense statement said. Bulgaria’s National Assembly ratified four contracts between Bulgaria and the US on the acquisition on July 26th, 2019. The contracts had been signed by Defense Minister Krassimir Karakachanov on July 11th, 2019 acting on a Cabinet decision made the previous day. The first aircraft is to be

delivered at the end of 2022, to be used for training Bulgarian Air Force pilots. The remainder will arrive in stages in the years 2023 and 2024. (www.sofiaglobe.com)

- August 16th, North Macedonia is the largest recipient of development assistance from Bulgaria. In 2019, Bulgaria has provided over 500,000 euro to the neighboring country, Foreign Minister Ekaterina Zaharieva said. She opened a new social center in Strumica, funded by Sofia with 138,000 euro. Bulgaria is also building a center for early diagnosis of autism in Ohrid, rebuilding bridges, schools and sports facilities, BNR reported. Minister Zaharieva also pointed out the importance of the project for media cooperation between the two neighboring countries aimed against “hate speech.” By October, Skopje must show results on the racketeering corruption scandal that has been a hot topic in North Macedonia’s society these days, in order to receive an invitation to negotiate with the EU, Zaharieva added. (www.novinite.com)

COUNTRY ASSESSMENT :

United Patriots, the minor partner of ruling coalition, instability raises concerns over Government’s viability (once again). However, it is assessed that the Government will remain “alive” enjoying support of Ataka MPs. Nevertheless, there is concern for the Government’s future. Thus, Bulgaria has entered in a period of fragile political situation. Corruption and organized crime remain significant obstacles for the country’s development and should be addressed decisively. Bulgaria promotes a dynamic multilateral trade

and energy policy taking into advantage its privileged location. Being at the western coasts of the Black Sea is an almost ideal passage for energy pipelines connecting east with central Europe. Thus, it has joined the 1st Caspian Economic Forum seeking to expand its economic, trade, energy, and diplomatic role. 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 13th, investors from Croatia were the second leading foreign investors in Bosnia and Herzegovina in 2018 and they are ranked second also in overall foreign investments in the neighboring country, show data published by the Central Bank of Bosnia and Herzegovina. Most foreign investments, totaling 71 million euro, came from Russia, while investments from Croatia amounted to 54 million euro. They were followed by investments from the Netherlands, Austria and Germany, which ranged between 40 and 46 million euro. At the end of 2018, total foreign investments in Bosnia and Herzegovina amounted to 7.3 billion euro, with Austria having invested the most, in the amount of 1.3 billion euro, followed by Croatia, with investments amounting to 1.17 billion euro and Serbia, which has invested slightly more than one billion euro. Investors from Bosnia and Herzegovina invest the most in Croatia, with

investments to date totaling 117 million euro, and in Germany, with investments amounting to around 83 million euro. (www.hr.n1info.com)

- August 13th, Social Democratic Party of Croatia (Socijaldemokratska Partija Hrvatske - SDP) leader Davor Bernardic presented his party's proposal for the reform of the healthcare system, which, he said, is on the brink of collapse and is undergoing “*creeping privatization*.” Apart from Bernardic, also some of the party officials, who were included in the preparation of the SDP proposal for the overhaul of the healthcare system, spoke about the SDP healthcare plank which was for the first time outlined on November 13th, 2018. Bernardic said that debts in the system soared to record high levels, threatening to undermine the network of healthcare services. He said that low wages and inadequate working conditions make medical workers leave Croatia adding that the country is short of over 10,000 nurses. All that affects the capacities of hospitals and is detrimental to the citizens, he said. In the context of long waiting list for some of medical exams, the SDP Chief said that patients therefore opt for seeking services in private clinics, which actually constitutes “*a creeping privatization*” of the public health system. (www.hr.n1info.com)

- August 17th, Croatia is ready for dialogue with Slovenia with an aim of finding a mutually acceptable solution to the outstanding border issue, Croatia's Foreign and European Affairs Ministry said in a press release on Friday. Zagreb does not want to be involved in counter-productive media discussions on the matter, the Croatian Ministry said after the Slovenian Foreign Ministry issued a press release in a bid to counter

the statements which Croatian Minister Gordan-Grlic Radman made in his recent interview to the N1 commercial broadcaster. “Croatia remains ready for dialogue and believes that there is no need to raise tensions through press releases. On the other hand, Croatia believes that calm and level-headed talks can facilitate efforts to reach a mutually acceptable solution to the issue (of border demarcation) in the spirit of good neighborly tradition between Croatia and Slovenia,” the Croatian Ministry said. Earlier on Friday, the Slovenian Foreign Ministry accused Grlic-Radman of lying about the Slovenia - Croatia border dispute and arbitration. In his recent interview with the N1 broadcaster, Grlic-Radman spoke about his informal meeting with his Slovenian counterpart Miro Cerar while he was on a vacation in Croatia this summer. The Croatian Minister also recalled the chronology of the border dispute. (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. Its new Foreign Minister Gordan Grlic-Radman claimed that Croatia seeks resolution of all problems with its neighbors and undertook some initiatives to talk with his neighboring counterparts (Bosnia). 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 12th, an informal conference on Cyprus following the meeting of the two leaders with the UN Secretary-General in New York next month should include Turkey which is the player to define the future of the whole process, Government sources said on Monday. Both President Nicos Anastasiades and Turkish Cypriot leader Mustafa Akinci had expressed willingness to attend an informal five-party meeting – Turkey, Greece, Greek Cypriots, Turkish Cypriots and the UK – to discuss procedure for the future of the talks. Since the two leaders announced last Friday their readiness to hold a tripartite meeting with the UN Secretary-General in New York next month in order to plan the way forward, there has been speculation over whether a five-party meeting in the same composition as the talks in Crans-Montana in 2017 would ensue. They also announced they would continue to work with UN envoy Jane Holl Lute on the terms of reference to kick start a new round of negotiations. A Government source told the Cyprus News Agency on Monday that prospects for an informal, procedural conference of the parties which participated in Crans-Montana are open, but that Turkey's stance will

be of pivotal importance as it has to contribute to the effort and abandon its current “*offensive*” actions. “*The crucial issue is whether Turkey will finally contribute to the resumption of the negotiations, abandoning its current offensive activity of violations and tensions. Ankara will have to express and show its readiness at a certain moment in the framework of the deliberations undertaken by the UN,*” the source said. According to the source, the Greek Cypriot side favors a common meeting of the two leaders with Guterres after the UN General Assembly in New York at the end of September, noting that this may take place. But then, and through the procedure for the terms of reference requested by the secretary-general, Turkey should also join in this effort, and so the prospect of an informal-procedural meeting of the parties involved in the negotiation is open. Meanwhile, Lute is expected to contact the two leaders after their meeting to inform them when she will be back in Cyprus to continue consultations on the terms of reference. Anastasiades is expected to brief later this month the members of the National Council on his meeting with Akinci. (www.cyprus-mail.com)

- August 13th, a US Congress delegation will visit Cyprus at the end of August to hold a series of meetings with officials dealing with financial matters, the Cyprus News Agency (CNA) has learned. Delegation will be headed by Maxine Waters, Chairwoman of the US House Financial Services Committee, and will include other five members of the Committee. They will be visiting Cyprus on August 27th – 29th, 2019. The members of the delegation are expected to hold meetings with Finance Minister Harris Georgiades, the Central Bank of Cyprus Governor, Constantinos

Herodotou, the Chairwoman of the Cyprus Securities and Exchange Commission, Demetra Kalogirou, and the Head of the Unit for Combating Money Laundering (MOKAS) Eva Papakyriakou. (www.cyprus-mail.com)

- August 16th, Nicosia does not wish to enter into the rhetoric of tension which Turkey seems to choose, and President Nicos Anastasiades is currently focused on consultations with the UN with a view to going back to the negotiating table, Government Spokesman Prodromos Prodromou said on Friday. Invited to comment the Turkish provocations in the island’s Exclusive Economic Zone (EEZ) and territorial waters, as drilling ships Fatih and Yavuz remain anchored off the island’s coast, as well as Turkey’s military exercises to the south and west of Cyprus, Prodromou said that the Government is following these developments without making any comments, and without adopting so-called “*megaphone diplomacy*.” He underlined that Turkey must show in a tangible way that it is in favor of a Cyprus settlement through peaceful means, through UN-led negotiations, and certainly not with illegal interventions by which it creates instability and tension. Prodromou said that negotiations require the appropriate climate, noting that the UN Secretary General Antonio Guterres has stressed that any actions that create tension must be avoided. “*We therefore expect from Turkey to respond to these calls,*” he added. He said that at the leaders’ meeting on August 9th, 2019 the Turkish Cypriot leader Mustafa Akinci’s expressed intention to move forward with the resumption of the negotiations which is certainly a good sign, as long as when the preparation which the UNSG wants is fulfilled, Turkey will

show in a tangible way that it will contribute to the creation of the appropriate climate for the negotiations. Responding to another question, Prodromou recalled that Anastasiades and Akinci have expressed their readiness to jointly meet with the UN Secretary General. What remains to be seen is whether the UNSG will extend an invitation for such a meeting in New York, where President of Cyprus will be in September for the UN General Assembly. Prodromou reiterated that the President is ready to meet and talk to the UNSG and Akinci, so that “*the resumption of the negotiations will be well-prepared as our goal is.*” Turkey announced its intention to start drilling off Cyprus and in May sent the drill ship *Fatih*, which remains anchored 36 nautical miles west of Akamas peninsula, in an area that falls within the island’s EEZ. A second Turkish drill ship, *Yavuz*, arrived off the island’s north-eastern coast on July 8th, 2019. (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 more than three 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 other words, 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.” 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. A “hot” incident cannot be excluded. 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 issue. 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.



GREECE: August 13th, Police intend to continue conducting sweeps in the downtown Athens district of Exarchia and to establish a more permanent presence there in a bid to tackle lawlessness in the area. *“Our aim is to make our presence felt without creating the impression of a neighborhood dominated by Police,”* a Citizens’ Protection Ministry official told Kathimerini. Six operations have already been conducted in and around Exarchia, also a haunt of anti-establishment groups, within a week. These included stopping and searching hundreds of people and led to 17 arrests on drugs charges, migration violations and other offenses. Authorities also plan to transfer migrants occupying buildings in Exarchia to organized centers. A total of 23 buildings in Exarchia are occupied by squatters – 12 of them by migrants. (www.ekathimerini.com)

- August 13th, Washington has reportedly asked Greece to make a contribution to a multinational naval force that will monitor the Persian Gulf in order to protect freedom of navigation. Kathimerini understands that the American request, made a few days ago, referred to assistance either with a large naval unit – a frigate – or with an aerial intelligence, surveillance and

reconnaissance tool. However, at the moment, Greece does not have sufficient means to meet its own air surveillance needs, and is, therefore, unable to cater to demands of third parties. Moreover, after a series of meetings of the Greek Defense and Foreign Ministries, it was decided, with regard to the request for naval assistance, that the Hellenic Navy cannot currently provide any frigates due to its standby situation in the Aegean and the Eastern Mediterranean. Athens also said that it is already participating in all allied naval training exercises – as it did last week with the “*Aigaion*” frigate in the multinational drill off the Israeli coast, which simulated conditions created by a massive earthquake. Greece did however say that it is making personnel already in the area (United Arab Emirates) available to the US military to participate in teams monitoring the wider Gulf region during this period of tension in the Strait of Hormuz. The US request for a Greek contribution to a multinational naval force was made on a bilateral level, as there is no decision by the United Nations or any other international organization for action against Iran. To date, major European countries, such as Germany, have refused to join a US-led naval force, and Paris has also made it clear that it will not waive its privilege of direct contacts with the Iranian leadership in Tehran. Athens is reportedly not keen on getting involved in areas like the Persian Gulf. At the same time, it is giving ample consideration to its response regarding future US requests, given the investment it has made in its relationship with Washington. (www.ekathimerini.com)

- August 13th, the European Commission “*warmly supports*” the independence of national

competition authorities, an EU Spokesperson said Tuesday, commenting on a phone call last week between Greek Premier Kyriakos Mitsotakis and Competition Commissioner Margrethe Vestager on a newly approved law that replaced the Head of the Hellenic Competition Commission (HCC). The Spokesperson said the Commission is in contact with Greek authorities on the matter. “Good collaboration between national competition authorities is important and can only be guaranteed through their independence,” she said, adding this is also the target of the relevant European directive that must be implemented in all EU state members before February 4th, 2021. The new law, which was approved as part of an omnibus bill in Parliament on August 7th, 2019 bans former Prime Ministers, Ministers and Government advisers from being appointed to the boards of independent regulatory authorities for five years after leaving office. The last President of the HCC, former Supreme Court Chief Vassiliki Thanou, had been criticized over her connection with former Prime Minister Alexis Tsipras, whom she served in his legal office. (www.ekathimerini.com)

COUNTRY ASSESSMENT :

Greece enjoys political stability in a “strange” time period that security, diplomatic, and economic issues challenge Greek administration. The Government responded adequately in recent natural disasters due to wildfires across Greek territory. Moreover, law and order is restoring in Athens’ neighborhoods and university campuses. 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. 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. Request of the US to Greece for military assistance regarding a US-led international naval force against Iran in the Persian Gulf was carefully rejected by the Greek side. 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 14th, two biggest opposition parties, Democratic League of

Kosovo (Lidhja Demokratike e Kosovës - LDK) and Vetevendosje (Self-Determination), are about to reach a pre-election coalition, the Vetevendosje MP Liburn Aliu said on Wednesday. According to Aliu, potential coalition of LDK and Vetevendosje is the only guarantee for a substantial change after elections take place. *“We are continuously meeting with the LDK representatives, with the idea that after elections to have a substantial change in the country. One of the alternatives is to enter a pre-election coalition. Currently we are discussing this option and I believe it will yield results. We have not entered into details on other arrangements of future coalition but we are in a right track to make that happen,”* Aliu stated. Political parties have been mobilized for elections after Ramush Hardinaj resigned as Kosovo’s Prime Minister on July 19th, 2019 following a summons from the Specialist Prosecutor’s Office (SPO) to be questioned at the Hague in his capacity as a suspect. Political parties agreed last week to disband the Parliament on August 22nd, 2019 which would be a step closer to announcing early elections. (www.gazetaexpress.com)

- August 15th, Kosovo’s Special Prosecution has confirmed to have received a criminal report against 22 Police Officers who were involved in the arrest and deportation of six Turkish nationals in March 2018 suspected of their alleged links with Fetullah Gulen’s movement, whom Turkey accuses of attempted coup in 2016. The Special Prosecution of Kosovo (SPRK) confirmed to Radio Free Europe that they have received the criminal report from the Police Inspectorate of Kosovo (PIK). *“The SPRK has received a criminal report lodged by the Police Inspectorate of Kosovo against 22 suspects, whereas we are investigating also other people related to this*

case,” said Ekrem Lutfiu, Spokesperson to the SPRK. The State Prosecution Office has launched an investigation into the so called *“Gulenists”* case after a Parliament’s inquiry committee found that authorities have violated laws during the arrest and deportation of the six Turkish men in March 2018. The Commission found that most of the breaches were committed by the Kosovo Police and the Kosovo Intelligence Agency. After the arrest of Turkish men in March 2018 the then Prime Minister Ramush Haradinaj said that he was not informed of the operation and as a result he dismissed his Minister of Interior and Chief of the Intelligence Agency. (www.gazetaexpress.com)

- August 16th, Kosovo’s Ministry of Trade and Industry has taken a decision to take reciprocity measures against neighboring North Macedonia by introducing non-tariff barriers on import of honey and potatoes. Minister of Trade and Industry, Endrit Shala, told Gazeta Express that the decision will enter into force as of today. The decision was forwarded to Kosovo Customs which are obliged to implement the new measure at all border crossings with North Macedonia. *“Today I have taken a decision on introducing reciprocity measures against North Macedonia. I have written an official letter to my North Macedonian counterpart asking him to correspond and allow import of fishery products to North Macedonia. But authorities in Skopje have not corresponded. Therefore, we are forced to introduce reciprocity measures,”* Shala told Gazeta Express. (www.gazetaexpress.com)

COUNTRY ASSESSMENT :

Kosovo has entered in pro-electoral atmosphere with political parties to expect the announcement of early parliamentary elections. Parliament's dissolution will be discussed in a session scheduled for August 22nd, 2019. If it is approved by the 2/3 of the MPs or 81 votes the Parliament will be dissolved and the President Hashim Thaci will have to set a date for early parliamentary elections. Opposition LDK and Vetevendosje work on a possible cooperation aiming at a change of power. 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. Kosovo insists on maintaining high level of tension with Serbia due to a series of provocative; 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. 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 12th, the Brigadier General (retired) Victor Gaiciuc was appointed by the Head of state, Igor Dodon, as Secretary of the Supreme Security Council (CSS). In a post on his official page, Dodon stated that he trusts “the ability of Gaiciuc to guarantee efficiency in the activity of Council and contribute to strengthening the defense and national security sector.” The Head of state announced that CSS will meet later this week to discuss issues of major importance to society. Victor Gaiciuc is 62 years old and he has held several leadership positions in the Ministry of Defense, including that of Deputy Minister and Minister of Defense. Subsequently, Gaiciuc acted as Ambassador of Moldova to Belgium and Representative of Moldova to NATO. (www.moldpres.md)



Moldovan President Igor Dodon with the new Secretary of the Supreme Security Council Brigadier General (re) Victor Gaiciuc
(Photo source: www.presedinte.md)

- August 13th, the Parliamentary Committee on the investigation of the circumstances around the devaluation of the banking system requested the Moldovan Prosecutors to initiate penal cases against the former Prime Minister Iurie Leanca, Central Bank ex-Governor Dorin Draguțanu,

former Parliament Speaker and Economy Minister Andrian Candu, as well as the ex-Minister of Finances, Anatol Arapu. The Committee found that the above mentioned officials can be charged with negligence at their duties. According to Committee's Head Alexandru Slusari, the three banks involved in the 2014 frauds did not have any special state control and siphoned millions out of Moldova's banking system, even after the Government covered the 9.5 billion lei (492 million euro approximately) of emergency loans given by the National Bank to the three banks. *"Thus, the leadership of the Government and the National Bank acted during that period with negligence, to say the least, without imposing state control over BEM, Unibank and Banca Sociala immediately after the issuance of the state warranties. We would like to remind that the warranties were eventually transformed into state debt with a 5% interest rate on the shoulder of citizens,"* Slusari declared. Coincidence or not, Leanca was stopped on August 1st, 2019 by the border Police from crossing Moldova's borders after attempting to physically transfer 50,000 euro to Romania. Leanca claimed that the money is declared in his property declaration. (www.moldova.org)

- August 16th, Russia has never recognized Transnistria, but keeps standing for the settlement of the conflict in this region and returning of the unrecognized Transnistrian Moldovan republic as a membership of a sovereign, neutral and non-bloc Moldova. According to the PolitNavigator portal, Russian Minister of Foreign Affairs Sergey Lavrov stated this at the All-Russian Youth Educational Forum "Territory of Senses" in the Moscow region, answering to participants'

questions. *"Russia has not recognized the PMR [Pridnestrovian Moldavian Republic], it is a participant in the process aimed at settling this conflict on the basis of proper principles. The number-one principle is the following; a special status for PMR, agreed with Tiraspol as component part of the Republic of Moldova, with understanding that Moldova will preserve its sovereignty, that is will never be absorbed by anyone as a state and with understanding that it will remain neutral and it will never join any military-political bloc,"* Lavrov stressed. According to him, these principles were agreed back in early 2000s and they were laid as a basis of a document; the so-called "Kozak Memorandum." *"It was initialed in Tiraspol and in Chisinau, but in the last moment, literally several hours before all ceremony participants had to come together for signing it, our EU colleagues from Brussels prohibited the then Moldovan President Vladimir Voronin to sign this document. The reason was that this would be a diplomatic success of Russia,"* Lavrov said, criticizing the criteria the Western partners are often guided by, even in many crises in the modern world. (www.infotag.md)

COUNTRY ASSESSMENT :

Political stability has re-established in the country, while state's institutions have started becoming functional again by the appointment of new Directors. The new ruling coalition enjoys full control of Moldova establishing its power and removing everything reminds the previous power of PDM. Cooperation between PSRM and ACUM block continues without problems, and a new agreement between the two parties is about to be

signed. 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. Sandu has characterized her country as “a state in transition” implying that it has a democratic deficit which will be restored by the new Government. It should be underlined that the country should pay special focus on fighting corruption, money laundering, and organized crime which are a scourge for Moldova. EU seeks to improve cooperation with the new Government by restarting micro-economic assistance. 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 13th, Montenegro’s Ministry of Defense will acquire optoelectronic devices for the purposes of the units of the Armed Forces of Montenegro. Optoelectronic devices include Unmanned Aerial Vehicles (UAV) which total value is estimated at 322.000 euro. Optoelectronic devices are means used for night surveillance and shooting, which convert image from invisible infra-red area into a visible area. Armed Forces require four thermo-

optical sets. Ministry plans to provide the Army with two thermal multi-functional devices for targeting location. Armed Forces also need binocular devices for night observation, as well as 28 spyglasses. They will also acquire four thermo-vision capable of detecting humans at a distance of 1.500 meters, recognizing humans at a distance of 600 meters and identifying humans at a distance of 360 meters. This equipment will cost to the Ministry 472.680 euro and it will include equipment for infantry armament, equipment for Joint Terminal Attack Controller (JTAC), diving equipment and kit for rescuers. Equipment for infantry armament will cost 33.680 euro. JTAC equipment will cost 23.000 euro, diving equipment will cost 60.000 euro, whereas equipment for rescuers will cost 34.000 euro. According to the Defense Strategy published earlier, Ministry plans to train and equip 50% of land forces for readiness to join and 10% for engagement in NATO peace and crisis response operations. Maximum contribution to NATO forces will be engagement of a reinforced infantry company deployed in two six-month rotations. One infantry company will be engaged contributing to leading NATO peace and crisis response operations. Armed Forces will be equipped with 68 light-armored vehicles. By the end of the year, Ministry should have signed procurement contract. (www.cdm.me)

- August 15th, the Pro-Russian opposition Democratic Front (Demokratski Front – DF) accused a “gay lobby” of trying to seize control of political parties and of undermining traditional values. DF called on the LGBT (Lesbian, Gay, Bisexual, Transgender) community to form a party if it wants to engage in political life and

accused it of cooperating with the secret service, NGOs and the media against parties like their own that cherish “family values.” *“They carry out brutal attacks on traditional conservative political parties, our culture, identity and church and spiritual heritage,”* DF said in a press release. On Wednesday, LGBT Progress Forum, a rights group advocating more rights for the gay community in Montenegro, accused DF of making homophobic statements and of abusing the LGBT population for political purposes. It said that the LGBT community in Montenegro is still suffering from widespread discrimination and violence. (www.balkaninsight.com)

- August 18th, former Pentagon official and Senior Director of the “Penn Biden Center for Diplomacy and Global Engagement” in Washington, Michael Carpenter, believes the Western Balkans are suffering from lack of interest of the powerful countries. In an interview for Pobjeda daily, he said he hopes the future US administration will correct its policy towards the region and focus more on challenges and possibilities in the Balkans. Carpenter recently warned of possible Russia’s meddling into the 2020 parliamentary elections that will be held in Montenegro, saying that *“the Kremlin must attack the West and its values in order to keep democracy as far away as possible from Moscow. When it comes to the forthcoming elections in Montenegro, it is not easy to forecast which strategy the Kremlin plans to use in future, but I assume it will be the one already used before; funding the pro-Russian candidates, spreading misinformation in order to impact voters and increasing ethnic divisions and cyber-attacks in order to hack information and cause mayhem.”*

On the possible impact of other countries in the region on the 2020 parliamentary elections in Montenegro Carpenter said *“The world is finally realizing that Russia is not the only country attacking the democratic institutions. We have to start thinking about China, Iran, North Korea and many other countries. I am worried about the growing influence of China and Turkey in the Western Balkans, especially in the area of economy. Their influence is far more subtle than the one of Russia as they do not stir coups, but the influence they have on the local politics is enormous.”* (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. 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 in 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. Montenegro new defense strategy focuses, among other, in fulfilling its NATO obligations and in this context the

country's Armed Forces seek to establish the necessary military forces for its operations. Moreover, it tries to modernize and strengthen its operational capabilities and in this context it raised its defense budget aiming at purchasing new assets such as armored vehicles.



NORTH MACEDONIA: August 13th, North Macedonia's Government has set up an operational team to join the fight against crime and corruption. Deputy Prime Minister and Minister of Interior Oliver Spasovski was appointed to serve at the helm of the operational team. *"The Government at the session reached a decision to set up an operational team so as to, in a coordinated approach, work on uncompromising fight against crime and corruption. Its members will include top officials of the institutions of the executive branch,"* reads the Government's statement. The team will be made up of Justice Minister Renata Deskoska, Deputy Interior Minister Agim Nuhui, Director of the Public Security Bureau, Sasho Tasevski, Financial Police Director Arafat Muaremi, Customs Administration Director Gjoko Tanasoski, Public Revenue Office Director Sanja Lukarevska, Financial Intelligence Office Director Blazho Trendafilov, Arif Asani, Deputy Head of the Security and Counterintelligence Administration, and Viktor Dimovski, Head of the National Security Agency. According to the Government, the decision demonstrates strong commitment to continuing the fight against crime and corruption as its strategic objective. The operational team was fully prepared to cooperate with the Public Prosecutor's Office and the Courts. (www.nezavisen.mk)

- August 14th, *"Certainly, I will not allow a few criminals, a vain journalist, and with apologies to the LGBT community, a fag, to bring this Government down. No. We will fight to the end because everyone involved will be held accountable,"* Prime Minister Zoran Zaev said Tuesday evening, commenting on expectations relating to the *"Racket"* case. Zaev's statement caused a storm of harsh reactions from political parties, the media regulatory body, journalist associations, NGOs, as well as sharp comments on social networks. Following this, Zaev offered a personal apology to the LGBT (Lesbian, Gay, Bisexual, Transgender) community on his Twitter account saying that he used the word *"fag"* to describe a certain character trait, not to denote sexual orientation. Opposition Internal Macedonian Revolutionary Organization – Democratic Party for Macedonian National Unity (Внатрешна македонска револуционерна организација – Демократска партија за македонско национално единство - VMRO-DPMNE) said in a press release they strongly condemned Zaev's threats towards journalists who had uncovered his crimes, as well as his insults on the basis of sexual orientation. In response to this, the ruling Social Democratic Union of Macedonia (Socijaldemokratski Sojuz na Makedonija – SDSM) said that VMRO-DPMNE are real hypocrites, seeing that for 11 years they had kept silent and directly promoted violence against the LGBT community. The Association of Journalists of North Macedonia also condemned the Prime Minister's statement and called on him to apologize to journalists. (www.nezavisen.mk)

- August 14th, Prime Minister Zoran Zaev, in comment on the opposition's request for resignation and early parliamentary elections after the announcement of the "Racket" case, said he does not even think about such a thing. *"I have no intention of thinking about either resignations or early elections. After major political decisions, after all the reforms we have brought together, after our expectation for full membership in NATO, to start negotiations with the EU, at a time when economic parameters are excellent and continue to be excellent, we should give the state a chance,"* Zaev said. According to him, elections do not have to be regular in December 2020; they can be in October 2020, as early elections demanded by the opposition. He reiterated that it must be given a chance to raise the economic standard and not destroy it, as he said, through someone's desire to go to early elections. Democratic Union for Integration (Demokratska Unija za Integracija - DUI) leader Ali Ahmeti also said that the partnership between DUI and SDSM is functioning smoothly, and the state does not need early elections. On the other hand, opposition is demanding resignation of Zaev's Government, formation of a technical Government to organize early elections, which may be in May or June 2020. (www.nezavisen.mk)

COUNTRY ASSESSMENT :

North Macedonia's politics are shaken by a series of corruption and extortion scandal which undermines not only country's political stability, but also its European perspective. Fancy names such as "Extortion", "Empire", "Racket", "Titanic" 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. According to media reports, the "Extortion" scandal touches the Prime Minister Zoran Zaev creating conditions for the Government's collapse and snap elections. Besides, 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. The Prime Minister Zoran Zaev lost his temperature and made a rather disappointing statement attacking to several professional and social groups (LGBT community, journalists etc) for the latest reveals. Furthermore, he rejected any idea of snap elections. 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. In this context, the Government announced the establishment of a "task force" committed to fight corruption and organized crime. It is assessed that Zaev received the Brussels message and is willing to show that he is determined to correspond to the EU demands.



ROMANIA: August 12th, NATO completed on August 9th, 2019 a long-planned update of its “Aegis” Ashore Ballistic Missile Defense system at the Deveselu base in Romania. The update has been taking place across the “Aegis” fleet and did not provide any offensive capability to the system, NATO said in a press release. *“The update is part of the US European Phased Adaptive Approach to ballistic missile defense, which was announced in September 2009,”* the press release reads. During the update, NATO temporarily deployed a Terminal High Altitude Area Defense (THAAD) system to the Deveselu base, and now that the upgrade is completed and the “Aegis” is back online, the *“THAAD system will be redeployed as it was planned.”* (www.romania-insider.com)

- August 13th, Romania’s senior ruling party, the Social Democratic Party (Partidul Social Democrat - PSD), remains optimistic about the robustness of the ruling coalition with the junior partner, the Alliance of Liberals and Democrats (Alianța Liberalilor și Democraților - ALDE) but the party leaders say that the Government is ready to continue even with minority support in the Parliament. The comments came in the context of ALDE openly expressing on August 12th, 2019 discontent with the budget revision endorsed on the same day and urging PSD to come up by August 20th, 2019 with a “new governing strategy” and a “new Government team” based on merit. Prime Minister and PSD President Viorica Dancila assured before the meeting of the party’s National Executive Committee (CEX), that the ruling coalition will not break, G4media.ro reported. However, if this

is not possible and the coalition eventually breaks, the Government is ready to go ahead with minority support in the Parliament, PSD senator Paul Stanescu commented. Relations between PSD and ALDE have worsened after PSD announced it would support Dancila in the presidential race. ALDE Head Calin Popescu Tariceanu wanted to get PSD’s endorsement for his candidacy. After PSD’s announcement, ALDE started negotiating an alliance with PRO Romania (PRO România - PRO), the party of former Prime Minister Victor Ponta. Ponta’s condition, however, is that ALDE leaves the ruling coalition. (www.romania-insider.com)

- August 14th, military cooperation between Romania and the US, as well as energy security of Romania, and the US visas for Romanians will be among the topics to be discussed during the meeting between Romanian president Klaus Iohannis and US President Donald Trump scheduled for next week. Moreover, Iohannis will also invite Trump to pay a visit to Romania in the near future, local Digi24 reported. However, the President said that there are very few chances for this visit to happen in the coming period due to the upcoming elections in both countries. Iohannis also said that he would address the issue of US visas for Romanians during his meeting with Trump, a topic of high interest for the Romanian side. The agenda will also include topics on security in the Black Sea, and even Romania’s willingness to host more US troops, according to local Mediafax. Also, the President of Romania will inform President Trump that Romania is ready to send more troops to Afghanistan. The two Heads of state will also discuss energy security in Romania and US investments in this

area, the strategic partnership, the allocation of 2% of GDP for defense, and the growing economic relationship between the two countries. The US President will welcome Iohannis in Washington on August 20th, 2019. (www.romania-insider.com)

COUNTRY ASSESSMENT :

A minor intergovernmental crisis is ongoing due to ALDE's discontent due to the fact that PSD did not support as a joint presidential candidate its leader, Calin Popescu Tariceanu. ALDE is on talks with PRO Romania of the former Prime Minister Victor Ponta, who is positive in a possible collaboration but only if ALDE quits the Governmental coalition. Consequently, ruling PSD works on possible scenarios of a minority Government. Romania enjoys advanced upgrade in US and NATO strategic plans due to its geographical position located close to Russia. This strategic importance is reflected in the agenda of the Romanian President Klaus Iohannis visit to Washington and his counterpart Donald Trump on August 20th, 2019. Military cooperation and energy security are among the topics to be discussed by the two men. The US seek to strengthen military presence in Romanian territory, while Romania is ready to increase its military contribution in Afghanistan. Consequently, Russia reacts in this close military cooperation between the two countries perceiving it as threat against its national security. Romania keeps strengthening its Armed Forces seeking to achieve NATO standards.



SERBIA: August 13th, Aleksandar Vucic, Serbia's Head of state, said he would like

his opponents to participate in the forthcoming general elections, adding it would be the best for the country and for people to see what amount of support everyone enjoyed, the Beta news agency reported. In an interview with the state RTS TV, Vucic said he is ready to do a lot to take "*the senseless talks*" about election's conditions from the public eye. "*Fix the electoral roll, write every name in it. I will accept almost everything related to the electoral rolls and the party financing,*" Vucic said. He denied opposition leaders invited him for talks and said he would speak to them in line with the Constitution, i.e., in the Parliament. Regarding his order for the protective fence around his office to be removed, following Saturday's incidents with the security, reportedly members of the military elite Cobras unit, Vucic said that "*it is nicer without the fence.*" "*Now they (the protesters) would not fall or jump over it, and if they would like to stage a coup d'état they would have to enter the (Presidency) building,*" he added. (www.rs.n1info.com)

- August 13th, Director of the Office for Kosovo and Metohija, Marko Djuric, held an extraordinary press conference concerning the sharp statement of the Quint countries (US, France, Germany, Italy, UK). Djuric, said that Serbia would continue to pursue its internal interests. He underlined that those who clearly violate CEFTA agreement cannot by any means be compared to those who oppose unlawful membership of the part of its territory in the international institutions. "*We cannot allow artificial attempt to put an equation mark when someone prevents unlawful membership in international institutions and when someone violates CEFTA and other international*

agreements,” Djuric said on an urgently called press conference. Djuric also finds it disputable for Serbia as the statement clearly indicates what outcome the Quint countries would prefer, what would they try to impose, and what kind of pressure they will exert. “Dialogue can be resumed but you cannot make even the CEFTA violation by Pristina and Serbia's efforts in preventing Kosovo's independence recognition. Serbia was not the one who initiated membership of Kosovo in Interpol, UNESCO... Pristina's institutions had done that with its aggressive attitude, forcing Serbia to defend itself successfully,” Djuric concluded. “If you ask Serbia to stop lobbying for the preservation of its integrity and sovereignty, without asking the same of Pristina, then it is clear that your desire comes to full recognition of Kosovo, without Serbia's filing any complaints. Serbia had acknowledged your joint statement and we express our readiness to resume dialogue upon tariffs' suspension. However, I would like to say this loud and clear; Serbia will continue to pursue its internal and foreign policies, guided by its own interests and the interests of its own people, both in Kosovo and Metohija, and in other parts of the country,” he concluded. Quint countries urged Pristina and Belgrade to resume dialogue as soon as possible, underlining that for Kosovo that means suspending the tariffs imposed on Serbia, while for Serbia, that means suspending the campaign of revoking the recognition of Kosovo's independence. (www.b92.net)

- August 15th, recognizing Kosovo in its current borders is the red line that Serbia will never cross, Prime Minister Ana Brnabic said on Friday. She told the Tanjug agency that she sees no solution to

the Kosovo problem in sight at this moment, adding that she is not optimistic that the Belgrade - Pristina dialogue will continue. *“Serbia will not allow Pristina to get everything while Belgrade loses everything. At this moment, we should see what the most is that we can get and what the least and should be rational and realistic,”* Brnabic said. *“Kosovo is not there to be bought or sold,”* she said commenting suggestions that Serbia should be offered more than membership in the EU in exchange for recognition. According to her, the European integration process should be based on other standards, not a political decision on Kosovo. *“Belgrade has been tolerating a lot of provocation from Pristina for the sake of peace and stability but the tariffs (imposed on goods from Serbia) have created an atmosphere in which a dialogue is no longer possible. We are prepared to continue dialogue as soon as the tariffs are revoked,”* Brnabic said. (www.rs.n1info.com)

COUNTRY ASSESSMENT :

Although the country has entered in a period of fragile political stability due to opposition reactions against governmental practices regarding human rights, media freedom, and elections transparency, the President Alexander 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. However, efforts for dialogue between the ruling SNS and opposition have started in order the crisis to be resolved. Vucic's statement that he is willing to do whatever opposition asks for

improving electoral procedure is a hopeful sign. 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 be held since early parliamentary elections are expected in Kosovo on September 2019. Armed Forces remain in operational readiness without any deployment of units across Serbia – Kosovo border. Serbia strengthens its relations with Russia (and China) seeking stronger support regarding Kosovo case. 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. At the moment, Serbia looks like acting in accordance with the international law aiming at reducing tension in the region. In other words state's leadership is acting in a "reasonable" and "wise" way avoiding mistakes of the past which have isolated Serbia from the international community. Serbia pays special attention in improving operational capabilities of its Armed Forces declaring towards all sides that they are the power of the state. In this context, it keeps acquiring weapons mainly from Russia.



SLOVENIA: August 16th, Slovenia's law enforcement authorities reported on Friday that as many as 1,740 crossings of illegal migrants

had been registered in July alone, which is record high monthly number since the migrations tide in 2015-2016. *"July saw the highest number of illegal crossings of the state border in a month since the 2016 migration wave - more than 1,700. During the first seven months of this year the upward trend in such crossings was steeper than last year, according to Police,"* the Slovenian news agency STA says on its web site. A majority of those irregular migrants have come from Pakistan, Algeria and Afghanistan. In the first seven months, Police registered 7,415 arrivals of irregular migrants, and they conducted readmission for 4908 migrants to neighboring countries. Also, 416 illegal migrants were readmitted to Slovenia. Currently, 346 people seeking asylum in this Alpine country, and 680 persons have been granted international protection. (www.hr.n1info.com, www.sta.si)

- August 16th, The Slovenian Foreign Ministry responded to the recent statements in the media by new Croatian Foreign Minister Goran Grlic-Radman related to the border arbitration between the countries. The Ministry told STA that the Minister had uttered *"several non-truths,"* which Slovenia resolutely rejected. Grlic-Radman, who took over at the end of July, made his statements for the Croatian desk of the regional broadcaster N1 on Monday after recently meeting Slovenian counterpart Miro Cerar, who was on a vacation in Croatia. The Ministry noted that the Croatian Foreign Minister presented some controversial views about the border arbitration saga, which were reported on in the following days by the Croatian daily newspapers Vecernji List and Novi List. The Ministry emphasized that the *"arbitration tribunal has addressed Croatia's*

doubts in a partial decision and then adopted a final, binding decision under international law which the Republic of Croatia does not respect unilaterally.” (www.sta.si)

- August 16th, Slovenia's emerging energy concept is expected to make it clear whether the country opts for a second nuclear reactor, dispelling doubts about its long-term plans for nuclear energy. Should it decide for it, it would take at least ten years before a new facility produced any electricity. Slovenia has only one nuclear power station; Krsko Nuclear Power Plant (NEK) is located on the border with Croatia, and is co-owned by both countries. NEK, which was launched in 1981 and produces a third of electricity generated in Slovenia, is planned for closure in 2043. A debate on replacing it with a new reactor or renouncing nuclear energy altogether has been going on for more than 15 years. The Janez Jansa Government included NEK 2 in a resolution on national development projects already in 2006, assessing it would cost 2 billion euro and start being constructed in 2015. The coalition agreement of the Marjan Sarec Government speaks about renewable and reliable sources of energy, but does not mention nuclear energy, or NEK 2. However, the Infrastructure Ministry has told STA that in the emerging energy concept and in climate policy, nuclear energy is important from several aspects. GEN Group, a state-owned company under whose wing is NEK, has already invested 16 million euro into various studies on NEK 2. The group has told the STA the project would build on all three basic guidelines of the EU and Slovenia's energy policy; climate sustainability, reliability and competitive energy supply. GEN Group estimates

the investment at 3.5-5 billion euro, depending on the technology chosen or the size of the reactor. (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 re-assessed 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. 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 15th, the US will not be able to stall Ankara on the establishment of

a safe zone in northern Syria, Turkey's Foreign Minister Mevlut Cavusoglu said on Thursday. "What we say is that a US stalling tactic will not work. Unfortunately, they employed such stalling on Manbij, they did not keep their promise," Cavusoglu told a joint news conference with Nabeela F. Tunis, his counterpart from Sierra Leone, in capital Ankara. The US has primarily partnered with the YPG in northeastern Syria in the anti-DAESH fight. Turkey strongly opposes the YPG's presence in Manbij, which has been a major sticking point in strained Turkey-U.S. relations, due to the latter's support for the YPG under the pretext of fighting DAESH. The US has provided military training and given truckloads of military support to the YPG, despite its NATO ally's security concerns. Cavusoglu underlined that the preliminary agreement between Ankara and Washington for a safe zone was only a beginning and that there remained "many topics" that need detailing. He said US President Donald Trump had previously promised it would be 32-kilometer (20 mile) wide. His comments came as an American military delegation headed by Lieutenant General Stephen Twitty, Deputy Commander of the US European Command, was expected in the southeastern province of Sanliurfa. On August 7th, 2019 Turkish and US military officials agreed to set up a safe zone and develop a peace corridor running from the Euphrates River to the Iraqi border to facilitate the return of displaced Syrians currently living in Turkey to their home country and provide security for Turkish border settlements and military outposts. They also agreed to establish a Joint Operations Center (JOC). The agreement envisages the setting up of measures necessary to address Turkey's security concerns. Twitty will

supervise the establishment of JOC as part of the effort to organize a “safe zone” in northern Syria, the Turkish Defense Ministry said. The Pentagon on Wednesday said the agreement would be “implemented in stages.” Turkey expects the creation of a 32-kilometer safe zone in northern Syria, which must be cleared of YPG militants. Ankara has warned that if the establishment of such a zone is delayed, it will take cross-border military action to remove the “terrorist” threat on its southern border. (www.dailysabah.com)

- August 16th, Turkish Government plugged its deteriorating finances in July with an outsized cash infusion from the Central Bank. The monetary authority transferred around 3.94 billion dollars to the Treasury last month, the biggest deposit since an annual dividend payment in January, according to data on its website. Without the disbursement, the Government would have posted a budget deficit of about 12 billion liras, instead of a 9.9 billion lira surplus reported on Thursday. The central bank outlay comes amid an economic slowdown that has dented tax revenue, prompting the Government to seek other sources of income to finance its widening deficit. Last month, the Government passed a law allowing it to tap around 40 billion liras of Central Bank cash held in its so-called lira reserve fund, a pool of money set aside by the policy maker for use in extraordinary circumstances. Turkey's budget deficit is set to widen to 3.7% of output by the end of the year, the biggest shortfall since at least 2012, according to the median estimate in a Bloomberg survey of economists. While tax income rose an annual 7.3% in July, when adjusted for consumer inflation running at 16.7%, revenue slumped for an eleventh straight month,

the longest streak in 10 years. Central Bank cash will probably continue to prop up Government finances in August, according to the latest data, which show the monetary authority already transferred 19 billion liras to the Treasury in the first week of the month. The injection should help bring the 12-month rolling deficit toward the Government's year-end target of 1.8% of output this month, according to Erkin Isik, an economist at QNB Finansbank in Istanbul. Still, the gap could widen to 2.5%-3% of Gross Domestic Product by the end of the year, he said. Central Bank cash is accounted for in monthly Government data budget under “Treasury portfolio and subsidiary income.” The item jumped to 22.3 billion liras in July from around 750,000 liras a month ago. (www.aljazeera.com)

- August 18th, Ankara recently declared the readmission agreement with the EU is no longer functional, and experts say the main reason for this is the EU's failure to deliver on its commitments stemming from the deal and discretionary treatment of Turkey. Valeria Giannotta, an academic expert in Turkish politics and international relations, said that the EU has not fulfilled its pledge to provide the visa liberalization for Turkish citizens heading to European countries while Turkey, since 2016, has been taking the burden of hosting the refugees despite some delays in the financial support. “I believe the recent statement of Minister Çavusoglu refers to this double standard treatment that became much more evident after the European sanctions on Turkey's drilling activities on the Eastern Mediterranean. Among other thing, the sanctions are based on a serious downgrade of Turkey's pre-accession financial

support by the EU. Shortly, the principle 'pacta sunt servanda' [deals have to be respected] have not been fulfilled by the EU and Turkey had been treated discretionally," she added. "We will not wait at the EU's door. The readmission agreement and visa-free deal will be put into effect at the same time," Foreign Minister Mevlut Cavusoglu said in a television interview, and added that Turkey has decided to suspend its commitments in the deal. Ankara and Brussels signed an agreement in 2016 to find a solution to the influx of refugees heading to the Union. According to the deal, Turkey was promised a total of 6 billion euro in financial aid, which was initially designed to be given to the country in two stages and be used by the Turkish Government to finance projects for Syrian refugees. Visa freedom for Turkish citizens was also promised to be provided under the agreement. The customs union was also to be updated in accordance with the deal. In exchange for these promises of the EU, Turkey took the responsibility of discouraging irregular migration through the Aegean Sea by taking stricter measures against human traffickers and improving the conditions of more than 3 million Syrians living in Turkey. Despite significant developments in the control of migration traffic, the EU could not deliver on its commitments stated in the deal. Gianotta recalled that nowadays Europe is struggling with a new wave of immigrants mainly coming from the Middle East and North Africa (MENA) region and with the rise of far-right European Governments, such as in the Italian case, many are refusing immigrants by not allowing them to land on their shores. "Immigration and security is a core issue in continental Europe and along the closure of the Balkan way, Turkey remains a valid and trustable

partner. Actually, Ankara has already proved to be a trustworthy partner, but the EU seems to be a victim to blind vision," she said and added that by breaking the agreement, the EU has to face a huge issue and it does not have the means to cope with this. On the other hand, regarding the possibility of a new refugee wave if the deal between Turkey and the EU no longer function, "Syrians who want to go to Europe went already. Syrians living in Turkey are content with their lives. Therefore, I do not expect a further refugee wave in the future," Emre Gonen, an academic from Istanbul Bilgi University said. Commenting on the current situation of EU - Turkey relations and its future, Gonen said, "Both sides should take steps for normalization. A new commission is about to be elected within the EU, a new Parliament was already elected. A new opening policy is needed," adding that Turkey can trigger this new opening with democratic reforms. (www.dailysabah.com)

COUNTRY ASSESSMENT :






Implementation of safe zone agreement between Turkey and the US is a hard procedure with lots of obstacles. It is moving slowly making the Turkish side feel nervous. Turkey keeps repeating that any delay in safe zone establishment will force it to launch a military operation east of Euphrates in order to eliminate the Kurdish threat. It could be assessed that Turkey is satisfied since it accomplished its initial goal; to force the US to announce the safe zone establishment recognizing Turkish concerns for its national security. 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. Erdogan announced that Turkey will intensify its efforts for accessing the EU as a full member. His declaration was somekind of restarting the Turkey – EU relations. However, latest Progress Report on Turkey was disappointing “freezing” any further development regarding its accession process. Turkey announced suspension of the readmission agreement with the EU claiming that the latter did not fulfill its obligations. Nevertheless, it is rather a countermeasure against EU decisions regarding its relations with Turkey. 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. Turkish Armed Forces military intervention in Syria, eastern of Euphrates river has been removed at the moment due to the Turkey – US agreement on establishing a safe zone. 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).

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NOTE

-  Stable situation. No security risk.
-  Rather stable situation. Security risk is monitored.
-  Major concerns over stability and security. significant security risk in specific regions. 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.