

SEPTEMBER 2 - 8, 2019 – VOL. 2 - ISSUE 46



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

SOUTHEASTERN EUROPE

AT A GLANCE



SOUTHEAST EUROPE DIRECTORATE

“SOUTHEASTERN EUROPE AT A GLANCE” (ISSN: 2654-0304) is a weekly review of the most significant current political, economic, energy, defense, and security news of Southeastern Europe. It covers 14 countries; Albania, Bosnia & Herzegovina, Bulgaria, Croatia, Cyprus, Greece, Kosovo, Moldova, Montenegro, North Macedonia, Romania, Serbia, Slovenia, and Turkey. However Greece enjoys its own weekly review for a more detailed presentation of its current affairs (GREECE AT A GLANCE).

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

“HERMES” I.I.A.S.GE

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

Copyright © 2019

“HERMES” Institute for Foreign Affairs, Security & Geoeconomy

All rights reserved



ALBANIA: September 4th, in Albania, the parliamentary investigative Commission set up to dismiss President Ilir Meta may call the latter at a hearing starting next week, while having already started work to dismiss him. The Commission also clarified during its meeting on Tuesday that it will wait for the Venice Commission's opinion to issue its final report. Meanwhile, Meta reacted by saying the Socialists attempts to dismiss him are simply spreading propaganda aimed at diverting attention from resolving the political crisis. Commission that will assess the legality of President Ilir Meta's act in cancelling the June 30th, 2019 local elections' date arguing they will be unconstitutional approved its action plan on Tuesday. The first point of this action plan is holding a hearing for Meta. *"The fastest date may be the start of next week, but we will determine the date and time in cooperation with the Vice President,"* said Socialist commission leader Ulsi Manja. The Commission's deadline is October 8th, 2019, but if the Venice Commission takes beyond that date to communicate its opinion, an extension is expected to be requested. As the parliamentary Committee was holding its session, Meta reacted through a social media post. *"Anti-President propaganda does not help the rule of law which is an EU condition for the opening of negotiations with our country on October 18th. Momentarily stealing attention from the obligation to abide by the October 13th decree on comprehensive local elections does not help resolve the crisis, but helps escalate it,"* wrote Meta, who has long insisted that the only solution to the political is holding the local elections on the date set by him on the second issued decree, though any possible

legal deadline has been exceeded. The President's reaction also seemed to relate to the fact that today the permanent Parliamentary Committees overturned a series of decrees signed by him at the end of July, through which he returned several bills to Parliament, starting from the concession construction contracts of two road axes to the amendments on the Law on Concessions, those to the Criminal Code and the Law on Privatization and another on the Academy of Sciences. (www.tiranatimes.com)

- September 4th, the new Director for Central and Southeastern Europe at the US State Department, Dave Kostelancik, has arrived in Tirana in the peak of a political crisis.



Meeting of Parliament Speaker, Gramoz Ruci with Director for Central and Southeastern Europe at the US State Department, Dave Kostelancik

(Photo source: www.parlament.al)

However, diplomatic sources said for Top Channel he did not come to intermediate. Accompanied by the Chargé d' Affaires of the US Embassy, Leyla Moses Ones, the US official met with the Speaker of the Albanian Parliament, Gramoz Ruci who praised the US contribution in

the judiciary reform, and underlined that this would have not been possible without their support. Kostelancik noted that Balkans have vital significance for the USA, the White House, the Department of State and Secretary Michael Pompeo. He also reiterated the support of the US on the judiciary reform, focusing especially on the vetting of Judges and Prosecutors. Ruci underlined that the ruling majority and he, himself, are committed to realize the electoral reform, and for this they will cooperate with both the parliamentary and non-parliamentary opposition. (www.top-channel.com)

- September 8th, Vice Chairman of Socialist Movement for Integration (Lëvizja Socialiste për Integrim - LSI), Petrit Vasili said that the only step to give a signal of deep political responsibility for Albania towards its European future is immediate free and fair elections. In a crucial period for opening Albania's accession negotiations with the EU, opposition politicians ask for snap elections. In addition, Vasili proclaimed that whoever obstructs such elections must be ready to get out of politics as a punishment. (www.albaniandailynews.com)

COUNTRY ASSESSMENT :

Political crisis not only remains active in Albania, but is escalated due to “criminalization” of internal politics. Actually, political instability enters in new stages as the President Ilir Meta was summoned to the Parliament to testify in regard his political actions as Head of the state. Ruling PS seeks to oust Meta from power. 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:

September 2nd, bickering over Bosnia's Annual National Program (ANP), a document the country

is to send to NATO, should stop so that a new Government is finally formed after nearly a year, Russia's Ambassador Petr Ivantsov said after meeting with Bosnian Serb leader Milorad Dodik on Monday. Bosnia has not formed a Government - officially called the Council of Ministers - since the October 2018 election because the Bosniak (Muslim Bosnian) and Croat members of the tripartite Presidency refuse to vote for the new Prime Minister, who is supposed to come from the ruling Bosnian Serb party, because it opposes the country's path toward NATO membership and announced it would not allow the next step in this direction to be made. The next step would be sending ANP to the Alliance. Although they agreed to Bosnia's NATO membership before and signed off on the country fulfilling its obligations, including sending the ANP to Brussels, Bosnian Serb political leaders now vehemently oppose any activities that may bring the country closer to membership. *"That needs to be put aside when speaking about forming the Government, and other things, such as socioeconomic issues and the judiciary, should be talked about,"* Ivantsov said. *"We spoke about the implementation of the election results. That work needs to be completed in accordance with the Dayton Peace Agreement and the equality of all three peoples, respect to both entities and the sovereignty of Bosnia and Herzegovina,"* Ivantsov said. He said that the situation regarding the ANP is *"complex"* and that the basis for finding a solution is the Agreement the three leaders have signed. Dodik had earlier announced that if the Government is not formed by the deadline stated in the agreement, which is September 5th, 2019 his party will ask the National Assembly of Republika Srpska to declare void all decisions not strictly stated in the

1995 Dayton Peace Agreement, which ended Bosnia's war and contains the Constitution. This would mean that the RS would declare bodies that were established after the peace agreement, such as the joint state-level Armed Forces, the state-level tax office, the state Court and Police agency and others, invalid. Bosnia's Foreign Affairs Minister, Igor Crnadak who is currently serving in a technical mandate, said on Sunday that this would represent a call for another war. Dodik argued that military neutrality is the solution and that the country should not be in any military alliances *"in the east or the west,"* referring to a Resolution on Military Neutrality the RS adopted in 2017, in line with neighboring Serbia. (www.ba.n1info.com)

- September 6th, one-month deadline for the formation of a new Government in Bosnia and Herzegovina, agreed upon by party leaders on August 5th, 2019 has expired today, and the issue will return in focus only after the party congress of the ruling Party of Democratic Action (Stranka Demokratske Akcije - SDA) on September 14th, 2019. According to Nezavisne, member of the Presidency of Bosnia and Herzegovina Zeljko Komsic stated that there is no problem in nominating Zoran Tegeltija of Alliance of Independent Social Democrats (Savez Nezavisnih Socijaldemokrata – SNSD) as the new Chairman of the Council of Ministers (equivalent to the Prime Minister), but that the main obstacle is unwillingness of SNSD leader and Presidency member Milorad Dodik to send the Annual National Program (ANP) in the context of NATO Membership Action Plan, European Western Balkans reports. *"The ball is now in his side of the court,"* stated Komsic. 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 the 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)

- September 6th, thousands of suspects are still awaiting trial, the pace of war crimes processing is slow and the conviction rate is too low, the outgoing Head of OSCE Mission to Bosnia Bruce Berton said regarding Bosnia's judiciary, expressing concern about political influences on the country's top judicial body - the High Judicial and Prosecutorial Council (HJPC). *“Victims and their families need to see justice in these cases. The pace of case resolution is too slow, the percentage of convictions is too low and even things the Prosecutor's Office promised to do were not done in accordance with the agreement we had,”* Berton who is at the end of his two-year mandate, told Balkan Investigative Reporting Network (BIRN). In order to improve the work of the Prosecutor's Office on war crimes cases, the OSCE issued several recommendations, most of which refer to better prosecutorial management, clearer distribution of work, and the elimination of deficiencies when writing indictments, he said. According to him, Bosnian judiciary also achieved inadequate results in the prosecution of

corruption, especially the State Prosecutor's Office and the Special Prosecutor's Office in the Serb dominated Republika Srpska (RS) entity. Berton specifically highlighted the challenges at the HJPC – that monitors and disciplines Judges and Prosecutors in the country, which he said has become *“undoubtedly politicized.”* *“Currently it is not possible to talk about the HJPC as an institution free of political influence. Recently our Mission, in cooperation with the European Union and the US Embassy, sent a letter to the HJPC aimed at addressing the issues of transparency and accountability especially concerning the practice of naming of prosecutors and judges, which did not always seem to be merit-based, the issues regarding prosecutors and judges' performance evaluations, as well as transparency regarding property records, so everyone would report what property they own,”* Berton said. Judiciary has a strained relationship with some media outlets, he noted adding that if he were them he would stop constantly defending themselves when experiencing criticism, and accept those criticisms and talk to the media and the people criticizing them, and thus rebuild the citizens' damaged confidence. (www.baninfo.com)

COUNTRY ASSESSMENT :

Political instability and uncertainty continues in Bosnia despite latest encouraging political developments regarding Government's formation. A Government has not be established since October 7th, 2018 general elections extending a political deadlock. Although, the three main parties representing the three constituent entities (Bosniaks, Serbs, Croats); HDZ (Bosnian

Croatian party), SDA (Bosnian Muslim or Bosniak party), and SNSD (Bosnian Serbian party) have reached an agreement on August 5th, 2019 in forming a Government within 30 days, have failed to do so. A strong dispute has broken out if this agreement precedes progress on Bosnia's NATO membership. In specific, the agreement is rather vague regarding Bosnia's relationship with NATO. Bosnian Serbs refuse any progress in the NATO accession process, namely to submit the Annual National Program (ANP) to NATO. The other two parts; Bosnian Muslims and Croats seek to move forward the whole procedure having the goal to join the Alliance. Failure of establishing a Government raises major concerns of Bosnia's future national security especially after Igor Dodik's statements that in such a case RS will reject all federal institutions including Armed Forces and Police. 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: September 2nd,

Moody's credit ratings agency has affirmed Bulgaria's credit rating at Baa2 and raised the outlook from stable to positive, citing Bulgaria's stronger fiscal position and improved economic growth prospects. The Baa2 rating balanced the positive fiscal and macroeconomic trends and Bulgaria's strong commitment to join the Eurozone against the country's constrained labour supply and skills mismatches, worsening demographics and shortcomings in areas such as corporate governance of state-owned enterprises, Moody's said. Bulgaria has also successfully cut its foreign debt from 2014, when it peaked at 27% of GDP, to 21.2% of GDP at the end of March, the second lowest in the EU. In 2020, Moody's forecast Government debt falling further to 19% of GDP. The other factor for the improved outlook was Bulgaria's "robust growth prospects underpinned by ongoing EU integration and increased competitiveness," with the credit ratings agency saying that major infrastructure projects in the next several years and Bulgaria's integration in the European value chains keeping annual real GDP growth at about 3%. Additionally, the simultaneous accession to the Exchange Rate Mechanism (ERM2) and the Single Supervisory Mechanism (SSM), which Moody's expects to

take place in 2020, would support sound macroeconomic policies and a further strengthening of institutions, according to the agency. Sustained positive fiscal and economic trends, as well as further progress with reforms and Eurozone accession could lead to a credit rating upgrade, Moody's said. The positive outlook made a downgrade unlikely in the next 12 to 18 months, but the outlook could be changed to stable should Bulgaria's macroeconomic and fiscal policy credibility deteriorate, the credit ratings agency said. (www.sofiaglobe.com)

- September 2nd, registration of political parties and coalitions for Bulgaria's autumn 2019 mayoral and municipal elections have begun with – as has been customary for years – representatives of Prime Minister Boiko Borissov's Citizens for European Development of Bulgaria (Граждани за европейско развитие на България - GERB) party first in the queue. Bulgaria is holding regular local elections on October 27th, 2019. Where results are not decisive at the first round, a second round will be held on November 3rd, 2019. The GERB delegation on September 2nd was headed by party deputy leader and Bourgas Mayor Dimitar Nikolov, breaking one aspect of party tradition – previously, the delegation always was headed by Tsvetan Tsvetanov, who had been Chief of GERB's election staff. Registration of political parties and coalitions ends on September 11th, 2019, at 5pm. Central Election Committee (CEC) Spokesperson Alexander Andreev told public broadcaster Bulgarian National Television that the full lists of candidate Mayors and municipal Councilors would be available after September 25th, 2019

when registration of candidates ends. (www.sofiaglobe.com)

- September 6th, Bulgaria's Parliament overturned the President's veto on changes to the Military Intelligence Act that allow a civilian to head the Military Information Service as an alternative to the requirement to be a military member, reports BNT. 134 MPs voted against the presidential veto, 57 supported it, and 6 abstained. Socialists MPs opposed the changes in the law and said that a person with the necessary professional experience in the field of the military should be at the top of the Military Information Service. They also noted that military professionals are not allowed to be members of political parties, and if the head of the service is a civilian, he might be politically bound. According to them, the amendment was made in order to appoint a specific person. The ruling Citizens for European Development of Bulgaria (Граждани за европейско развитие на България - GERB), on the other hand, said that the appointment was also subject to the approval of the President. (www.novinite.com)

COUNTRY ASSESSMENT :

Although the minor partner of the ruling coalition, the United Patriots, faces "structural" problems, the Government is stable. Political parties are entering the pre-electoral period of local elections scheduled for October 27th (first round) and November 3rd, 2019 (second round). Corruption and organized crime remain significant obstacles for the country's development and should be addressed decisively. Although modernization of Armed Forces is a top priority for Bulgaria and huge armament projects

are ongoing (fighter jets, armored vehicles, vessels etc) military operational capability of the state is questioned especially in the Air Force. Bulgarian Armed Forces are far from NATO standards. The latest report on defense situation confirmed the major problems the Bulgarian Armed Forces are facing. Security situation stable; no major threats.



CROATIA: September 5th, the Conflict of Interest Commission on Thursday launched proceedings against Prime Minister Andrej Plenkovic and several of his Ministers for breaching public office and ignoring the Commission's request to submit documents related to trips to attend a European People's Party (EPP) conference in Helsinki. The Commission launched the proceedings against Plenkovic, Deputy Prime Minister and Minister of the Interior Davor Bozinovic, former Deputy Prime Minister and Minister of Agriculture Tomislav Tolusic, former Minister of Demography, Family, Youth and Social Policy Nada Murganic and former Administration Minister Lovro Kuscevic because they have not submitted the necessary travel allowance documents to the relevant bodies regarding their attendance at the EPP conference in Helsinki in November last year. The Commission's Chair Natasa Novakovic said that the procedure was launched following a majority vote over a possible breach of public office and failure to submit the relevant documents to the Commission. Plenkovic failed to instruct his Chief of staff and the Ministers in question failed to instruct the relevant services to submit the requested data and documents to the Commission, which gives rise to the possibility that *"these*

officials did not act conscientiously, responsibly and transparently," Novakovic said. (www.hr.n1info.com)

- September 6th, Croatian Government continues to honor its commitment to provide financial assistance to Croats in neighboring Bosnia and Herzegovina. Contracts on financial aid from the Croatian Government for the implementation of 89 important programs for the Croat community in neighboring Bosnia and Herzegovina this year were signed on Friday in the Franciscan Monastery in Tolisa near Orasje. The projects cover all aspects of daily life, including culture, education, science and health care. Government is also co-financing the renovation of the monastery. *"In each of these past four years the Croatian Government has made an effort to find even more money to fund projects. But it is not just about the money. Ask any Croat here in Bosnia and Herzegovina and they will tell you, they need to know that they have not been abandoned and that they are not alone,"* the State Secretary at the Central State Office for Croats Living Outside of Croatia, Zvonko Milas said. (www.glashrvatske.hrt.hr)

- September 7th, Prime Minister Andrej Plenkovic said in Zagreb on Saturday that a group of Serbian army personnel had attempted to enter Croatia at the Bajakovo border crossing in the morning, unannounced and in violation of international law, with the aim of causing an incident, but were prevented by the Croatian border Police. He said that an unannounced entry of members of a foreign Army into the territory of another state is against international law. *"This is unacceptable to the Croatian state and we strongly condemned this act,"* the Prime Minister said. *"Croatian*

citizens should know that the Croatian Government and all its institutions protect our legal order and do not allow such provocations. The Croatian state institutions effectively exposed this attempt by the Serbian Army to provoke an incident,” Plenkovic said. Asked if the Croatian Government had contacted the authorities in Serbia about this incident, Plenkovic said it would have been normal if the Serbian authorities had announced their visit to Jasenovac. *“We respect the rights of ethnic minorities in Croatia, including the Serb minority, and we expect the same from Serbia. We want Serbia to treat Croatia and the Croats in Serbia with respect,”* he added. Asked what Serbia wanted to achieve with this provocation, Plenkovic said that the question should be addressed to the Government in Belgrade. (www.hr.n1info.com)

COUNTRY ASSESSMENT :

The country enjoys political stability and support from EU towards its Eurozone goal. Croatia implements a hard-line foreign policy with its neighboring countries maintaining open disputes with Bosnia, Slovenia, and Serbia. However, a series of violent and verbal attacks against Croat Serbs raises questions over smooth coexistence of ethnic communities in Croatia. It should be noted that state institutions act decisively in resolving these cases sending a strong message that such attacks are not tolerated in Croatian society. Unofficial sources claim that the country has fulfilled all Schengen zone criteria and it is a matter of time (during September 2019) to officially announced. However, the matter may become a new field of confrontation with Slovenia due to the Piran Bay border dispute. In this

context, the Croatian Foreign Ministry called Slovenia for talks in order a mutual accepted to be reached. It is a question if Slovenia will block Croatia’s entrance in the Schengen zone. Croatia implements a policy of Armed Forces’ modernization trying to form a reliable and well equipped force according to NATO standards. Failure to complete successfully the purchase of a modern fighter jet maintains a long period of an ineffective and weak Croatian Air Force.



CYPRUS: September 4th, President Nicos Anastasiades’ proposal to Turkish Cypriot leader Mustafa Akinci on the issue of hydrocarbons, submitted during their informal meeting in early August, involves the creation of an escrow account that would safeguard the Turkish Cypriot community’s share from the natural gas proceeds, it was confirmed on Wednesday. Speaking on CyBC radio, Undersecretary to the President, Vasilis Palmas said that in its briefing on Tuesday, the National Council heard that Anastasiades’ proposal ensures that through the account, the Turkish Cypriot community will be able to immediately reap its share of the profits – 30% based on its population proportion – once money begins flowing into the hydrocarbons fund, expected in 2022. But the proposal carries the condition that Turkey adopts the UN Convention on the Law of the Sea and agrees to delineate its Exclusive Economic Zone (EEZ) with respect to that of Cyprus, a move that if accepted would terminate Turkish drilling off the Cyprus coast and de-escalate tension. Recognition of the Cyprus EEZ would also automatically signal Turkey’s recognition of the Republic of Cyprus. In addition to the escrow

account, Anastasiades' proposal includes the creation of mechanism allowing the Turkish Cypriot community to remain informed of decisions and developments regarding the management of natural gas. The proposal, reports say, is a major retreat for the Greek Cypriot side as the move is being reserved as a negotiating card in the event of a new round of talks, as the presidency views the management of natural gas a matter for sovereign states. An alternative course of action was verbally proposed during the leaders' informal meeting on August 9th, 2019 where the issue of hydrocarbons management formed the main sticking point. The proposal appears to have been well received by Akinci, who asked for it in writing. Later in August, Anastasiades sent the proposal to Akinci via a non-paper, before it was passed on Turkey which has yet to comment on the matter. The news comes as a backdrop to the ongoing efforts for the establishment of a set of terms of reference that will allow the resumption of peace talks. Back-to-back meetings by UN envoy Jane Holl Lute with the two leaders since Sunday suggest that the two leaders could be edging closer to an agreement. (www.cyprus-mail.com)

- September 5th, the US Ambassador to Cyprus Judith Garber has said more US energy companies will operate in Cyprus, joining ExxonMobil and Noble Energy. Speaking at a business dinner of the American Chamber of Commerce in Cyprus, in Nicosia on Wednesday evening, she also said that US national security, Cyprus national security and the security and stability in the Eastern Mediterranean are inextricably linked, and reiterated the position of the US that it recognizes the right of the Republic

of Cyprus to develop resources in its Exclusive Economic Zone (EEZ). *"We also believe these resources should be equitably shared between the Greek Cypriot and Turkish Cypriot communities. We are concerned about the unlawful activities of the drillship Yavuz, which is operating within the territorial sea of the Republic of Cyprus. This provocative and unlawful step raises tensions in the region. We are confident that these resources can contribute to the overall economic wellbeing of Cyprus and thus be a positive force for achieving a solution to the Cyprus problem,"* she added. Garber also noted that the discovery of hydrocarbons in the EEZ of Cyprus offers great promise. We hope, she added, such resources promote prosperity in the entire Eastern Mediterranean region and help to diversify Europe's energy supply. *"I firmly believe other US companies in the energy sector will join them, as Cyprus transitions from discovery of energy resources to the hard task of bringing those resources to market,"* she added. Moreover, she stressed the importance of maintaining an environment that attracts investment, noting that *"investors from America and elsewhere always look for predictable, stable environments, with assurances that agreements and contracts will be honoured, backed by secure financial institutions to manage income and expenses."* Trilateral initiatives among Cyprus and Greece and their regional partners such as Israel, Egypt, and Jordan were important and encouraging, she added, building resilience and acting as a multiplier to attract investment to the region. She referred to the participation of US Secretary Mike Pompeo in the trilateral gathering in March in Jerusalem with Cypriot President Nicos Anastasiades, Israeli Prime Minister Benjamin Netanyahu, and then-

Greek Prime Minister Alexis Tsipras. *“We will continue to look for opportunities to join such meetings to lend our support as they advance security and prosperity in the Eastern Mediterranean region,”* the Ambassador said. (www.cyprus-mail.com)

- September 7th, following the failure of the leaders to secure terms of reference for new Cyprus negotiations after week-long shuttle talks UN Secretary General Antonio Guterres is expected to have separate meetings with them in New York at the end of the month to decide the next steps. According to the Cyprus News Agency on Saturday, Guterres will have separate meetings with President Nicos Anastasiades and Turkish Cypriot leader Mustafa Akinci and he will decide if he will call a tripartite meeting that would likely take place at the beginning of October. By Friday it was clear the two leaders had been unable to agree on terms of reference that would form the basis of new talks. This followed six rounds of separate consultations between the UN envoy Jane Holl Lute and the two leaders, and an informal joint reception hosted by Lute on Friday evening who spent four days longer on the island than originally scheduled. The leaders had been unable to overcome a sticking point which emerged earlier in the week, reportedly involving the co-governance issue. Lute is now expected to brief Guterres on her contacts and also meet with guarantor powers Greece and Turkey in New York later this month to determine where they stand. The two sides have so far agreed on that the terms of reference will be based on the 2014 Joint Declaration, the six parameters of the Guterres framework as presented on June 30th, 2017, and

the convergences that led to the talks in Crans-Montana in 2017. Anastasiades said after the reception hosted by Lute in the UN Protected Area at the old Nicosia airport that there was no disappointment. *“We do not give up hope, it is an ongoing process,”* he said. But while the Government appears satisfied by the result, opposition on Saturday flagged it as yet another failure. Main opposition Progressive Party of Working People (Ανορθωτικό Κόμμα Εργαζόμενου Λαού - AKEL) expressed its disappointment and concern. On the other hand, Akinci secured more concessions by the Greek Cypriot side which he is expected to cash in during the upcoming elections in the north, the party said. It added that in the meantime, Turkey will carry on unobstructed with its own games. In the meantime, Nicosia is reportedly waiting to hear Cavusoglu's positions. Cavusoglu is meeting on Monday with Akinci and the Turkish Cypriot political leaders. He is to attend a meeting on Monday morning when Akinci will brief the heads of the *“parliamentary”* parties on the latest developments. Later in the day, Ozersay will host lunch in his honor and later on he will meet with Tatar. He is scheduled to depart the island on Monday afternoon. (www.cyprus-mail.com)

COUNTRY ASSESSMENT :

Efforts for restarting negotiations on Cyprus question have failed so far. Cypriot side appeared with a compromise mood proposing to Turkish Cypriots creation of an escrow account that would safeguard the Turkish Cypriot community's share from the natural gas proceeds. It is estimated that there are little chances of an agreement between the two sides. 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 continues. *Fatih* is there for almost four months, while Turkish administration declares that offshore drilling will continue until an agreement between Greek Cypriot and Turkish Cypriot communities will be reached regarding exploration and exploitation of natural gas. In this context, Turkey issued a new NAVTEX until November 3rd, 2019 showing that it intends to maintain tension in coming autumn. Turkey's objective goal is to force (by the presence and activity of drill ships) Cyprus to compromise reaching an agreement with the occupied north part. Despite international calls to Turkey for abandoning its plans of violating the Cypriot EEZ and its sovereign rights, Turkish actions remain "unanswered." Not only that, but Turkey seeks to escalate tension by sending a fourth research vessel; the "*Oruc Reis*". With four research vessels in the region and Turkish navy ships protecting them autumn is expected to be "hot". Cyprus is trapped failing to act decisively and effectively for protecting its sovereignty. Actually, Cyprus is trapped because it does not have a mechanism of power (military, diplomatic, economic etc) to force Turkey to withdraw its ships. Cyprus lacks of naval and air forces which could deter Turkey of violating Cypriot sovereign rights, while Greece appears reluctant in sending naval units in the region showing presence and exercising deterrence. The EU prepared a draft with sanctions against Turkey but the latter rejected them claiming that it will continue its activity. Turkish message is very clear; we are present in Cyprus, we are present in the energy "game" and nothing works

leaving Turkey aside. In other words, energy security includes Turkey; otherwise eastern Mediterranean is not a stable and secure sea. Despite current situation, Cyprus works systematically in order to become a major part of the East Mediterranean energy hub. It is favored not only by its natural gas deposits, but also by its strategic position in the "heart" of East Mediterranean Sea and of course of being an EU member state. The strategy of multilateral cooperation seems to be fruitful. Turkey looks like being isolated from the energy game and its current aggressive reaction is attributed to this situation. It is certain that Turkey will not accept "*fait accompli*" in a region considered as part of its strategic interests. As long as part of Cyprus remains under Turkish occupation and Turkish troops (equipped with heavy weapons) are deployed in the island, Cyprus faces an existing direct threat against its national security and sovereignty. A "hot" incident cannot be excluded during autumn.



GREECE: September 2nd, Athens on Monday sought to send a stern message to Ankara after a photograph emerged over the weekend showing Turkish President Recep Tayyip Erdogan in front of a map showing his country's territorial waters extending nearly halfway across the Aegean Sea. In comments on Alpha 98.9 FM, Foreign Minister Nikos Dendias dismissed the photo as a "*public relations stunt*," adding that Turkey could continue to "*act like the region's troublemaker*" but Greece had no intention of responding in kind. "*States' borders are not defined by whatever map some Ministry decides to draw, but on the basis of international law*,"

Dendias said, referring to the photograph of Erdogan at the National Defense University in Istanbul. He added that Turkey's opinions belong to a "*minority of one*" – repeating a phrase used by former US Assistant Secretary of State for European and Eurasian affairs Wess Mitchell in an interview with Kathimerini last year – and said such antics simply serve to "*establish Turkey's image as a violator.*" "*International law cannot be trumped by public relations stunts,*" he said. Dendias also took Turkey to task over its ongoing violations of Cyprus' Exclusive Economic Zone in its search for hydrocarbon deposits. "*Cyprus is an independent EU state. It is clear that, along with its sovereignty, Turkey is also violating the Republic of Cyprus' sovereign rights. We hope Turkey falls in line,*" he said. (www.ekathimerini.com)



President Recep Tayyip Erdogan in front of the disputed map

(Photo source: www.tccb.gov.tr)

- September 3rd, in a bid to ease the pressure on the cramped Moria Reception and Identification Center on Lesbos and improve living conditions at the camp, authorities on Monday started moving hundreds of refugees and migrants to facilities on the mainland. But even as the transfers got under way, another 125 migrants

reached Lesbos on boats from neighboring Turkey. A ship carrying 722 people docked in Thessaloniki Monday afternoon, with hundreds more scheduled to reach the northern port Tuesday. There was a delay in the ferry's departure from the island as around 300 of the migrants who had been scheduled to board could not be located, Kathimerini understands. The asylum seekers are to be housed in facilities in Nea Kavala and other parts of the northern mainland. The authorities' intention was to move 1,400 people out of the overcrowded Moria camp where tensions have been growing in recent weeks. The facility has been housing more than 10,000 people, nearly four times its maximum capacity. By early next week, there are plans to transfer more residents from camps on other islands, most likely from Samos, where conditions at the Vathy facility are said to be even worse than Moria, or from Chios. Relocation of migrants from island camps is one of a series of emergency measures decided on by a Government council over the weekend following the arrival of more than 500 people last Thursday – the largest number in one day since the peak of the refugee crisis in 2016. In addition to relocations from the islands, the authorities are to bolster border controls and policing on the islands and the mainland. Furthermore, reviews of asylum applications that have been rejected are to be abolished – a decision that has prompted angry responses by human rights groups who have accused the Government of breaking Greek and European laws. (www.ekathimerini.com)

- September 8th, in his first appearance as Prime Minister at the annual Thessaloniki International Fair on Sunday, Kyriakos Mitsotakis reiterated

that his Government will not seek a reduction of Greece's ambitious primary surplus targets until the country has regained its *"political credibility."* *"This does not mean I will not put it on the table and explain why these surpluses are outdated,"* he told journalists at a press conference in the northern port city. He added that Finance Minister Christos Staikouras will submit an official request to his Eurozone peers on Friday for Greece to repay some of its loans from the International Monetary Fund (IMF) earlier than scheduled. Mitsotakis, who presented his Government's economic program for the coming year during a speech to business people and politicians on Saturday, said the state of Greece's public finances inherited by the previous leftist Government *"was not as rosy as it appeared."* He defended a new wave of tax cuts announced for 2020, saying their fiscal impact has been calculated and will not derail the budget. He said the measures will be implemented in full and *"will not surprise"* the country's creditors. In his speech on Saturday, he promised to reduce both corporate and income taxes, to introduce a dividend tax cut and offer incentives for investment. Corporate tax will be cut to 24% in 2020 from 28% currently and taxation on dividends will be halved to 5%. The tax on income for those who earn less than 10,000 euro annually will drop to 9% from 22%. In addition, a solidarity tax introduced at the peak of the crisis and a levy on self-employed professionals will be scrapped. Moreover, as part of a plan to boost the real estate sector, value-added tax on new constructions is to be suspended for three years. During Sunday's press conference, Mitsotakis said his Government would make the Greek labor market more flexible while strictly enforcing

employment rules. On Saturday night, thousands of workers demonstrated outside the trade fair, demanding better working conditions. As regards speculation about the Government's intentions concerning the electoral law, which leftist Coalition of Radical Left (Συνασπισμός Ριζοσπαστικής Αριστεράς – SYRIZA) changed to simple proportional representation while in power, Mitsotakis described the new system as *"disastrous"* and said his administration would pass a law to ensure political stability, noting that a party with 40% of the vote should be able to form a Government. As for constitutional revision, which was started by the previous leftist Government, Mitsotakis said it would be completed by year-end, noting however that any changes to the electoral law would be submitted separately. Questioned about a recent spike in migration flows from Turkey, Mitsotakis said the problem is *"complex"* and that the EU should continue to show solidarity toward countries on the bloc's external borders and provide funding to Turkey to stem illegal immigration in line with an agreement signed between Ankara and Brussels in 2016. He stressed also, however, that it is Turkey's responsibility to crack down on migrant smuggling. *"We have an increased influx. We cannot have 500 people arriving in 14 boats,"* he said in reference to the increase in daily arrivals from Turkey. *"It is Turkey's job to stop them,"* he concluded. As for threats by Turkish President Recep Tayyip Erdogan to *"open the gates"* to a new wave of refugees if it does not receive international support, Mitsotakis remarked that his rhetoric *"does not promote good-neighborly relations."* He added that he intends to meet Erdogan on the sidelines of the United Nations General Assembly later this month. Meanwhile,

the country's slow-moving asylum process will be speeded up, he said, while also calling on EU member-states to shoulder some of the burden by taking in refugees, especially unaccompanied minors. Asked whether he plans to try to amend the contentious "Prespes" name accord with North Macedonia, which his party vehemently opposed while in opposition, Mitsotakis reiterated that the deal is "damaging" but cannot be changed at will following its approval by Greece's Parliament. The Government, however, intends to monitor its implementation closely, he said, pledging to protect Macedonian products and support the "Macedonian brand." (www.ekathimerini.com)

COUNTRY ASSESSMENT

Prime Minister Kyriakos Mitsotakis appeared in Thessaloniki fair confident presenting a series of tax cuts with the aim to relief social groups and to boost business climate. Massive arrival of migrants from Turkey raises concerns for increase of refugee flows. The Government announced a series of measures with the aim to relief the eastern Aegean islands which are the entrance points (Lesvos, Samos, Chios) and to strengthen border surveillance. Control of migrant flows by Turkey is a critical point for Greek national security and consequently EU's security. Greek – Turkish relations are in a critical point not only due to Turkey's decision to violate Cypriot Exclusive Economic Zone (EEZ) aiming at conducting oil and gas drills, but also because Turkey maintains a hard rhetoric against Greece regarding its territorial and maritime sovereign rights. Greece is concerned due to Turkish intention to search for hydrocarbons

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



KOSOVO: September 6th, Matthew Palmer US special envoy for the Western Balkans said he hopes Pristina - Belgrade dialogue would resume and that Kosovo would revoke the decision on import taxes on goods from Serbia and Bosnia as well as that Serbia would stop campaigning for the withdrawal of Kosovo's independence recognition. Palmer who attended the Security Forum in Bled, Slovenia on Monday, told media that an agreement on normalization of

relations between Kosovo and Serbia is possible, which as he said, would transform entire Balkans, and would open European path for both Kosovo and Serbia. He said that return of Belgrade and Pristina at the negotiation table, is a short-term goal of the US. Both parties have stalled the dialogue after Kosovo Government introduced in November last year a 100% tax on all Serbian imports. Despite continues requests of the US and EU Kosovo has not revoked the tax. Serbian authorities insist that they will not return to dialogue until Kosovo rescinds tax on Serbian goods. (www.gazetaexpress.com)

- September 6th, the Serb List (Srpska lista) has submitted its list of candidates for the October 6th, 2019 parliamentary elections in Kosovo, Pristina media reported on Friday. The media said that Serb List leader Goran Rakic and his party's MPs were seen entering the Central Election Commission headquarters to submit the list of candidates. The Serb List said it had decided to field candidates at the elections following consultations with Serbian President Aleksandar Vucic and Government Office for Kosovo Chief Marko Djuric. The deadline to submit candidate lists for the elections expires at midnight. (www.rs.n1info.com)

- September 6th, Kosovo's outgoing Deputy Prime Minister Enver Hoxhaj said that there are credible information about ten more countries ready to withdraw the recognition of Kosovo, the Beta news agency reported. Speaking to the KTV, Hoxhaj said Pristina got information from a neighboring country, which he did not name, that "Serbia prepares a campaign for the recognition's withdrawal." "Thirteen states have withdrawn recognition. We should first

understand the character of our statehood. If we were a UN member, the recognition would have been universal. We should establish diplomatic ties with a country immediately after recognition. Some of them are vulnerable," he said. Earlier on Friday, Czech President Mikos Zeman said Prague might do the same one day. Hoxhaj, who served as Foreign Minister in two mandates, said Pristina needs a foreign policy with an operational plan and strategic approach and added that withdrawals should have been prevented. (www.rs.n1info.com)

COUNTRY ASSESSMENT :

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

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



MOLDOVA: September 4th,

Moldova President Igor Dodon believes that the Transnistrian region could receive “a special legal status in the form of a very strong autonomy within the composition of the Moldovan State.” In his interview with Der Spiegel weekly of Germany, he said that the apparatus of the Moldovan President has already worked out a corresponding concept on this issue and will shortly present it to governing coalition partner parties. “Presently, we are waging a policy of small steps and are seeking solutions for overcoming problems and obstacles existing in citizens’ everyday life. Negotiations on a political settlement of the Transnistrian conflict have not been started yet. But I presume that we are able to advance very rapidly because the present-day international consensus is advantageous for Moldova. We can go down in history as the first former Soviet republic, which has resolved a protracted regional conflict in the FSU [former

Soviet Union] area,” said Dodon. Speaking of Moldova’s perspectives to become an EU member country, Igor Dodon said this is impossible in the present-day situation. “Let’s be honest; the EU is not ready for accepting new members. Western Balkan countries have been waiting for their EU turn for so many years already, but would not be given a clear perspective. And we are far behind them. Therefore, we should regard our EU-Moldova Association Agreement as a chance that should help us raise the quality of life in the republic, and nothing more,” the President said. The Der Spiegel journalist asked directly Dodon if his Party of Socialists receives funding from Russia. He rejected it claiming “foreign financing is prohibited by the Moldovan legislation, and a party accepting payments from abroad places itself outside the law.” (www.infotag.md)

- September 5th, Moldova needs to effectively implement the EU - Moldova Association Agreement, President Igor Dodon wrote on his social media page on Wednesday evening, describing the first day of his visit to Brussels. Dodon wrote that the first event of his working visit to Brussels was a meeting with David McAllister – Chair of the European Parliament Committee for Foreign Relations. “I stressed that the priorities of the country’s current leadership include measures to stimulate economy development, struggle against corruption in all spheres and at all levels, consolidation of democracy and of a law-governed state in Moldova. I also highlighted the need for restoring the country’s international profile and for an effective implementation of the EU - Moldova Association Agreement. Proceeding from the

availability of consensus between the Republic of Moldova's important-most foreign partners, I stressed the country's interest to preserve and develop the informal tripartite partnership on Moldova between the EU, the Russian Federation and the US," Dodon wrote. The President further said that he and McAllister discussed a number of questions related to Moldova domestic and foreign policies, such as the deepening of strategic dialogue with European institutions in order to implement reforms Moldova has assumed as its international commitment. Dodon reaffirmed the Presidential Administration's intention to conduct a weighted external policy, to consolidate Moldova's neutrality and to settle the Transnistrian conflict by using exclusively peaceful means. In the course of his first visit to Brussels, which Dodon paid in February 2017, he stated the need for denouncing the EU - Moldova Association Agreement and his readiness to back such denunciation initiative, should it come from the Party of Socialists. (www.infotag.md)

- September 7th, about 800 delegates from all Moldovan districts, members of the Democratic Party of Moldova (Partidul Democrat din Moldova - PDM) assembled at the formation's ninth extraordinary congress in Chisinau today. The participants in the event elected Pavel Filip as the new party leader, while the national political council elected Alexandru Jizdan as the party's Secretary General. *"The Democratic Party went through a complicated period. Determination, will, and hard work are necessary in order to become a popular party, appreciated and loved by citizens. I have been member of the Democratic Party for ten years; this is the only party I have been member of and I will continue*

to do my utmost to develop this formation. The sole force capable to mobilize people is the truth and I will be guided by truth," Filip said. (www.moldpres.md)

COUNTRY ASSESSMENT

The country enjoys political stability and the Government should focus on reforms in order to boost Moldova towards European standards. President Igor Dodon visited Brussels confirming Moldova's intention to implement the Association Agreement with the EU. However, Dodon did not miss to pay a one day visit to Moscow demonstrating the balanced foreign policy between the west and Russia. 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. 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: September 3rd, the special MPs club will not attend the meeting gathering the representatives of the opposition parties, convened by the leader of the Social Democratic Party of Montenegro (Socijal-

demokratska Partija Crne Gore - SDP), Draginja Vuksanovic Stankovic, *“as we will not sit at the same table with the ones who took us positions in the Committee on the Reform of Electoral and Other Legislation, that is, with the Democrats,”* Aleksandar Damjanovic told Pobjeda daily. Vuksanovic Stankovic earlier called on leaders of the opposition parties and representatives of the parliamentary groups who expressed readiness to work in the Committee for the Comprehensive Reform of Electoral and Other Legislation, to meet in order to define a common platform for negotiations with the representatives of the Government. Damjanovic told Pobjeda daily he had already talked to Vuksanovic Stankovic and informed her that *“there is a more important matter that must be resolved.”* The Democrats still have not answered the invitation of the SDP leader. Seven days ago, they just announced their leader, Aleksa Becic, was going to be absent on that particular day, and that the Committee members, Momo Koprivica and Danilo Saranovic, should decide whether they would come. Their decision is still unknown so it is uncertain if the meeting planned for September 3rd or 5th, 2019 will take place. (www.cdm.me)

- September 4th, Ever since Montenegro became NATO member, Foreign Direct Investment (FDI) inflow has substantially increased, said Milos Jovanovic, CEO of the Montenegrin Investment Promotion Agency (MIPA). According to Jovanovic, almost a half of FDI in 2018 were investments from NATO members. *“FDI inflow increased by around 30% in 2018. FDI inflow from NATO members has increased by 64%,”* pointed out Jovanovic. (www.cdm.me)

- September 7th, the fact the Democrats [Social Democratic Party of Montenegro (Socijal-demokratska Partija Crne Gore - SDP)] joined the Electoral Reform Committee explicitly denies the *“Agreement on Future,”* and represents another attack on the opposition which has never been so divided as it is now, the Democratic Front (Demokratski Front - DF) stated. One of the DF leaders, Milan Knezevic, told TV Montenegro that the Democrats will be responsible for all the next-year events, while the DF will not vote in favor of the electoral laws unless the constitutional amendments regulating the position of the Serbian people in Montenegro will also be regulated. In addition, the opposition supporters, according to Knezevic, cannot be satisfied with the continuous calls of the opposition leaders to engage in dialogue that would help finding the best ways for negotiating with the Democratic Party of Socialists of Montenegro (Demokratska Partija Socijalista Crne Gore - DPS). (www.cdm.me)

COUNTRY ASSESSMENT :

Opposition appears divided in Montenegro strengthening ruling DPS's power. Although EC Progress Report is assessed as a positive one, it raises specific concerns over media freedom, corruption and organized crime. Report is elaborating on specific cases signaling detailed research. Montenegro enters into a crucial crossroad regarding its EU future and specific reforms and actions should be implemented if it remains committed in its goal to access the EU by 2025. The Government promotes state's political and economic stability which creates an almost ideal investment environment; However, the state

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



NORTH MACEDONIA:

September 2nd, Nina Angelovska is the new Finance Minister, while Hisen Xhemali is elected Minister without portfolio. Deputy Ministers were also appointed after a two-day debate in the Assembly, which included discussions on the economy, foreign investment, the rule of law, and early elections. Prime Minister Zoran Zaev said the current Government would extend its mandate by the end and that no early elections were needed. According to him, with the date gained for the start of EU talks, with NATO membership and good economic parameters, opposition’s chances of winning the election will be eliminated. *“I think people will hold this power for longer. According to my estimations, you from VMRO-DPMNE will be able to nominate Ministers and Deputy Ministers after 9 years,”* Zaev said during the debate in Parliament. Internal Macedonian Revolutionary Organization – Democratic Party for Macedonian National Unity (Внатрешна македонска револуционерна организација – Демократска партија за македонско национално единство - VMRO-DPMNE) leader Hristijan Mickoski asked once

again for early elections adding that Zaev should not run in the election because he will lose power. The debate on snap elections, power and opposition, comes a month before a new summit of European leaders in October, when it is expected to see whether or not North Macedonia will get a date for the start of accession talks. (www.nezavisen.mk)



New Finance Minister, Nina Angelovska

(Photo source: www.finance.gov.mk)

- September 3rd, US strongly support North Macedonia in realizing its strategic goals; full-fledged NATO membership and start of negotiations with the EU. This was stated by Matthew Palmer, US Special Envoy for the Balkans, at a meeting with Foreign Minister Nikola Dimitrov and Defense Minister Radmila Sekerinska at the Strategic Forum being held in Bled, Slovenia. *“The rule of law must work, and the time for games and party attempts to avoid responsibility is over. North Macedonia is in NATO and in the EU,”* Palmer underlined. At the meeting, as the Ministry of Foreign Affairs said, talks focused on the dynamics of North Macedonia’s NATO membership process and the full importance of the country’s integration into the Alliance, as well as the opening of accession negotiations with the EU. Opinions were also

exchanged on the domestic political situation in the country. Foreign Minister Nikola Dimitrov stressed that *“NATO promotes stability and in the time of independence, it is reasonable to accelerate the integration process to strengthen the region and accept our European promise.”* Defense Minister Radmila Sekerinska thanked for the US’s consistent support for North Macedonia’s EU and NATO membership and stressed that the Government would not allow anything to stand in the way of NATO and EU integration. (www.nezavisen.mk)

- September 5th, *“The security situation in the country is stable. There are no indications from inside or outside to endanger the integrity and sovereignty of the Republic of North Macedonia. However, we must bear in mind that there is a period that may be turbulent as we await the country’s NATO membership and the possible opening of talks with the EU.”* This was stated by President Stevo Pendarovski after the first constitutive meeting of the Security Council of the Republic of North Macedonia, held after three years. The conclusion was that North Macedonia in the next 40-50 days enters a period that can be turbulent both politically and in terms of security, because ratification of NATO membership is coming to the end, while in the middle of next month it is expected the date for the start of negotiations with the EU. According to Pendarovski, in the coming period, attention should be paid to the development of the Belgrade-Pristina dialogue. Internal Macedonian Revolutionary Organization – Democratic Party for Macedonian National Unity (Внатрешна македонска револуционерна организација – Демократска партија за македонско

национално единство - VMRO-DPMNE) leader Hristijan Mickoski was also invited to the Security Council meeting, but he did not know why the latter was not present. Members of the Security Council include Prime Minister Zoran Zaev, Parliament Speaker Talat Xhaferi, Interior Minister Oliver Spasovski, Defense Minister Radmila Sekerinska, Foreign Minister Nikola Dimitrov, and Directors of state security bodies. (www.nezavisen.mk)

COUNTRY ASSESSMENT :

North Macedonia’s politics are shaken by a series of corruption and extortion scandals which undermines not only country’s political stability, but also its European perspective. Fancy names such as “Extortion”, “Empire”, “Racket”, “Titanic”, “Monster” are nothing more than scandals involving politicians, businessmen, criminals, and judicial servants demonstrating that corruption, absence of rule of law and non transparency dominate in state’s function. There are several European voices calling North Macedonia to focus on judicial reforms, rule of law, and fight against corruption in order to achieve a positive result in coming October regarding the opening of accession talks with the EU. Major EU countries such as France appear concerned over a positive signal under these circumstances. However, it is assessed that North Macedonia will finally get a date of opening accession negotiations with the EU for several reasons related to geopolitics, EU credibility, and Russian influence in the region. Zaev has strongly promoted his plan for a well-governed state where rule of law and a functional justice system would dominate. He actually based his pre-

electoral campaign against VMRO-DPMNE on such rhetoric. Consequently, it is rather contradictory to watch ruling SDSM politicians and state's servants to be involved in scandals and illegal activities. Implementation of justice reform and transparent investigation of the "Racket" scandal which touches governmental officials are two "key" points for a successful signal of the EU. It is assessed that no matter what the EU will decide on North Macedonia's accession talks, snap elections will be called after the EU decision; either under positive conditions for Zaev (in case the country gets a date), or under negative conditions (North Macedonia will not get a date for accession talks with the EU). State's Security Council convened for first time after three years expressing its concern for North Macedonia's stability and security situation for next two months.



ROMANIA: September 3rd, Romania's Prime Minister Viorica Dancila said that President Klaus Iohannis told her that he would address *"in a short time"* the interim nominations she made for the portfolios that were held by junior ruling partner the Alliance of Liberals and Democrats (Alianța Liberalilor și Democraților - ALDE) that left the ruling coalition. *"The Government is not blocked,"* Dancila said, quoted by Agerpres. Currently, there is no interim Minister at the Ministries of Energy, Environment and there is no Minister Liaison with Parliament. Regular Ministers need endorsement from lawmakers, while interim Ministers can be endorsed directly by the President. *"I spoke to the President and he told me that in connection with the three proposals I*

made for ALDE portfolios, he would give me an answer in a short time. He did not tell me whether he accepts the nominations or not. We expect an answer in a relatively short time," Dancila told the Parliament. President Iohannis rejected Dancila's new nominations for the Ministries of Justice and Education and for the post of Deputy Prime Minister without many explanations. (www.romania-insider.com)

- September 4th, the former Head of the Romanian Senate and leader of the Alliance of Liberals and Democrats (Alianța Liberalilor și Democraților - ALDE) that pulled out of the ruling coalition last week, Calin Popescu Tariceanu, summoned his senior party members for discussions on September 3rd, 2019 in an attempt to keep the MPs of his party united, Hotnews.ro reported. On the previous day, former ALDE Minister Teodor Melescanu nearly accepted the invitation extended by the troubled ruling party Social Democratic Party (Partidul Social Democrat - PSD) to be nominated for Senate President. PSD is seeking to rebuild a parliamentary majority by attracting support from ALDE MPs who are unhappy with Tariceanu's decision to leave the coalition. PSD invited Melescanu to take the seat left vacant by Tariceanu himself. Melescanu resigning from ALDE, potentially followed by other MPs, would put the party in the position of losing its group in the Senate. ALDE risks losing more lawmakers after a number of leaders have publicly declared that they do not agree with the alliance already pinpointed by Tariceanu with PRO Romania (PRO Romania - PRO); the party of former Prime Minister Victor Ponta. (www.romania-insider.com)

- September 6th, President Klaus Iohannis has rejected on Thursday the nominations advanced by Social Democratic Party (Partidul Social Democrat - PSD) to replace the resigning Alliance of Liberals and Democrats (Alianța Liberalilor și Democraților - ALDE) Ministers for the Energy, Environment and Parliament Liaison portfolios. Prime Minister Viorica Dancila had proposed Nicolae Badalau as Energy Minister, Ioan Denes as Environment Minister and Radu Popa for Parliament Liaison after ALDE had quit the ruling coalition. The Head of state accused PSD of risking to bring Romania to a deadlock, which could mean delayed wages and pensions. *“Getting back to political situation, the crisis is generated by PSD through its irresponsible conduct in governing Romania. This irresponsible way of ruling is getting more acute. The conflicts inside the ruling coalition, PSD’s despair to cling to stay in power, the internal fights and the bargains on positions have nothing to do with the Romanians’ real agenda. I will not vouch for this political game and, as such, I am strongly rejecting the proposals for interim Ministers,”* Iohannis has told a press statement at Cotroceni Palace. On Wednesday, the Romanian President had fiercely slammed the ruling party and the Government, while Dancila had denounced the Executive’s activity is blocked and had notified the Constitutional Court over a legal conflict between the Government and the Presidency, precisely for the President had mentioned nothing about the interim Ministers she had proposed. However, President Iohannis has replied to Dancila, saying the Prime Minister’s accusations that he would block the Government and would not let PSD rule are *“ridiculous,”* considering that *“the Social Democrats have changed 3 Cabinets*

and 80 Ministers in two years and a half.” Dancila has not backed down, either, retorting to Iohannis in a social media post. *“He forgets he has vouched for all Governments and Ministers for the past 5 years,”* the Prime Minister argued. Dancila added that *“Cotroceni Palace has become a campaign headquarters for the incumbent President,”* while accusing the Head of state of *“committing an abuse of power and of continuing to block the Government’s activity.”* (www.romaniajournal.ro)

COUNTRY ASSESSMENT :

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



SERBIA: September 2nd, According to the Moscow daily “*Kommersant*,” the EU had informed Serbia that it would be almost impossible to “*sit on two chairs*” after Serbia's signing the free trade agreement with EAEU. The newspaper noted that EU called on Serbia to refuse signing such an agreement, as it opposes Serbia's EU accession plans. “*Kommersant*” added that Belgrade responded that until joining EU, it is entitled to sign whatever agreements they want, with the states of their choice. “*Kommersant*” reminded Serbia that it should be forced soon to choose a side and adjust its foreign policy with the EU, including its relations with Russia. The newspaper said that Serbia got direct call to withdraw from signing this agreement from the EU Foreign Ministers in Helsinki, after President Aleksandar Vucic's meeting with the newly appointed Russian Ambassador to Serbia Alexander Botsan Kharchenko. “*EU call to Serbia is yet another Brussels' warning that the policy of sitting on two chairs is not acceptable when it comes to the relations with the West and with Russia, which Vucic wants to fulfill. Brussels had on several occasions reminded Serbian authorities which is its major partner; it has 60% of trade exchange with EU, while it is somewhat less than 7% with Russia, while the scope of European investments to Serbia is several times higher than with Russia,*” the daily concluded. The paper quoted the Chief of Foreign Policy Center Dragan Djukanovic, claiming that Serbia's agreement with Eurasian Union is not of crucial importance. *Kommersant* noted that the experts consider that with signing this agreement, Serbia attempts to force EU to speed up Serbia's EU integration process, as it seems that Serbia will

access EU in 2025, in accordance with the new agenda of EU enlargement. However, Belgrade needs to start dialogue soon on foreign and defense policy. “*At that point, Serbia will have to join EU policy towards Russia, including the sanctions, or it will have to abandon its plans on EU integration. In that case, the issue of leaving EAEU Agreement will not be on the agenda,*” *Kommersant* reported. (www.b92.net)

- September 3rd, ahead of the next spring general and local elections, Serbia's President Aleksandar Vucic has announced the dismissal of at least a half of the cabinet members, mostly members of his ruling Serbian Progressive Party (Srpska Napredna Stranka - SNS), but did not name any of them, N1 reported. In what Vucic's political opponents have already branded “*a functionary campaign*,” he only said that the current Ministers would be replaced with younger people, without saying why or who would go, or who those young officials would be. Vladimir Djukanovic, an SNS official, predicted a while ago that the “*victims*” could be the Ministers from the ruling coalition parties. Vucic, however, did not mention anyone, as he had not done before when ahead of the elections or the principal party meetings in 2012, 2016 and earlier this year promised big purges. Analysts say the latest move could be understood as an attempt to motivate traditionally passive young voters amid the opposition campaign for the election boycott, but also to inspire his aides to work better. “*To start with, the President of the largest party would like to motivate his closest aides to make sure they will present their results more visible in the campaign. Besides, that is a message to SNS voters that no one is irreplaceable,*” Boban Stojanovic from the

Political Sciences Faculty in Belgrade told N1. On Tuesday, Vucic visited Serbia's southern towns of Leskovac and Medvedja, promising 42.5 euro one-time aid to pensioners by the end of the year and rise in the medical staff wages up to 15% in November. He also promised new investments in sports stadiums in Leskovac and several other towns across Serbia. In Medvedja, where the local vote is due on September 8th, 2019 Vucic has taken part in SNS pre-election campaign gathering, also promising investments in local roads and infrastructure in the municipality. Medvedja is a part of the south-western region of Presevo Valley mostly populated by ethnic Albanians together with the towns of Presevo and Bujanovac, and the only one where the Serbs create a majority. (www.rs.n1info.com)

- September 6th, Janez Kopac, the Director of the Energy Community Secretariat (ECS) said he does not know whether Serbia has started works on the construction of the Turkish Stream gas pipeline since he had not received any information from Belgrade, the Beta news agency reported. Kopac told the agency the Energy Community (EnC) organization had not received an invitation to witness the start of the construction of the pipeline which would supply gas from Russia via Turkey and Bulgaria to Serbia and further to Hungary and other European countries. Belgrade announced in April 2019 the beginning of the works on the 403 kilometers long pipeline with 14 billion cubic meters capacity, saying it would be functional by next year. *"It seems that in Serbia pipeline is built out of the public eye,"* Kopac told Beta. Russian Gasprom owns 51% of the pipeline constructor Gastrans, and Serbia's Srbijagas company possess

49%. Serbia wanted to avoid the European rule that the owner of the gas could not be the owner of the pipeline as well. Serbia's Energy Agency (AERS) was advised to allow access to the gas pipeline to other gas owners and distributors, not only the Russian Gazprom and Srbijagas. Kopac added that if Serbia has started the construction, the project would not be legitimate. However, on Friday, Kopac said that EnC would not take any measures against Serbia *"for now."* *"We still look at the problem in the same way and hope that Serbia's side, for its own sake, will show a willingness to cooperate in the issue and adjust its gas sector to the European rules,"* he said. Kopac added that it is possible that the project could fail, *"as it can be the case with every project that ignores the market rules. There are many risks, many which Serbia cannot control,"* Kopac told Beta. (www.rs.n1info.com)

COUNTRY ASSESSMENT :

It looks like the country enters in the pre-electoral period as President Alexandar Vucic announced last week several social measures. In the meanwhile, opposition continues to advocate boycott of spring 2020 elections. Vucic seeks to show a compromise profile by establishing working groups for electoral reforms, announcing Government's reshuffle, and calling opposition to join dialogue. Signing of free trade agreement between Serbia and Eurasian Economic Union (EAEU) has caused reactions in EU which sent the message to Serbia that "it cannot sit on two chairs." In other words, Serbia's balance between the west and Russia has an end where it should choose a side. It is assessed that Serbia signed the agreement as another measure of

pressure towards its EU accession process and dialogue with Kosovo. The message is absolutely clear; “We have an alternative and this is Russia.” Regarding Belgrade – Pristina dialogue there is nothing to be expected in the near future; the whole process has reached a deadlock since Kosovo has called for early parliamentary elections on October 6th, 2019, and Serbia is preparing for elections on spring 2020. Security situation is complex and uncertain. None could predict Serbia’s reaction in a possible accidental or pre-planned (provocation including) incident in Northern Kosovo against local Serbs. One should have in mind that top state officials have said repeatedly in public that Serbia will protect Kosovo Serbs by any mean including security and military force. Serbia pays special attention in improving operational capabilities of its Armed Forces declaring towards all sides that they are the power of the state.



SLOVENIA: September 3rd, in the wake of a rift between the minority Government and its opposition partner the Left (Levica), there have been speculations about the coalition turning to New Slovenia – Christian Democrats (Nova Slovenija – Krščanski Demokrati - NSi) for cooperation, but the conservative NSi dispelled any doubts by saying it will not support the Government and that there had been no talks about possible cooperation. Moreover, NSi leader Matej Tonin said the party would not back the 2020 and 2021 budgets if Prime Minister Marjan Sarec opted to peg them to a confidence vote. (www.sta.si)

- September 4th, President Borut Pahor has addressed a renewed appeal to Croatia to accept the final ruling of the arbitration tribunal on the Slovenian - Croatian border dispute, indicating that this would affect the Slovenian Government's decision on its membership of the Schengen zone. Croatia must foremost meet all technical criteria to join the Schengen zone, but the Slovenian Government will “sooner or later have to accept a decision on that after the European Commission has assessed that Croatia is close to meeting all the conditions,” he told the press after a meeting with the Croatian and Austrian Presidents in Croatia on Wednesday. He said that dialogue would be necessary at that point, but Slovenia's decision would be made easier if Croatia fulfilled its obligations with regard to the border. “This is perhaps an invitation to our Croatian friends to think about that in the coming months,” Pahor said. Asked to comment on the statement, Croatian President Kolinda Grabar-Kitarovic said she is confident about the support of all member states when it comes to Schengen zone membership, since this is in the interest of everyone. She reiterated Croatia's position that Slovenia and Croatia are friendly countries capable of overcoming open issues. Pahor was also quizzed about why Slovenia is erecting additional fencing on the border with Croatia. While he said it is his “great and sincere wish that ... the Slovenian Government can remove the technical obstacles from the Slovenian-Croatian border,” he noted that in the absence of a European policy, each country is resorting to tackling illegal migrations independently. The statements came after the traditional annual meeting of the Austrian, Croatian and Slovenian Presidents, which focused on the future of the EU

and enlargement of the bloc, Croatia's EU presidency in 2020, the Three Seas Initiative and climate change. Austrian President Alexander Van der Bellen expressed the belief that in October the EU will approve the start of membership talks with Albania and North Macedonia. As for Bosnia-Herzegovina and Kosovo, he said they have more problems. (www.sta.si)

- August 4th, the ruling coalition and the opposition Left (Levica), which has been threatening to withdraw support for the minority Government, have brought closer together their views on the Left's proposal to abolish top-up health insurance by folding it into mandatory health insurance as of 2021. The opposition party wants to reform voluntary health insurance, which is paid as a flat-rate contribution of slightly 30-plus euro a month regardless of one's income. The reform is a centerpiece of its cooperation deal with the Government, but it is unclear whether today's agreement makes Left-coalition relations any less turbulent. Detailed calculations are yet to be made taking into account long-term macroeconomic and demographic projections, Health Minister Ales Sabeder said after the meeting on Wednesday. Still, it was agreed that top-up insurance could be folded into mandatory insurance (paid by employers and employees as a share of gross monthly salary) as of 2021. It was also agreed this would not affect the level of rights enjoyed by those paying public health insurance, and that the measure be introduced in a development-oriented and financially sustainable manner, explained Left MP Matej T. Vatovec. Insisting on the pace of the reform, the Left said the bill, which it outlined last week, could be filed

to Parliament this month and passed before the end of 2019. The MP said this is a condition for the Left to vote for the 2020-2021 budget bills, to which Prime Minister Marjan Sarec intends to tie a vote of confidence. The other coalition partners also hailed the meeting as “positive” and “constructive,” highlighting the need for detailed calculations. The Left and the coalition will resume health reform talks next week when they get fresh calculations. (www.sta.si)

COUNTRY ASSESSMENT :

Prime Minister Marjan Sarec works on resolving the low scale “crisis” with the Left party which could be developed into a major political problem threatening stability of the Government. It is assessed that the two parts have found points of compromise and “crisis” will be resolved before even break out. 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 the 2020 – 2021 budget adoption by the Parliament will be a crucial vote since the Prime Minister Marjan Sarec intends to turn it on a confidence vote. At the moment it is also assessed that none of the ruling coalition parties wish snap elections. As a conclusion, it is assessed that minority ruling coalition is stable with limited possibilities of an unexpected event. However, Looking in the future and next parliamentary elections Sarec seeks to unify political forces belong to the ALDE family against SDS which keeps on being the most powerful political force in the country. President Borut Pahor revealed Slovenian intentions regarding

Croatia's entrance in Schengen Zone connecting it directly with Slovenia – Croatia border dispute. However, it is a difficult stance which "hides" advantages and disadvantages for Slovenia. 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. The Slovenian Armed Forces face problems mainly in the field of modern equipment and manning. The annual report on the Armed Forces operational readiness released by the Armed Forces Chief of Staff is disappointing since it assessed that the Armed Forces have limited operational capabilities in war time namely they cannot accomplish their mission. Major General Alenka Ermenc, Chief of the Slovenian Armed Forces (SAF) General Staff announced last week that situation remains unchanged and only by increase of funding could be improved. The med-term 2018 – 2023 defense program it could improve situation, but under current political situation it is doubtful if it will be implemented to the end.



TURKEY: September 5th, Turkish President Recep Tayyip Erdogan said that his country may reopen the route for refugees and migrants into Europe if it does not receive

adequate international support to enable it to cope with the millions of refugees in Turkey. "This either happens or otherwise we will have to open the gates," Erdogan said in a speech in the capital, Ankara, on Tuesday. "Either you will provide support, or excuse us, but we are not going to carry this weight alone. We have not been able to get help from the international community, namely the European Union," Erdogan added. Under a deal agreed between the EU and Turkey in March 2016, Ankara agreed to stem the flow of refugees and migrants into Europe in return for billions of euro in aid. The Turkish Government says it has only received a fraction of the promised financial support from the bloc. The number of refugee arrivals in neighboring Greece spiked last month. In his speech, Erdogan also said that Ankara plans to resettle one million Syrian refugees in northeast Syria, where Turkey and the US plan to form a so-called "safe zone." Turkey, which hosts about 3.6 million Syrian refugees, controls parts of northern Syria where it says 350,000 Syrians have already returned. "We are saying we should form such a safe zone that we, as Turkey, can build towns here in lieu of the tent cities. Let's carry them to the safe zones there," Erdogan said. "Give us logistical support and we can go build housing at 30 km depth in northern Syria. This way, we can provide them with humanitarian living conditions," he added. "Our goal is for at least one million of our Syrian brothers to return to the safe zone we will form along our 450 km border," Erdogan said. The US - Turkey deal for the safe zone agreed last month is intended to manage tensions between Turkey and US-backed Kurdish-led forces over the border in war-torn Syria that Ankara brands as "terrorists." The

details of the plan are still unclear as is the size of the “safe zone” and how it will be managed or divided. (www.aljazeera.com)

- September 6th, Turkish and US forces will begin joint military land patrols in northwestern Syrian city of Idlib, on September 8th, 2019 Turkish Defense Minister Hulusi Akar said. Two Turkish and two US helicopters conducted on Thursday a joint flight over the eastern Euphrates in Syria. In a statement on social media, Turkish National Defense Ministry said the joint helicopter flight was part of the first phase implementations for the establishment of a safe zone in the region. Turkish and US military officials reached an agreement on August 7th, 2019 that the safe zone in northern Syria will serve as a “peace corridor” for displaced Syrians longing to return home and a Joint Operations Center in Turkey will be set up to coordinate its establishment. Turkey sees the establishment of the safe zone in northern Syria crucial and wants to be in control. Ankara seeks to eradicate Syrian Kurd militants (YPG). (www.yenisafak.com)

- September 6th, A Turkish Court has sentenced a prominent opposition official to nine years and eight months in prison for “insulting” the President and “spreading terrorist propaganda.” The indictment, delivered on Friday, also accused Canan Kaftancıoğlu, a member of the Republican People's Party (Cumhuriyet Halk Partisi - CHP), of insulting the Government and public servants, inciting hatred and enmity, mostly on the basis of social media posts between 2012 and 2017. Kaftancıoğlu had denied the accusations and insisted her trial was politically motivated. “Decisions are not taken in the Courts, but in the [presidential] palace,” she told

hundreds of supporters outside the Court after the judgement. A crowd of supporters who gathered outside the courtroom chanted “*Shoulder to shoulder against fascism.*” Social media posts used by the Prosecution against Kaftancıoğlu included one in which she criticized the death of a 14-year-old boy hit by a tear gas grenade during the mass “Gezi Park” protests of 2013. She also criticized the response of President Recep Tayyip Erdogan’s Government to the 2016 coup attempt. The CHP said Kaftancıoğlu will not immediately go to jail pending appeals. Kaftancıoğlu, Head of the CHP's Istanbul branch, played a key role in the shock victory of the CHP's new Istanbul Mayor Ekrem Imamoglu earlier this year - the first time Erdogan's party lost power in Turkey's largest city in nearly two decades. “*This trial is aimed at punishing Istanbul and those who helped the victory of the people of Istanbul. I will never give up my ideas and my convictions. They think they can scare us but we will continue to speak,*” Kaftancıoğlu said. Speaking to reporters in the city of Izmir, Imamoglu said he believes the verdict would be overturned at appeal. (www.aljazeera.com)

COUNTRY ASSESSMENT :

Turkey pushes the US to implement the agreement recently was reached by the two parts. Although first steps have started (establishment of Joint Operation Center, joint air and ground patrols) the US look reluctant in accelerating procedures. Turkey realizes that America is actually delaying implementation of the agreement and becomes “nervous” threatening a unilateral military operation. Lately, Turkey uses the “refugee asset” to push further the US and the EU. First of

all, it threatens that non-establishment of the “safe zone” will emerge new flows of refugees and secondly it threatens the EU that in such a case Turkey is not able to carry alone the burden of the refugee waves. It should be noted that Turkey is a pivotal country enjoying geopolitical importance and having one of the largest militaries (the 2nd within NATO). Due to its geopolitical and geostrategical aspects Turkey has the ability to achieve its national goals and protect its interests either by diplomatic means or by the threat of use or use of force. The US obviously does not seek a full rift with its NATO ally. On the contrary, there are still open official and unofficial channels of communication working on improving bilateral relations. Undoubtedly, the US needs Turkey and the opposite, especially in a period where Middle East is in turbulence. Tension between Turkey and the US remains active. Latest Progress Report on Turkey was disappointing “freezing” any further development regarding its accession process. Turkey is heading in a major economic crisis and the new Central Bank Governor takes initiatives to maintain state’s liquidity “alive” in order to avoid an unpleasant situation. Turkey faces several restrictions in freedom of expression and human rights. Elected MPs and journalists are in custody or convicted by the state Courts. Local and international observers claim the country moves towards an authoritarian regime with thousands of citizens being persecuted. 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 situation remains unchanged. It achieved to establish an almost permanent presence within Cypriot Exclusive Economic Zone (EEZ) without any real cost bringing the hydrocarbon exploitation issue on the table of negotiations. The cost so far, for Turkey, is zero achieving simultaneously to question Cypriot sovereign rights. 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.


www.hermesresearch.eu


email: info@hermesresearch.eu


Editor in Chief: Ioannis Karampelas


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.