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**Hermes Institute of
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SOUTHEASTERN EUROPE AT A GLANCE



SOUTHEAST EUROPE DIRECTORATE

PROVIDING KNOWLEDGE TO THOSE WHO SHAPE THE FUTURE

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

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

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ALBANIA: July 17th, the European Commissioner for European Neighborhood Policy and Enlargement Negotiations Johannes Hahn paid an official visit in Tirana after the decision of the European Council to open the accession negotiations for Albania and F.Y.R.O.M in June 2019. In a meeting with the Albanian Government Hahn said *“I am happy that I sit in a table with all ministers. You must keep in mind that this is an effort in which Albania and the EU are partners. Both parties have invested to push the country ahead. Until next year, the work should be done with such progress, that all skeptics can be convinced about Albania’s progress.”* The EU Commissioner paid special attention in lack of state’s competent judges asking for more magistrate students who will staff the vacant posts. *“Today I was informed that even for increasing the number of the magistrate school you need to decide with 2/3rds. This is not normal, because Albanian judicial system needs more prosecutors and judges,”* Hahn said. He emphasized there will be no other conditions regarding opening of accession negotiations, but implementation of reforms should not be stopped. On the contrary, it should be accelerated. *“We are not talking about new conditions, but about a period in which country’s legislation will be reviewed. This process has been implemented in all member states and it will keep on implementing in the future. The only request I have is that you shouldn’t think about going on holiday, but keep on implementing the reforms,”* the Commissioner said. Hahn did not miss to comment Albania’s vetting process as a model for other countries. During his visit, Hahn met with the President Ilir Meta and the Prime Minister Edi Rama. (www.top-channel.tv)

- July 18th, negotiations with Greece on maritime border are still ongoing but there is still no deadline as to when it could be reached an end Foreign Minister Ditmir Bushati said. According to him there are three draft agreements regarding maritime borders (Exclusive Economic Zones), land borders (demarcation pyramids), and border incident management. Bushati underlined that the issue of land borders pyramids has nothing to do with changing the borders between the two countries. *“The three draft agreements close all the disputed issues regarding sea and land,”* he said. Foreign Minister clarified that a new authorization by the Albanian President is needed in order the Government to proceed in the agreement with Greece. Bushati emphasized that during negotiations with Greece for maritime borders, the Albanian Government remained in line with the Constitutional Court decision. (www.oranews.tv)

- July 18th, the President of Croatia, Kolinda Grabar Kitarovic, started her official visit to Tirana where she was received by the President Ilir Meta. *“Since the very beginning I want to confirm right away that relations between our two countries are more than excellent. The centennial friendship between our two people and nations and the strong historical bonds stand in their foundation,”* Meta said in a joint press conference with Grabar Kitarovic. The Croatian President said *“Albania was a friendly country for us at a time when friends were few and when we needed them so much. It was the period of war when Croatia was addressed with aggression, during the reintegration of Croatian territories, and afterwards during the reconciliation process. We appreciate your support during these difficult years and we will never forget it.”* Both Presidents paid special attention on the role of the Albanian

community in Croatia as a strong historic bond; *“The presence of the Arbanasi of Zara for more than 300 years in Croatia, but also a new Albanian community who have fought and many of them died for freedom of Croatia makes this friendship stronger. Together with President Grabar Kitarovic we have agreed to pay a joint visit to the region Arbanas people live during the 2018 year of Skanderbeg,”* Meta said. Grabar Kitarovic agreed with Meta saying *“Albanian community in Croatia is an example of the strong bonds and human relations between the two nations and revealed that out of 18,000 Albanians living in Croatia about 2,500 volunteered to fight and unfortunately 87 of them lost their lives while 37 of them are declared missing. This means a lot for us and we are grateful to the Albanian nation, Albanians of Croatia who have contributed in freedom of our fatherland.”* President Meta emphasized that both countries work in order to upgrade bilateral relations into a strategic partnership. Grabar Kitarovic welcomed Meta’s proposal for a close strategic partnership. During her visit in Tirana the Croatian President met with the Prime Minister Edi Rama and the Parliament Speaker Gramoz Ruci while she addressed the Albanian Parliament. (www.albaniannews.com)



Croatian President is awarded by the highest Albanian decoration “The National Flag”
(Photo source: www.president.al)

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The Albanian Government looks determined to strengthen its work in order to achieve its strategic goal of opening accession negotiations with the EU next year. The EU closely monitors progress of reforms and Commissioner Hahn’s visit was a strong message towards this direction. Corruption and organized crime remain the most significant problems of the state. Security situation stable without major incidents or challenges.



BOSNIA &

HERZEGOVINA: July 16th, Republika Srpska’s (RS) President Milorad Dodik said that he believes in peace and that there will be no conflict in Bosnia & Herzegovina (B&H), but underlined in any such scenario RS has both strength and capability to defend itself. *“Speaking hypothetically, regarding the possibility of a conflict between Bosniaks and Serbs, I believe that Croats would not be part of it, but even if they are together, RS has the capability to defend itself. However, if some great powers are involved, which actually is already a problem we also could expect protection by some other of them. We do not want anything of this, but we do not think we should be naive,”* Dodik said in news agency “Sputnik.” Dodik stressed that through these great powers intervention RS is excluded from weapons and ammunition factories while six remain in the Federation of B&H. *“It’s up to people in state’s institutions, namely a member of the Presidency and people working in the Ministry of Defense, who allow production of weapons and ammunitions to remain exclusively within the jurisdiction of Bosniaks. We will change this very soon so that one day we will not*

realize that they are armed and have the will to fight against the Serbs,” Dodik said. Speaking about the coming elections in October 2018 Dodik claimed *“NATO could send anyone who wish to vote in October,”* stressing that, according to B&H law, the elections are being conducted by the B&H Election Commission, which is under the strong influence of the Alliance. Dodik pointed out that 40 Great Britain soldiers who are sent for the elections will be located in RS and *“are highly-skilled professionals for social networks, media and chaos. We know who they are. We are trying to control our territory and from this point of view we collect all possible information. They enjoy higher level of modern technologies, but they should know that people in RS are not stupid,”* he concluded. (www.klix.ba)

- July 17th - 18th, the Chairman of the Presidency of Bosnia & Herzegovina (B&H), Bakir Izetbegovic, met with the Saudi Prince Sultan bin Salman bin Abdulaziz Al Saud. Both men stated good and friendly bilateral relations between B&H and Saudi Arabia and expressed mutual interest in improving economic relations. During the meeting, Prince Sultan bin Salman noted that there is a great space for cooperation between the two countries in the field of tourism. He also noted a great interest of Saudi businessmen in further investing in B&H. Izetbegovic thanked Saudi Arabia for the help provided to B&H in the period of war, as well as during the period of post-war reconstruction. He also sent special greetings to King Salman, who personally took care of the work of the Saudi High Commission for Relief of B&H. Prince Sultan bin Salman visited the Cultural Center “King Fahd” announcing further improvement of bilateral relations between B&H and the Kingdom of Saudi Arabia due to future large investments of

the latter in B&H. *“The Kingdom of Saudi Arabia considers B&H as a country with which we will always have a relationship. People of B&H are courageous and brave, and the Kingdom is very happy to see the coexistence between different religions and people,”* said the Prince. He added that during his visit to B&H, he met with Chairman of the Presidency of B&H, Bakir Izetbegovic, Chairman of the Council of Ministers of B&H, Denis Zvizdic, Minister of Civil Affairs of B&H, Adil Osmanovic and Mayor of Sarajevo Abdulah Skaka. They discussed the possibility for improvement of economic and cultural cooperation. Prince Sultan also noted that he believes that the Cultural Center “King Fahd” plays an important role in B&H and that it should be opened to all people and religions, respecting the cultural heritage of the country, and contributing towards a new culture. (www.sarajevotimes.com)

- July 19th, an extraordinary session of the House of People of the Federation Bosnia & Herzegovina Parliament (FB&H), which was scheduled to vote on the Draft Election Law, was not held today. Delegates from the parties which proposed the law were not present at the session so there was no quorum for holding it. At the session, 15 delegates were present, and the Speaker of the House of People of the FB&H Parliament Lidija Bradar decided that it could not be held. In the meantime, it has been confirmed that replacement of the Deputy Speaker of the House of People of the FB&H Parliament Drage Puzigic, of the Alliance of Independent Social Democrats (Savez Nezavisnih Socijaldemokrataor - SNSD) will be requested at a regular session to be held on July 26th, 2018. Bradar, said that the Croatian Democratic Union of Bosnia and Herzegovina (Hrvatska Demokratska Zajednica

Bosne i Hercegovine - HDZ BiH) will seek to protect the Puzigic. However, the group of Serbs, majority of the Social Democratic Party of Bosnia & Herzegovina (Socijaldemokratska Partija Bosne i Hercegovine - SDP BiH), sends a request for the dismissal of Puzigic and the appointment of a new Vice-President from among the Serbian people, most likely from the SDP. Only after this shift it is possible to expect the voting of the Electoral Law. The problem with Puzigic emerged when he agreed with Bradar to jointly declare the Draft Law on Electoral Units and the number of FB&H mandates destructive for the vital interest of the constituent people. According to the Law, if two members of the Board of the House of People of the FB&H Parliament pronounce a draft law destructive for a vital interest, then a two-thirds majority from each group of people is required to send the law to the FB&H Constitutional Court. In this case, without the hands of HDZ there is no two-thirds majority of the Croat people in the House of People of the FB&H Parliament. According to Jasenko Tufekcic from the Party of Democratic Action (Stranka Demokratske Akcije - SDA) Puzigic did not have the support of the Serbian group in such an action and would therefore demand his dismissal. *“If the group of Serbs does not ask for a change in the Puzigic, then we will ask for his dismissal, which will be finalized next Thursday,”* Tufekcic said. This move by Drage Puzigic was allegedly agreed at a recently held meeting of the HDZ President Dragan Covic and the President of the SNSD Milorad Dodik, in Lukavica. However, Bradar rejected that there was such an agreement between HDZ and SNSD. (www.klix.ba)

Country faces several functional and institutional problems. Consequently political fragility maintains permanent uncertainty and institutional mistrust. General elections have been scheduled for October 7th, 2018 and it is assessed that nationalistic rhetoric will be increased for pre-electoral reasons. The state's road towards its Euro-atlantic integration is full of obstacles and opening of negotiation talks with the EU should not be expected earlier than 2022. RS rhetoric for greater autonomy remains active while more and more “voices” express concern over Russian influence in the Serbian entity not excluding security irregularities. Bosnia has become a field of influence's rivalry; Saudi Arabia, Turkey, and Russia approach mainly through “investments” and/or funding ethnic or religious groups according to their interests.



BULGARIA: July 16th, at an official ceremony in Kandahar Afghanistan, the 36th Bulgarian Military Contingent accepted the implementation of NATO's mission “Resolute Support”. The National Commanders of the 35th and 36th Bulgarian Military Constants Colonel Georgi Margitin and Colonel Veselin Vasilev (he has three successful missions in Afghanistan within the period from 2009 to 2015, as well as participations in the operation on restoration and stabilization of Iraq in 2004 and 2006) signed the act of sharing and accepting the powers in the presence of the Committee Chairman Colonel Nedko Simeonov of the Joint Force Command. Commander of Kandahar airport awarded during a ceremony personnel of the 35th Bulgarian contingent for joining NATO's mission “Resolute Support” and thanked them for the honorable service. Bulgarian soldiers carry out tasks mainly related to the organization of the traffic control

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regime at Kandahar airport as well as training, advice and support to the Afghan National Army. The 36th Contingent is comprised of 160 military men and includes a national element, a security group and a team of advising officers at the headquarters of NATO's mission. According to sources personnel of 36th Contingent belongs to the 68th Special Forces Brigade (Commander Brigadier General Yavor Mateev) based in Plovdiv, and Land Forces Command. (www.novinite.com, www.bnr.bg)

- July 19th, Bulgaria's National Assembly voted overwhelmingly in favor of the updated project of acquiring two multi-purpose modular patrol vessels for the Navy. The previous project failed since the only company that filed documents and won the bid for two ships withdrew from the deal on December 2018. *"The aim of the project is to acquire two multi-purpose modular patrol vessels capable of engaging in a wide range of NATO and EU maritime operations replacing part of the Russian-made vessels [Ed.: three ships] that are not subject of Navy's modernization,"* the Government announced. The investment project's update is at the maximum estimated cost. It has risen since December 2018 with 84 million Euros to 503 million Euros including VAT. It is envisaged that the vessels will be equipped with basic armaments licensed, as options, for additional armaments and ship items. Moreover, the project envisages training of crews for the two ships, as well as integrated logistics support, over three years. (www.novinite.com, www.sofiaglobe.com)

- July 19th, internal strife is ongoing in the United Patriots (Обединени Патриоти), the group of three far-right and ultra-nationalist parties that is the minority partner in Bulgarian Prime Minister

Boiko Borissov's coalition Government. A week after dissension in the United Patriots over the amendments to the Fuels Act, there is a new dispute over amendments to the Privatization and Post-Privatization Control Act. On July 18th, 2018 Valentin Kassabov, an MP of the United Patriots, co-leader and Deputy Prime Minister in National Front for the Salvation of Bulgaria (Natzionalen Front za Spasenie na Bulgaria - NFSB) party, attacked Borissov's Citizens for European Development of Bulgaria (Граждани за европейско развитие на България – GERB) party over the amendments, which the NFSB said were promoted specific businessmen. The following day, another of the United Patriots' co-leaders, Volen Siderov who heads the Attack (Ataka) party, rejected allegations of the amendments being lobbyist and said that they were necessary. Siderov went on to attack NFSB's leader Valeri Simeonov, who had said that were the amendments adopted, his NFSB would leave the coalition. The issue of leaving the coalition also was referred to by Kassabov, who said that it was a question that the NFSB would discuss. Siderov told journalists on July 19th, 2018 that Simeonov, when asked by his United Patriots partners whether the coalition would stand together in the May 2019 European Parliament elections, had replied *"no, no, no."* According to Siderov, the *"war"* that Simeonov was waging against certain business circles was not useful to Bulgaria. The difficulty that would arise for Borissov and a dissolved United Patriots, in the event of early elections, is that polls suggest that GERB would again win the most seats, but insufficient to govern alone. Polls also suggest that standing as individual parties, Siderov's Ataka would be unlikely to return in the Parliament, as would Bulgarian National

Movement (Българско Национално Движение – VMRO) and the NFSB. (www.sofiaglobe.com)

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The country strengthened its efforts towards entering the Eurozone achieving a positive decision of the Eurogroup. Corruption and organized crime remain significant obstacles and should be addressed decisively. Bulgaria presents an active development policy trying to exploit its resources and establish an attractive and stable investment environment. Ruling coalition's coherence is once again under pressure due to internal rivalries in its partner United Patriots. However it is estimated that it will not be a reason for political instability namely topple of the Government and early parliamentary elections. Modernization of Armed Forces is a top priority for Bulgaria and huge armament projects are ongoing (fighter jets, armored vehicles, vessels etc). Security situation stable; no major threats.



CROATIA: July 17th, Consumer prices in Croatia in June 2018 were up 2.4% compared to June 2017, which is the highest year-on-year inflation rate on record since April 2013, the state statistics bureau has reported. In May 2018, the year-on-year inflation rate was 1.9%. The highest increase was in transport prices, which went up by 6.6%. Prices of housing, water, electricity, gas and other fuels rose by 3.6%, and those of alcoholic beverages and tobacco products increased by 2.3%, while prices of food and non-alcoholic beverages rose by 2.2% in the same period. “The year-on-year increase in prices mainly came as a result of rising energy prices, by 3.6%, which pushed prices of housing, water,

electricity, gas, and all other fuels, as well as transport. This was caused by rise in prices of oil derivatives, due to the rising prices of crude oil in world markets, but also a lower base used for comparison, i.e. the lower electricity prices which were cut early last year,” Raiffeisenbank Austria (RBA) analysts said. (www.hr.n1info.com)

- July 19th, the Government issued a decree by which ten Police stations are reorganized into Border Police stations aiming at achieving the “Schengen Zone” standards in technical level. Furthermore, the Minister of Interior Davor Bozinovic announced that wage bonuses for Police employees will be restored as unnecessarily and unfairly had been cut a few years ago. The Government has proposed also merger of the maritime Police station in Zadar and the Police station of the city's airport as well as merger of the border Police station in Donji Srb and the Police station in Gracac into a single border Police station based in Gracac. Police will employ 45 new dog handlers to meet the need for stronger external border controls. Apart from that two new Police units will be introduced; The mobile border Police unit South set up in Dubrovnik – Neretva County Police Department and the mobile border Police unit East set up in Vukovar – Srijem County Police Department as parts of the border Police force in the two Counties announced the Minister. These two new units will be established by the Ministry of Interior as part of the National Coordination Center and Risk Analysis Service aiming at providing accurate and timely information to all services regarding external border control. “*This restructure will help of making extra progress in meeting requirements in the field of external border control which is crucial for meeting*

conditions for accession to the Schengen area,” Bozinovic said. (www.total-croatia-news.com)

- July 20th, the turmoil within Croatia's largest opposition party, the Social Democratic Party (Socijaldemokratska partija Hrvatske - SDP) continues. Following suspensions of four prominent members of the party's presidency who had challenged the leadership of incumbent President Davor Bernardic, the suspended members are fighting back. The Krapina-Zagorje branch of the party has rejected the suspensions and the party's powerful Zagreb branch is expected to do the same. In the meantime, a petition is being circulated online calling for snap party elections. The petition's initiators want the party to choose a new leadership in the fall, to put the SDP's potentially disastrous troubles to an end. The petition appeared the day after the SDP's Krapina Zagorje County branch unanimously voted to reject the suspensions of the four members of the party's presidency, Peja Grbin, Sinisa, Hajdas, Doncic, Mihael Zmajlovic, and Vedran Babic. “*We are demanding that the statutory commission overturn this decision, which we believe to be contrary to the party's bylaws. We are demanding the resignation of the party's President, Davor Bernardic, and new party elections,*” said SDP Deputy President Marko Vesligaj. However, the President of the party's main committee, Erik Fabijanic, said the decision is meaningless because lower-tier bodies must abide by the decisions made at the top of the organization. Fabijanic denies the party is in serious trouble; “*I think the main committee showed that there was no rupture within the party, at least not in the sense that it could be fatal for the SDP,*” he said. As Davor Bernardic faces a growing rebellion, he may not be able to fend off calls for snap party

elections for long. A good indicator of just how much opposition he faces will be the outcome of that petition that is being circulated online. (www.glashrvatske.hrt.hr)

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It is estimated that political distance between the President and Government may affect political stability of the state. Border dispute on Piran Bay remains active and Slovenia's initiative to file a lawsuit against Croatia adds a new chapter between the two countries conflict. It is still a question how Croatia will react. The state accelerates its efforts towards accession in Schengen zone. Croatia implements a policy of Armed Forces modernization trying to form a reliable and well equipped force according to NATO standards.



CYPRUS: July 20th, Cypriots woke up to the sound of sirens, marking the 44th commemoration day since Turkish invasion on July 20th, 1974. The invasion of Cyprus came only five days after the coup attempt by the Greek military junta that toppled the democratically-elected President of Cyprus, the late Archbishop Makarios III. Air-raid sirens sounded at 0530 local time (0230 GMT) when the Turkish invasion was launched and Turkish troops landed on the island's northern shores. Thousands of dead, hundreds of missing, 200,000 became refugees as they fled the advancing Turkish troops. On Friday morning, a memorial service for army officers and soldiers killed during the invasion took place at “Makedonitissa Tomb” in Nicosia, in the presence of the President Nicos Anastasiades. An aircraft, similar to NORATLAS transport plane which was shot down by friendly

fire during the 1974 Turkish invasion, will be unveiled. All but one on board NORATLAS aircraft, Greek commandos and crew, were killed during operation “NIKI 4”, in the early hours of July 22nd, 1974. A formal service was held at “Phaneromeni” Church in the old part of Nicosia, attended by the President and the political leadership. A series of other anti-occupation events took place during the day. (www.cyprus-mail.com)

- July 21st, newly appointed UN Envoy, Jane Holl Lute, is due to hold meetings in Greece, Turkey, the UK and the EU after her meetings on July 23rd, 2018 with President Nicos Anastasiades and Turkish Cypriot leader Mustafa Akinci, Foreign Minister Nicos Christodoulides announced. The Foreign Minister also noted that the fact Lute is coming for these meeting shows the personal interest of the UN Secretary-general. *“But we are focused on the essence, and the essence is that Ms Lute is coming, and the meetings are starting on Monday with the President of the Republic, and through meetings Ms Lute will have with Britain, Greece, Turkey and the EU, our wish and goal is she hears approaches that will allow for the restart of talks,”* Christodoulides said. In the meantime, in an interview with the Greek newspaper, “Ta Nea”, President Anastasiades said that he is ready to restart talks. *“We are ready, and I will reiterate to Ms Lute, what I have told Mr Guterres many times. We want the continuation of negotiations,”* he said. Anastasiades added that he wants talks to restart from the point they left off and within the “Guterres Framework.” *“I believe that the Greek Cypriots and the Turkish Cypriots can find ways and methods to understand each other. Turkey just has to let go of the idea that it can control and align Cyprus with its own interests and*

goals,” Anastasiades said. The President said that during the Conference on Cyprus in Crans-Montana, the two sides had come “*very close*” to achieving a solution due to the fact that in negotiations prior to the conference, important convergences were achieved. *“Unfortunately, the Turkish side was not ready to let go of the control it believes it should have in Cyprus, be it through guarantees, or military presence,”* he said. *“They wanted to have a permanent military base in Cyprus,”* added Anastasiades. The President underlined that the Greek Cypriot side was the only side submitted written proposals within the UN Secretary-General’s framework. Asked about the Republic of Cyprus’ “red lines”, the President said *“It is inherent that the possibility of repeating the invasion must be avoided.”* (www.cyprus-mail.com)

- July 22nd, Cyprus is taking all necessary measures to ensure that the U.S energy giant, EXXONMOBIL’s exploratory program within the island’s Exclusive Economic Zone (EEZ) proceeds smoothly, Energy Minister Yiorgos Lakkotrypīs said. He also reiterated that developments on the Cyprus problem should not affect the country’s energy program. EXXONMOBIL, which along with QATAR PETROLEUM has been awarded the exploration license in block 10, will carry out two exploration wells in the fourth quarter 2018, the Minister announced said. *“The procedures for EXXON to obtain the necessary licenses are proceeding as planned and two wells will be carried out in Q4,”* he said. (www.cyprus-mail.com)

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Cyprus expresses in highest level its commitment to react decisively against possible Turkish

provocations regarding its intentions to exploit energy resources in Cypriot Exclusive Economic Zone (EEZ). It is estimated that coming Autumn may be a period of high tension while a “hot” security incident should not be excluded. Cyprus promotes drills in its EEZ while Turkey is ready to react if it assesses that its EEZ (or the Turkish Cypriot EEZ) is violated by the Cypriots. Peace talks may start soon again and the new UN envoy prepares its first visit in the island.



F.Y.R.O.M: July 17th, “Door of the EU remains widely open for F.Y.R.O.M and it's up to you to seize the opportunity. It is up to you to decide on the future of your country,” the European Commissioner for European Neighborhood Policy and Enlargement Negotiations Johannes Hahn said in Skopje during his official visit for the preparatory process of opening EU accession negotiations. The door of the EU is widely open thanks to the urgent reform priorities that the Government has been working on over the past year, but also on agreements with Bulgaria on good neighborly relations treaty, and with Greece on the name dispute, Hahn said. Agreement with Greece, he added, is a contribution for prosperity, peace and stability not only in F.Y.R.O.M, but in the whole region. “It is up to you to decide on the future of your country, in a free and sovereign way. The citizens should make the final decisions, to exercise their democratic right and to vote in the upcoming referendum,” Hahn noted. He congratulated F.Y.R.O.M on recent invitation by NATO, underlining that it will mean more security and prosperity for the citizens of F.Y.R.O.M. The Government at its today's session, which was also attended by Hahn, adopted decision with which it launches the screening process towards opening

EU accession negotiations. The Deputy Prime Minister for European Integration Bujar Osmani appointed as Chief Negotiator, while Prime Minister's advisor Bojan Maricic as Technical Negotiator. The Government mandated the Secretariat for European Affairs together with the Ministry of Foreign Affairs to prepare a draft concept on EU negotiations by the end of July 2018. (www.nezavisen.mk)

- July 18th - 19th, leaders of parliamentary political parties (having at least two MPs in the Parliament) were met on July 18th, 2018 discussing of the upcoming referendum on name deal between F.Y.R.O.M and Greece. The Prime Minister and Social Democratic Union of Macedonia (Социјалдемократски Сојуз на Македонија – SDSM) Zoran Zaev invited leaders of Internal Macedonian Revolutionary Organization – Democratic Party for Macedonian National Unity (Внатрешна македонска револуционерна организација – Демократска партија за македонско национално единство - VMRO-DPMNE) Hristijan Mickoski, Democratic Union for Integration (Bashkimi Demokratik për Integrim – DUI) Ali Ahmeti, two Besa Movement (Lëvizja Besa) wings, Democratic Renewal of Macedonia (Демократска обнова на Македонија - DOM) Liljana Popovska, Democratic Party of Albanians (Демократска партија на Албанците – DPA) Menduh Thaçi, Alliance for Albanians (Aleanca për Shqiptarët) Ziadin Sela, Liberal Democratic Party (Либерално-демократска Партија – LDP), New Social Democratic Party (Нова социјалдемократска Партија – NSDP) Tito Petkovski, and Socialist Party of Macedonia (Социјалистичка партија на Македонија - SPM) Ljubisav Ivanov - Dzingo for the meeting aiming at reaching a consensus

between the ruling and opposition parties over preparations of the referendum. The importance of the issue imposes the need for a broader consensus namely the 1+1 model. Consequently, leader and one MP of each parliamentary party have been invited to the meeting the Government announced. *“At leaders meeting I expect us to define the referendum issue meaning to set a date, to define the question and its character, the State Election Committee (SEC), and any other possible matter. I expect from all of us to demonstrate that we are part of the EU and NATO and that we all want to provide a better future for Macedonia [Ed.: F.Y.R.O.M] and its citizens,”* Zaev said. The Prime Minister convened the meeting after VMRO-DPMNE has blocked the process of appointing new members of the SEC which has the responsibility of conducting the referendum. The Parliament voted yesterday amendments of the Electoral Code namely SEC’s members appointment in a fast-tracked procedure. The Government’s goal is to facilitate procedure by changing the necessary MPs majority for SEC’s members election with a majority of 61 MPs instead of two third majority. Meeting was failed since VMRO-DPMNE Hristijan Mickoski left talks. He said that he expressed *“revolt”* over the fact that in the meeting had not been invited representatives from all parliamentary parties but only these parties represented in Parliament by at least two Deputies. Zaev called a new meeting on July 19th, 2018 only for four largest parties namely SDSM, DUI, VMRO-DPMNE, and Besa Movement. Talks lasted for almost four hours before reaching a deadlock. DUI leader Ahmeti said that there were differences which should be settled if favor of F.Y.R.O.M’s EU integration. Besa Movement leader Kasami stressed *“The country is at a critical point and it has to wrap up the EU integration process.”* A fresh round of

talks including only leaders of the four main parliamentary parties - Zoran Zaev of SDSM, Ali Ahmeti of DUI, Hristijan Mickoski of VMRO-DPMNE and Bilal Kasami of Besa will resume on July 23rd, 2018, Government announced. (www.mia.mk)

- July 21st, Parliament Speaker Talat Xhaferi in an interview in the news agency “MIA” expressed his wish that leaders of political parties will reach an agreement at the upcoming meeting on July 23rd, 2018 adding that the Parliament will implement what will be agreed by end of July 2018. Apart from that, Xhaferi expressed the view that State Election Committee will be finally established and it will be able to conduct the referendum. He did not miss to be referred in F.Y.R.O.M President’s *“obstructive role”* as he already did with two previous laws.” Xhaferi underlined that it is important to determine the referendum framework adding that a plenary session for this reason may be convened any time during the week. Finally, he announced that agreement with Greece and the Law on languages will be forward at state’s official gazette before announcing the referendum on name agreement with Greece. According to him this is reasonable because otherwise what would be the subject of the referendum. (www.mia.mk)

COUNTRY ASSESSMENT :

Government intensifies its efforts aiming at reaching a consensus among parliamentary parties regarding the name agreement with Greece in order to accelerate ratification process. Invitation by NATO and call for opening accession negotiations with the EU next year created a positive atmosphere in the country which may create the necessary background for

parliamentary consensus. It is estimated that referendum will be conducted normally during autumn 2018. All political forces realize that F.Y.R.O.M has reached a critical point for its future. A negative result in name agreement with Greece may put at risk coherence and stability of the state. However, VMRO-DPMNE's stance is a question due to the fact that it has show so far that its strategic goal is destabilization of the current Government through a hard nationalistic line in order to fight back for political power. Of course one should take into consideration that opposition enjoys support by the President Ivanov who is another major obstacle for the Government and SDSM. Early parliamentary elections should not be excluded in late September or early October together with the referendum. As referendum date approaches political tension will be higher while citizens may strengthen their protests against the Government. Despite its seeming euphoria the country enters in a difficult and strange period where political and security destabilization is not an unlikely scenario.



GREECE: July 17th, a Turkish court has ruled to keep in custody two Greek servicemen who were detained in Turkey in March 2018, in a case that has escalated tensions between the two neighboring NATO allies. Greece says the army men crossed into Turkey by mistake while following the trail of suspected illegal migrants. Turkish courts have ordered their detention pending trial on suspicion of illegal entry and attempted military espionage. Court decision comes a few days after the Greek Prime Minister Alexis Tsipras and Turkish President Recep Tayyip Erdogan met in Brussels, on the sidelines of NATO summit, and agreed to focus

on efforts to reduce tensions in the Aegean. The two army men have not yet been indicted. Greece's Deputy Defense Minister Fotis Kouvelis criticized the decision and reiterated that Athens would not engage in any trade-off to secure the release of two people. *"They have been in custody for more than four months without any charges being brought against them,"* he told Real FM. Eight Turkish servicemen are seeking asylum in Greece after commandeering a helicopter to flee Turkey when a coup against Erdogan crumbled in July 2016. Turkey says they were involved in the abortive putsch and demands they be returned to face trial but Greek courts have so far rejected Ankara's requests. *"No one can suggest that there can be a trade-off,"* Kouvelis said. (www.kathimerini.com)

- July 18th - 19th, Official Athens reacted angrily hours after a Russian Foreign Ministry Spokeswoman warned of repercussions due to the expulsion of two Russian diplomats from Greece, with the former referring to a *"characteristic example of disrespect towards a third country."* Russia's Foreign Ministry spokeswoman Maria Zakharova said that *"Such things do not remain without consequences"* and claimed that third countries were behind Athens's decision. Greece, she said, should *"Communicate with their Russian partners, and not suffer from dirty provocations, into which, unfortunately, Athens was dragged."* The Greek Foreign Ministry issued a response saying her statements *"Are a characteristic example of disrespect for a third country and a lack of understanding of today's world, in which states, regardless of their size, are independent and can exercise an independent, multidimensional and democratic foreign policy. Unsubstantiated claims to the effect that this decision was taken following pressure from third*

parties are unworthy of comment and indicate a mindset of people who do not understand the principles and values of Greek foreign policy,” it was announced. In the meanwhile Russia’s Ambassador to Athens Andrey Maslov said the timing of Russian Foreign Minister Sergei Lavrov’s planned visit to Greece this autumn is no longer suitable. Speaking to the state-run ANA-MPA agency diplomatic sources said that the visit had been scheduled on Moscow’s request adding that, in any case, the Russian Foreign Minister would be welcome to visit the Greek capital. (www.ekathimerini.com, www.naftemporiki.gr, www.amna.gr)

- July 20th, conservative New Democracy (Νέα Δημοκρατία – ND) leader Kyriakos Mitsotakis once more slammed the agreement reached between Greece and F.Y.R.O.M on the name dispute, while renewing his call for early elections. *“People react because the Prespes deal is a bad deal. I totally understand why the big majority is opposed to the agreement,”* he said, taking issue with the recognition of the Balkan country’s language and nationality as *“Macedonian.”* Mitsotakis added that his party will not support the accord in Parliament. Moreover he said elections should be held as soon as possible. *“This Government has nothing more to give. The sooner elections take place, the better,”* Mitsotakis said, while voicing his confidence that ND will become Government. Nevertheless Greek opposition leader has said he will respect the country’s name deal with F.Y.R.O.M if it is ratified by the Parliament. *“I have made it clear that I do not like this agreement,”* Kyriakos Mitsotakis told Sueddeutsche Zeitung newspaper in an interview. *“However, I also say that I will respect [the deal] as a commitment undertaken by the country,*

provided that it has been ratified by the Greek Parliament,” Mitsotakis said. (www.ekathimerini.com)

COUNTRY ASSESSMENT :

Greece – F.Y.R.O.M agreement on name dispute has created strong turbulence in the ruling coalition SYRIZA – ANEL threatening its sustainability. It seems that the main ruling Party of SYRIZA plans early parliamentary elections together with the local and European one scheduled for May 2019. However, none could exclude the possibility of ANEL withdrawal from the Government when the Greece – F.Y.R.O.M agreement would come to the Parliament for ratification namely during autumn 2018 or beginning of 2019. The scenario of early parliamentary election on September – October 2018 could not be excluded. Incident with Russian diplomats has worsened relations between two countries adding a new problem in Greek foreign policy. However Greek side stands with confidence against Russia refusing to end a “word war.” Greece – Turkey under “low level” tension with a lot of open issues which easily may turn into major crisis.



KOSOVO: July 17th, Kosovo Security Force (KSF) signed a contract with AM GENERAL on purchasing 24 multifunctional military vehicles, whereas 27 Humvees will be donated by the US authorities. The Prime Minister Ramush Haradinaj said that transformation of the KSF into an army will be done in full coordination with the support of Kosovo allies. Whereas US Ambassador to Pristina, Greg Delawie, who attended the signing of contract ceremony, said the US is excited to be

a part of this next era of the KSF. These military vehicles according to Haradinaj will modernize the KSF military equipment. *“KSF is a professional, inclusive force and it is an example of cooperation with the NATO and US. The KSF is modernizing its military capacities. This force is increasing capacities according to NATO standards, which is synonym of peace,”* Haradinaj said. The KSF Minister, Rrustem Berisha, said that equipment with these tactical vehicles is of a great importance on advancing operational capacities of the KSF and deepening of cooperation with the US. *“I thank the US for their unreserved support. This cooperation will continue. The KSF will continue its modernization,”* Berisha said. The US Ambassador, Greg Delawie, said the US Embassy is excited to be a part of this next era of the KSF. *“We look forward to seeing the first delivery of Humvees this year starting to transport those who serve the citizens of this great country,”* Delawie said. Apart from that, according to the Kosovo gazetaexpress.com the US Secretaries, of Defense and Foreign Policy agreed to allocate 10 million Dollars to KSF for fighting terrorism and organized crime. The US Department of Defense and the US Department of State have approved a program for Kosovo, which will help KSF to increase its capacities to *“take anti-terrorism actions and combat international organized crime.”* Reportedly as part of this program the US will donate to KSF military vehicles, communication equipment and training for the KSF staff. (www.gazetaexpress.com, www.top-channel.tv)

- July 18th, Federica Mogherini, High Representative for Foreign Affairs and Security Policy and Vice-President of the European Commission, hosted a meeting of the High Level

Dialogue with President Hashim Thaci of Kosovo and President Aleksandar Vucic of Serbia. According to Mogherini's Office the High Representative and the two Presidents reviewed the progress made in the discussions on the framework of a legally binding agreement on comprehensive normalization of relations between the two sides. They agreed to reconvene in a few weeks' time to continue their work. After meeting Thaci said *“It was a short but one of the most difficult meetings we have had over last six years. Serbia still believes Kosovo is its part. They are wrong, very wrong. We still believe that it is possible to reach a final agreement and this is good for both Kosovo and Serbia, and for anyone who invests in the EU future; an agreement which facilitated the future of both countries and nations, which brings understanding and reconciliation.”* Thaci reiterated that today's meeting with Vucic was difficult, and he expects the same attitude also in the future meetings. *“I expect dialogue would become more difficult in coming weeks or months, but negotiations will continue,”* he said. Thaci concluded by saying that through the ongoing dialogue he expects for Kosovo formal recognition by Serbia and becoming member of international organizations. (www.gazetaexpress.com)

- July 18th, during a press conference at the European Commission (EC) in Brussels, the Commissioner of Migration, Home Affairs, and Citizenship, Dimitris Avramopoulos, said that Kosovo had completed all criteria to be granted visa liberalization. *“Today we can confirm that Kosovo has fulfilled all benchmarks of the visa liberalization road map. It was not easy, we know that, so we have to praise the President and his Government for what they've done in last*

months,” Avramopoulos declared, standing next to Kosovar President Hashim Thaci. Avramopoulos lauded Kosovo for demonstrating commitment to the fight against organized crime and corruption, the last remaining criterion since Kosovo ratified the border demarcation deal with Montenegro in March 2018. “It is now in the hands of the European Parliament and the Council to move forward and adopt the Commission’s proposal from 2016, and I encourage them to do so swiftly,” said Avramopoulos, before adding that visa free travel would come with both “rights and obligations.” President Thaci, who found himself in Brussels for a high level dialogue meeting with Serbian President Vucic, thanked Avramopoulos and expressed his joy at the news. “I am very happy to be here for this very important day for Kosovo. Today’s decision to announce that the last criteria have been fulfilled, it is one of the best news that I and Kosovo citizens have received in decades,” Thaci said, calling it a “historical moment.” Thaci also expressed his optimism that Kosovar citizens would travel visa free to Europe by the end of the year. (www.prishtinainsight.com)



Commissioner of Migration, Home Affairs, and Citizenship, Dimitris Avramopoulos with Kosovo President Hashim Thaci

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

COUNTRY ASSESSMENT :

Although Kosovo lacks determination over its critical reforms which will establish in the country rule of law and modern functional administration fulfillment of visa liberalization criteria was an encouraging message for the state. However path towards the EU and NATO will be long and hard. A mutual accepted agreement between Kosovo and Serbia is the critical point for the country in order to start approaching the Euro-Atlantic integration. Heads of both countries met in Brussels after a long time sending a positive message of good will but dialogue will be difficult having the risk of ending talks at any time. Both states know that their European future passes through this dialogue and this is the strongest motive to make them sit in the same table. Kosovo expects Serbia’s recognition and access to international organizations such as the UN; seeks international recognition as an independent and sovereign state. However negotiations are a “give and take” game and Kosovo should give something to Serbia. Kosovo army issue is a case which may cause tension with Serbia and it seems that the state seeks to accelerate actions towards transformation of KSF into a regular army. It is assessed that international community namely the EU and NATO will not allow such development at least as long as both countries are willing to talk for an agreement.



MOLDOVA: July 16th, President Igor Dodon, who is on a new visit to Moscow, had a meeting with the Deputy Prime Minister of the Russian Federation Alexei Gordeev, former Minister of Agriculture. “We repeat that relations with the Russian Federation are a priority in the

foreign policy agenda of the President of the Republic of Moldova, which is demanded by the majority of the population who trusts the Head of state,” Dodon wrote in social media. According to the President “We discussed the prospects for trade and economic cooperation between our countries. In particular, I have mentioned the steady increase in deliveries of agricultural production in Moldova over the past two years. I have also stressed that thanks to the previous agreements with the President of Russia we can see the positive dynamics of Moldova's growing vegetables and fruit exports in the huge market of Russia,” adding “In this context, we stressed that the basic task of the Moldovan side is the complete unblocking of the export of Moldovan agro-industrial goods in order to reach the level that it was before the crisis.” (www.jurnal.md)

- July 17th, The EU expects authorities of Moldova to find a solution that will respect the vote expressed by the citizens of Chisinau in recent local elections in Chisinau said the EU Ambassador to Chisinau, Peter Michalko. He underlined that his request has been clearly expressed in the joint declaration of the Head of European Union diplomacy Federica Mogherini and European Commissioner for Enlargement Johannes Hahn but also in the European Parliament's resolution. *“The non-transparent way in which the decision was taken creates a lot of questions about the objectivity and independence of the judiciary. And this also lies at the heart of the need to improve things, and certainly to find solutions regarding the emerged situation, taking into consideration that citizens' rights, vote, and will, will be respected,”* said Michalko. The EU Ambassador rejected the criticism of the authorities in Chisinau who have claimed that the new suspension of the financial

assistance for Moldova would be “helpful” for the opposition to win the parliamentary elections in the coming autumn. *“First of all, the EU expects the Moldovan justice to be independent, objective, functional, professional, transparent and fair. This also should be the goal of the justice sector reform, but also how justice should work in Moldova. Respect of the rule of law is also the basic principle in our association relationship; it is also written in the Association Agreement, so it was not possible and it is not possible to intervene in the independent functioning of justice,”* Michalko said. The EU Ambassador concluded by saying that if Moldova wants to get the financial assistance it should follow procedures which are already known and agreed between the EU and the state. (www.jurnal.md)

- July 17th, leader of the Democratic Party of Moldova (Partidul Democrat din Moldova – PDM) Vladimir Plahotniuc accused the EU of “failing to respect its part of understanding” by suspending financial assistance for Moldova due to the cancellation of local elections in Chisinau. Although European officials claim that the Government in Chisinau failed to implement several chapters, especially regarding justice reform, the Head of the PDM insisted that all conditions have been met. *“We have talked about fulfilling our commitments towards reforms not just because this commitments have to be respected, but also because this reform contributes to Moldova's modernization. I reiterate that, irrespective of some reactions in the European Parliament, we will continue to respect our external commitments. At the same time, a matter of utmost importance for us will be the projects that will provide concrete and immediate benefits to citizens namely economic, educational, public health and infrastructure*

projects,” Plahotniuc said. He stressed that at PDM meeting, a Government report was presented regarding fulfillment of the conditions assumed under the programs of IMF and the EU. “After this hearing, we found that in our relationship with IMF our commitments have been fully fulfilled and the IMF has fulfilled its share of obligations. In relation to the EU, we have also fulfilled our commitments. Even if the EU has not respected its part of the deal, we will continue to implement reforms to modernize the country,” the Head of the PDM said. (www.jurnal.md)

COUNTRY ASSESSMENT :

Political life is “hostage” of the pro-Russian President Igor Dodon and pro-Western Government rivalry which undermines the institutional function of the country. In the wider framework Moldova is between the Euro-Atlantic structures on the one hand and the Russian influence on the other. The EU has hardened its policy towards Moldova pushing for more reforms which will strengthen state’s transparency, accountability and democratic values. Invalidation of local elections in Chisinau by the Constitutional Court badly affected state’s profile and mainly relations with the EU. The “Transnistria case” is always a “running sore” for the country working as a potential factor of destabilization.



MONTENEGRO: July 16th,

Nebojsa Medojevic might be prosecuted said in an interview for “Pobjeda” Milan Knezevic, President of the Democratic People's Party (Демократска народна партија - DNP) and one of leaders of Democratic

Front (Демократски фронт - DF). As he said, DF is thinking about organizing protests in fall. “Personally, if this persecution of DF leaders and officials continues, due to our political stance which is guaranteed by the Constitution, we should not participate in any parliamentary or group which would deal with changes of electoral legislation. If anyone believes that they can terrorize us on a daily basis pretending at the same time the victim, then he is absolutely wrong. I’ve said recently that every attack against DF will provoke our counteroffensive reaction, and that means we’re going to use all available democratic means to defend our political and human values,” said Knezevic. Speaking about possible protests Knezevic said the key reason for the new protests is the latest activity of the Special Prosecutor’s Office to initiate criminal procedure against Nebojsa Medojevic. According to him it is not only a violation of the Constitution, but it also represents a new conflict with DF. “Milivoje Katnic following instructions of Milo Jukanovic and Dusko Markovic, has begun a conflict with DF. That’s why we are thinking about organizing protests in fall, as a way of responding to the most recent attack of criminalized parts of the regime. They must be ready for a long, political fight with our coalition,” Knezevic said. (www.cdm.me)

- July 17th, Montenegro is interested in strengthening relations with Israel, through cooperation in defense, economy and tourism, said Montenegrin Foreign Minister, Srđan Darmanovic, who met with the Israeli Prime Minister Benjamin Netanyahu. Prime Minister Netanyahu agreed that friendly relationship between the two countries represents good basis for further developments. Meeting tackled improvements in terms of collaboration in area of

science and high-tech, bearing in mind impressive progress, experience and leading position Israel has had in these fields. Darmanovic and Netanyahu exchanged opinions on regional issues and agreed that security challenges require more constructive and responsible approach. In the same day Darmanovic paid an official visit to Ramallah and met with the Prime Minister of the Palestinian Government Rami Hadallah. *“Both sides expressed the interest in further improvement of the overall bilateral relations and cooperation in various fields, primarily on tourism, education and culture,”* the Montenegrin Foreign Ministry reported. Darmanovic also met with the Chief Palestinian negotiator, Saeb Erekat and President’s advisor in charge of foreign policy Nabil Shaat. (www.cdm.me)

COUNTRY ASSESSMENT ■ :

Major reforms should be implemented in order the country to come closer to the EU. Montenegro shows activity within NATO not only because decided to send troops in Kosovo, but also because plans to join NATO forces in Latvia and Poland. Although the state fulfills its obligations as a full member of the Alliance questions are raised for such initiatives due to their impact in Montenegro’s society but also in country’s foreign relations. A large number of people is opposed in NATO and maintains pro-Russian stance while Montenegro’s presence in Kosovo may harm relations with Serbia. Political stability is threatened again due to DF’s possible withdraw from Parliament claiming persecutions of its officials.



ROMANIA: July 16th, an Air Force training aircraft crashed in eastern

Romania, only days after the crash of a MIG 21 LANCER prompted Ministry of Defense to ground its Soviet-made jets. Romanian military IAR 99 SOIM (HAWK) training aircraft crashed near the military air base in Bacau, eastern Romania. The two pilots ejected in time and were rescued shortly after the accident, the Defense Ministry announced. One of them was slightly injured, the Ministry added. IAR 99 SOIM is an advanced jet trainer and close air support (CAS) aircraft designed and produced in 1997 aiming at leading in fighter training and CAS missions of the new-build Romanian Air Force. It is developed by AVIONE CRAIOVA-S.A. in co-operation with the Israeli ELBIT Systems and is produced in Craiova, southern Romania. Currently, Romanian Air Force owns 21 IAR 99 aircrafts, 11 of which are IAR-99 SOIM. (www.balkaninsight.com, www.acv.ro)



IAR 99 SOIM jet

(Photo source: www.acv.ro)

- July 19th, the President Klaus Iohannis has slammed again the ruling Social Democratic Party (Partidul Social Democrat - PSD) - Alliance of Liberal and Democrats for Europe (Alianța Liberalilor și Democraților - ALDE) coalition on justice laws topic in a press conference held at Cotroceni Palace. Iohannis said the topic of the conference is related to the justice laws, *“Which*

have become the most argued public issue since PSD has come to power, which demonstrates its priorites.” He continued by underlining the Venice Commission’s stance on these laws proves that the amendments are affecting judiciary. The Venice Commission in a preliminary opinion announced the three bills amending the existing judiciary legislation in Romania, which were adopted by the Parliament at the end of last year, would “likely undermine” the independence of Romanian judges and prosecutors affecting public confidence in judiciary. “We’ve managed so far to keep the justice laws away from the most harmful amendments. The adopted laws have been subject to the constitutional control. Constitutional Court of Romania has found various inconsistencies in four various occasions. The Venice Commission has also pronounced over these laws, which shows without any doubt that the amendments are affecting the independence of the judiciary system,” Iohannis pointed out. Iohannis said he has repeatedly asked for the re-examination of these laws and sent notifications to the CCR. “As for the law 304 on judicial organization, I have run short of all constitutional ways and I am compelled to promulgate it. This doesn’t mean the track of this law is over. I expressly ask the Parliament to correct these laws as soon as the parliamentary session is resumed,” the President said, while announcing that he will notify CCR over the law 303, firmly calling on it to take account of the Venice Commission’s opinion. “I want to warn the MPs from the majority that their loyalty must be to the voters, to the Romanians who want to stay in the EU. We must not become a negative example, making laws so that certain political leaders should get away from criminal records. Lawmakers have been elected for Romania, for the Romanians, not to help a leader get rid of

prison. The standard on legislating must be the respect for the rules of law,” Iohannis concluded. (www.romanijournal.ro, www.romania-insider.com,)

- July 20th, the Romanian Foreign Affairs Ministry has issued a press release, regarding the European Commission decision to sue Romania for not implementing the anti-money laundering rules. The Ministry argues this is a “standard procedure” and that a draft bill to implement the directive is under debate by the Senate. “The European Commission decision (...) is a standard procedure, in the cases in which a Member State does not notify the European institution in due time about the national normative act transposing, in full, the European legislative act. Until now, the European Union Court of Justice has not communicated to the Romanian authorities an introductive request by the European Commission. The filing by the EC of this request to the Court is a different procedure, consequent to the one notifying the European Court,” the Ministry said. The Ministry argues that if Romania assumes a clear schedule to coordinate the national legislation with the EU standards in terms of money laundering, then the EC may decide to postpone the notification to the EUCJ. According to the Romanian Ministry of Foreign Affairs there is a draft bill approved by the Government on May 31st, 2018, on debate by the Senate. The European Commission on July 19th, 2018 has referred Romania and Greece to the European Court of Justice for failing to implement the 4th Anti-Money Laundering Directive into their national law. Ireland implemented only a very limited part of the rules and is therefore also referred to the Court of Justice. (www.romaniajournal.ro)

COUNTRY ASSESSMENT :

Political struggle between the President Klaus Iohannis and Government continues in the field of Justice. The Venice Commission expressed its concerns over independence of state's judiciary taking into consideration the promoted amendments on judicial legislation. Iohannis strongly opposes in Government's plans to intervene in judicial system while there are specific signs that the Government works towards controlling state's justice. The EU keeps an eye in Romanian political developments. Romania as a NATO member upgrades its position within the alliance due to its strategic geographical place and NATO's interest in borders with Russia. However, modernization of Romanian Armed Forces should be accelerated taking into consideration that air accidents happened last period demonstrating maintenance, training and equipment problems.



SERBIA: July 16th, the announced transformation of the “Kosovo Security Forces” (KSF) into a so-called “Kosovo army” is completely unacceptable to Serbia claimed Defense Minister Aleksandar Vulin adding that such a development would be a gross violation of UN Resolution 1244 and the 1999’s Kumanovo Military-Technical Agreement. Vulin made such statements after his meeting with the Italian Ambassador to Belgrade Carlo Lo Cascio. During the meeting Vulin said that Serbia appreciated the professional engagement of Italian troops in the KFOR mission in Kosovo. Vulin and Lo Cascio also discussed “Crucial issues of bilateral defense cooperation, and emphasized that defense cooperation with Italy was intense and content-rich, with the possibility of improvement,” a

Serbian Ministry of Defense statement said. According to the press release, the Italian Ambassador told Vulin that Italy “Appreciates the role of the Serbian President in the Brussels dialogue on Kosovo.” (www.b92.net)

- July 18th, Serbian President Aleksandar Vucic said Belgrade-Pristina talks in Brussels were “very complex.” He said that it was agreed they would continue to seek a compromise solution preserving peace and stability in relations between Belgrade and Pristina. In a brief statement to the press after the meeting, Vucic said that the talks were “Certainly not easy and there were two things we agreed on.” The President stated that he would have nothing more to add, “But if I could say in one sentence, it is that the Albanians and Hashim Thaci would like to get everything and seek everything for Albanians from Kosovo, while Belgrade is trying to find a compromise solution that would not demean the other side side,” Vucic said. Asked by the journalists whether he would “Accept the independence of Kosovo,” Vucic said: “I have precisely this type of conversation on a daily basis; whether we will achieve a compromise, what would be a compromise solution...The only compromise solution offered by all Kosovo political sides, especially Hashim Thaci and everyone else, is always the recognition of an independent state of Kosovo. That's not how it works.” “You cannot be absolutely satisfied, and neither can we be absolutely satisfied. If both sides are equally dissatisfied, that would mean that we can reach a compromise solution,” Vucic underlined. He concluded by saying that Serbia is determined to continue talks with Kosovo “But do you have the right to break off the conversations and leave everything to be solved by emotions and passions, and taken over by them? I do not think

you have any right to do that. That is why Serbia is determined to continue talks and when they are scheduled, we will continue in good faith and with best intent to reach a solution,” said the President, adding, *“As to whether we reach a solution... whether we can offer some sort of solution to our societies, that we will see - we are not close to that.”* EU High Representative for Foreign Affairs and Security Federica Mogherini and the Presidents of Serbia and Kosovo met in Brussels discussing progress in talks in the frameworks of a legally binding agreement on normalization relations. (www.b92.net)

- July 19th, the Bosniak National Council (BNV) in Serbia has invited Kosovo First Deputy Prime Minister and Minister of Foreign Affairs Behgjet Pacolli to visit the Serbian region of Sandzak and the city of Novi Pazar as an official of *“The Republic of Kosovo.”* According to media reports the BNV, headed for a long time by Sulejman Ugljanin, has sent a letter to Pacolli, invited him to attend a ceremonial session of the BNV in the town of Novi Pazar. Pacolli said that he would have traveled to Novi Pazar if Serbian authorities had given him permission. Asked whether this means that the BNV has declared its recognition of Kosovo as an independent state, Milovan Drecun, Chair of the Serbian National Assembly's Committee on Kosovo said neither he nor Ugljanin have the right to speak on behalf of all citizens in the Raska-Polimlje region (Sandzak) *“In particular the Serbs who live there.”* Drecun stressed *“There are specific procedures that allow officials from provisional self-government institutions (in Kosovo) to come to Serbia, and our officials to go to Kosovo. No one has the right to invite anyone from these institutions to come to central Serbia outside of these procedures and outside the competent state authorities. Why*

someone should invite the so-called Foreign Minister of a non-existent state? Well that is a message that they recognize this self-proclaimed state. There is no Minister of Foreign affairs of Kosovo, there is no state of Kosovo, and no one can come from Kosovo in the capacity of a Minister of Foreign Affairs.” Drecun concluded by claiming that Ugljanin aims at destabilizing situation in Sandzak even to turn into violence. Director of the Office for Kosovo and Metohija Marko Djuric said that Serbia will react in a serious, responsible, and dignified manner when it comes to Pacolli's possible visit. (www.b92.net)

COUNTRY ASSESSMENT :

Relative political stability. Security situation is stable. Serbia's path towards the EU and NATO goes through Kosovo case resolution. Although dialogue has started in Brussels is full of obstacles which undermine establishment of confidence and good will between two parties. However, Vucic's statements show that Serbia is ready to compromise recognizing that it cannot gain everything through negotiations. Transformation of KSF into an army is a “red line” for Serbia and such an action by Kosovo would postpone talks. Actions of ethnic minorities in Serbia such as Albanians in south Serbia or Muslim Bosnians in Sandzak region towards Kosovo issue touch the sensitive issue of national security of the state. By expressing neutrality and maintaining equal distance from the U.S.A and Russia it moves in an environment of fragile balance.



SLOVENIA: July 17th, On July 19th, 2018 ends deadline for Janez Jansa, leader of Slovenian Democratic Party (Slovenska

Demokratska Stranka – SDS) set by the President Borut Pahor to announce whether he accepts the mandate for the composition of the Government. Jansa met today with the New Slovenia – Christian Democrats (Nova Slovenija – Krščanski Demokrati - NSi), but not with other parties. NSi's Executive Board made a decision to withdraw from the negotiations on forming a center-left coalition of six parties claiming the first two parties (according to the electoral results) namely SDS and List of Marjan Sarec (Lista Marjana Šarca - LMS) were responsible for forming a new Government. After the meeting, SDS announced its support towards NSi's decision making clear that its goal is a coalition with NSi and LMS. According to the SDS *“Due to the unresolved development and structural problems of last Government it is required parties which did not participate in state's governance during the period 2014 – 2018 to join the new Government.”* Under this term the Modern Centre Party (Stranka Modernega Centra – SMC), Democratic Party of Pensioners of Slovenia (Demokratska Stranka Upokojencev Slovenije - DeSUS), and Social Democrats (Socialni Demokrati – SD) could not join a possible coalition. However, the Party of Alenka Bratusek (Stranka Alenke Bratušek - SAB) and The Left (Levica) fulfill SDS's criterion although The Left has already announced it will not join any coalition with SDS or NSi. After SDS and NSi agreement, Jansa has achieved to gather support of 35 Deputies namely 25 of SDS, 6 of NSi (out of 7 since Ljudmila Novak rejected support to Jansa), and 4 of the Slovenian National Party (Slovenska Nacionalna Stranka - SNS). On the other hand, LMS's initiative to form a six parties coalition Government is close to a deadlock after NSi's withdrawal. Sarec looks for 9 more MPs to form a Government and consequently attention is

directed to The Left. According to its Coordinator Luka Mesec they will be waiting for Marjan Sarac's invitation for talks in the coming days. Therefore, it is most likely that neither Janez Jansa nor Marjan Sarec will be able to form a political majority in the first round. Under these circumstances Janez Jansa will most likely inform the President that he cannot accept the mandate for the formation of a Government. (www.dnevnik.si)

- July 19th, Janez Jansa, leader of Slovenian Democratic Party (Slovenska Demokratska Stranka – SDS) informed the President Borut Pahor that he does not have the majority to form a stable Government, underlining that talks with parties have indicated differences could be overcome in the coming weeks. Pahor announced he would not nominate any candidate Prime Minister by July 23rd, 2018; first-round's deadline. Jansa wrote to the President that informal communication among parties in the past two weeks had allowed him to assess the differences in platforms could be bridged. The main conclusion from talks was that a great majority of the parties do not want a new snap election and that readiness for cooperation exists, the Head of the election winner SDS wrote. *“This is of course the only possible attitude for forming a stable Government given the election result, when the number of MPs of the second and third placed party combined is smaller than that of the first-placed while the SDS needs at least two more coalition partners for a majority. On the other hand, some of the parties continue with regrettable, undemocratic and unconstructive rejection of the majority will of the voters and even of the culture of dialogue itself,”* Jansa claimed. He suggested that dialogue was being undermined by *“Several unofficial groups of*

interests seeking a long period of instability and a weak Government that will allow them to maintain their privileges and monopolies towards an easy access to taxpayers' money.” The President said he had also talked to Marjan Sarec leader of the List of Marjan Sarec (Lista Marjana Šarca - LMS) who confirmed that he would not be able to form a coalition Government by July 23rd, 2018. (www.sloveniantimes.com)



SDS leader Janez Jansa
(Photo source: www.sds.si)

COUNTRY ASSESSMENT ■ :

Political developments are ongoing due to parliamentary elections results which do not allow one Party Government. SDS got the first place in the electoral body but it failed to form a coalition Government. The second party LMS's initiative to form a six parties coalition without SDS also failed due to NSi's withdrawal. A new round of talks will begin after July 23rd, 2018 and it cannot be excluded an approach between SDS and LMS. Leader of SDS Jansa sent a public message that most political forces do not seek new elections living "an open window" for compromise.



TURKEY: July 16th, the U.S. State Department said it was working with NATO ally Turkey on the possible sale of a Raytheon Co Patriot missile defense system to avert its

purchase of a Russian-made S-400 system. Tina Kaidanow, Acting U.S. Assistant Secretary of State for Political-Military Affairs, told reporters at the Farnborough Air-show that U.S. officials were *"Trying to give the Turks an understanding of what we can do with respect to Patriot."* However, Turkish officials said that there is no exact agreement between Turkey and the U.S. over purchasing the Anti-Aircraft/Anti-Missile system, underlining it will not be an alternative to the Russian S-400 system even if a deal is established for its purchase. Turkey had passed over the Patriot system twice in its selection process, first choosing a Chinese system (HQ-9), and then turning to the Russian S-400 system in 2017. U.S. and NATO officials have repeatedly warned Ankara that the Russian system cannot be integrated into the NATO air and missile defense system, and its purchase would jeopardize Ankara's purchase of Lockheed Martin F-35 fighter jets. Assistant Secretary of Defense Kevin Fahey told reporters at the show that *"Turkey has had an interest in Patriot, so we've been working for a while how we can make that work."* Kaidanow said Washington was worried that U.S. allies purchasing Russian systems would support *"Some of the least good behavior that we have seen from them (Russia) in various places including Europe but also elsewhere."* She said Washington wanted to ensure that systems acquired by U.S. allies *"Remain supportive of the strategic relationship between us and our allies, in the case of Turkey that is Patriots."* (www.reuters.com, www.dailysabah.com)

- July 19th, Turkey lifted a state of emergency, two years after a coup attempt nearly toppled President Recep Tayyip Erdogan. A state of emergency was declared on July 20th, 2016, after the deadly coup attempt left at least 290 people

dead and more than 1,400 injured in a chaotic night of violence. Turkey has been under a state of emergency since then, and Erdogan has tightened his grip on power while overseeing a massive purge of those who he says rose up against him. Responding to the lifting of the emergency order, Fotis Filippou, Amnesty International's Deputy Europe Director, said it was a *“Step in the right direction, but needed to be accompanied by urgent measures if it is to be anything more than a cosmetic exercise,”* adding *“Over the last two years, Turkey has been radically transformed with emergency measures used to consolidate draconian powers, silence critical voices and strip away basic rights. Many will remain in force following the lifting of the state of emergency,”* Filippou said. He concluded by saying that tens of thousands of people had been *“Locked up by a judiciary that lacks the most basic independence and incarcerates real or perceived critics of the government without evidence of any actions that can reasonably constitute offenses. The lifting of the state of emergency alone will not reverse this crackdown. What is needed is systematic action to restore respect for human rights, allow civil society to flourish again and lift the suffocating climate of fear that has engulfed the country.”* The Council of Europe welcomed the Turkish Government's decision to lift the two-year-long state of emergency. Spokesman for the Secretary-General of Council of Europe Daniel Holtgen said: *“It is a good thing that it [emergency rule] has not been extended again and finally has come to an end.”* (www.dailysabah.com, www.aa.com.tr, www.cnn.com)


- July 19th, the Head of U.S. Central Command (CENTCOM) General Joseph Votel said that training for a joint Turkish - American patrol on


the front line of the northern Syrian city of Manbij will start soon. "As part of the diplomatic road map, we will soon begin the necessary training to conduct joint combined patrols along portions of the demarcation line in this extremely complex environment," Votel said, referring to the Manbij road map. The road map which was announced last month after a meeting between Foreign Minister Mevlut Cavusoglu and his U.S. counterpart Mike Pompeo, focuses on the withdrawal of the Kurdistan Workers' Party (PKK) affiliated People's Protection Units (YPG) group from Manbij and stability in the region. Withdrawal process has been carried out accordingly to the three-tier technical plan reached between Turkey and the United States. In line with the road map, YPG started to leave Manbij on July 4th, 2018. In the second part of the plan, Turkey and the U.S. are expected to start jointly monitoring the city after 45 days. In the third part of the plan, a local Government will be established in 60 days. The Turkish Army on July 18th, 2018 conducted its 16th round of patrols in the city as part of the deal with the U.S. Votel said the U.S. continues coordinated patrols with Turkey to ensure long-term stability in the city and to implement a diplomatic agreement that addresses mutual security interests. News reports on Turkish media had also recently claimed that a joint force will be established between Turkey and the U.S. for the patrolling process and that the force will reportedly consist of three Turkish battalions and one U.S. battalion. It will be trained in Gaziantep province and its main aim will be to enhance cooperation. Should the Manbij model prove a success, Turkey will push for a similar arrangement in eastern Syria. Turkey has said the presence of terror forces near its border constitutes a threat and has launched military


operations and other efforts to rid the region of terrorists. (www.dailysabah.com)

COUNTRY ASSESSMENT :

Turkey faces several restrictions in freedom of expression and human rights. Elected MPs and journalists are in custody or convicted by the state Courts. Country is under state of emergency maintaining or even strengthening the abnormality of current political life; Turkey lifted state of emergency in a move towards normalization of situation but local and international observers claim the country moves towards an authoritarian regime with thousands of citizens being persecuted. Newly re-elected President Erdogan enjoys extended powers implementing the new executive presidential model of governance. Turkish Armed Forces have been engaged in a new military operation against Kurds and PKK in Northern Iraq. Turkey and U.S.A try to implement their agreement regarding Syrian Manbij in tactical level by establishing a functional model of joined army patrols. Kurdish question is a major security threat for Turkey affecting stability, peace and even unity of the state.

 Major concerns over stability and security. significant security risk in specific regions

 Imminent major incidents regarding stability and security. High security risk


 Evolving or ongoing crisis or violent/armed conflict


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NOTE

 Stable situation. No security risk

 Rather stable situation. Security risk is monitored