



**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.

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ALBANIA: January 9th, the Albanian Prime Minister, Edi Rama, declared at the closing speech in front of the OSCE Permanent Council that Albania has taken a risk with the Mujahedeens, and that he is proud for this undertaking. *“The Albanian politics took this step with a unified conviction. We are NATO members and any attack against us would be an attack against NATO. Whoever might have imagined our involvement as a celebration, not as a commitment, should rethink that. We live in a world where we are facing dangers, enemies of democracy. We are supporting an alliance that is fighting for a better world,”* said Rama among other things. His comments referred to the main Iranian opposition group Mojahedin-e-Khalq, which Albania first hosted in 2013 (with over 2,000 of its members), after making a deal with the US Government. Rama added that as leader of the OSCE, Albania will give its best to make sure that the views of all countries are taken into consideration. *“It is encouraging to know that our cooperation and our initiatives are in the right direction,”* Rama said. (www.top-channel.tv)

- January 11th, Albania and Turkey have officially signed the agreement for building 500 homes in Lac and Thumana, after the November 26th, 2019 earthquake. *“We are in the second phase of the project, at the moment of the signature,”* Rama said. *“500 new homes are going to be built by Turkey, under the care of Erdogan. We chose Lac, where I trust that the change will be in function of our purpose. Those who lost their homes will be accommodated in better homes. I want to thank the Turkish Minister and the massive delegation that arrived in Tirana,”* Rama said. On the other hand, the Turkish

Minister of Environment and Urbanization, Murat Kurum, declared *“I want to express my most sincere condolences to the relatives of the victims. We are going to proceed as quickly as possible to recover from the damage that was created. Our teams on terrains have verified 6000 damaged homes. President Erdogan instructed us to carry on with the home construction. Once deciding the plot where the homes will be built, Turkey is going to continue this fraternal relationship with Albania.”* (www.top-channel.tv)

- January 11th, The Democratic Party of Albania (Partia Demokratike e Shqipërisë – PD) leader, Lulzim Basha, declared in a press release that the PD will demand early elections the soonest possible. For Basha, the real problem is not the electoral system, but crime in politics and dirty money. *“We need to punish electoral crime. Let Rama chose the system if he wants. PD has won with a clear majority. The system is not the problem. The problem is whether the next election will be an election where it will be the Albanian people deciding or the organized crime once again,”* Basha declared. *“Is the system to blame for this local Government? I in every 10 Mayors turned out to be criminals. Rest assured that there are others,”* Basha claimed. (www.top-channel.tv)

COUNTRY ASSESSMENT :

Political crisis continues in Albania affecting democratic function of the state. While opposition keeps denouncing Rama’s Government, the struggle between the President and Prime Minister is turning into a personal duel. Under these circumstances the only solution to exit the political abnormality could be early parliamentary elections. Besides, political

instability and malfunction may have direct impact in investments and opening of EU accession negotiations. Reforms should continue more intensively if the state seeks to get an accession negotiation date with the EU. Corruption, organized crime, money laundering, drug and weapon smuggling and links between politics and organized crime are the main problems Albania should address effectively. Relation between Albania and Kosovo with a potential new Government under Albin Kurti as the Prime Minister is a good question. However, Albania continues to act as the “motherland” of all Albanians around Southeast Europe. Albania accepted a Turkish offer to build 500 houses for victims of recent earthquake. One should take into consideration that Turkey exercises a dynamic foreign policy in the Balkans mainly in Muslim communities by investments increasing its influence.



BOSNIA & HERZEGOVINA:

January 9th, on January 9th, 1992, the Assembly of Serbs in Bosnia and Herzegovina adopted the Declaration on the Proclamation of the Republic of the Serb People - today Republika Srpska - as a federal unit within the Republic of Yugoslavia. Since then, the RS has been celebrating on that date. But others in Bosnia, mostly Muslim Bosnians (Bosniaks), see January 9th as the beginning of the massacres in the country which led to the war and the 1995 Srebrenica genocide. The Constitutional Court ruled several times that the holiday is unconstitutional. The last such ruling was in March. The reason stated was that the celebration falls on the same date as an Orthodox religious holiday, and celebrating it is, therefore, discriminating against the mostly

Bosniaks and the mostly Catholic Croats. RS leadership, however, had organized a referendum in the entity in 2016 at which the predominantly Serb citizens voted in favor of January 9th staying the date for the holiday. The semi-autonomous entity then adopted a Law on the holiday which says it will take place on that date. (www.ba.n1info.com)



The RS President, Zeljka Cvijanovic during celebration of January 9th, 2020

(Photo source: www.predsjednikrs.net)

- January 10th, the Head of Mission of Bosnia-Herzegovina to NATO, Ambassador Mitar Kujundzic, presented credentials on Friday to NATO Secretary General Jens Stoltenberg. Following the ceremony of delivering credentials, Kujundzic and Stoltenberg discussed current relations between BiH and NATO. On this occasion, Stoltenberg welcomed the fact that on December 24th, 2019, BiH submitted a Reform Program which defined the continuation of cooperation between BiH and NATO. (www.sarajevotimes.com)

- January 11th, Bosnia's entities are not states regardless of how often one claims otherwise, international community's High Representative in Bosnia Valentin Inzko said on Saturday, stressing that “*false claims*” about the statehood of Republika Srpska, one of two semi-autonomous

entities, “will therefore be reported to the UN Security Council.” The statement comes after Republika Srpska celebrated its day on January 9th, the date that Bosnia's Constitutional Court declared unconstitutional, as it falls on an Orthodox religious holiday and therefore favors only one ethnic group living in that entity. Besides the disputable celebration, the holiday was also marked with statements and actions that the High Representative called “deliberately erroneous.” “Celebrating the RS Day on January 9th shows a clear disregard for the rule of law and open contempt for decisions of the Court. The BiH (Bosnia and Herzegovina) Constitutional Court addressed the compatibility of January 9th as the RS Day with the BiH Constitution and found it unconstitutional,” he recalled. Reiterating that he does not oppose the RS Day “as long as it is organized and celebrated in accordance with the existing laws,” the High Representative stressed that “respect for the rule of law is a prerequisite for any modern society” and is not an “a la carte option.” (www.ba.n1info.com)

COUNTRY ASSESSMENT :

The newly established Council of Ministers of BiH is functional and it is expected to accelerate reform process especially in the field of economy, rule of law, human rights, and fight against corruption. Adoption of the 2020 state budget is a significant step that the Council should forward in order to allow the state's institutions to become functional. Political instability, poor economic performances, entities' rivalries, and problematic framework of state's structure (due to Dayton Accord) have left Bosnia far behind other Western Balkan countries towards the EU. NATO is a feasible goal but only due to geopolitical and

geostrategic reasons (mainly because of the Russian threat of penetration in the region) and not because of achieving the Alliance's standards. Despite the Council of Ministers establishment political situation in the country remains unstable due to the complicated decision-making and governance system, which blocks almost every political action due to entity's interests. Furthermore, nationalistic rhetoric and actions from the three entities creates certain conditions of mutual mistrust and work as a factor of potential destabilization. At the moment Bosnia is considered as a potential source of instability in the whole region of Southeast Europe. Neighboring Croatia and Serbia keep on intervening in Bosnia's internal affairs, while Muslim countries such as Turkey, Saudi Arabia, Qatar, and Iran maintain a permanent presence through financial donations and investments.



BULGARIA: January 7th, Bulgaria's Ministry of Defense has written to 24 companies in the country and abroad, inviting them to bid to supply 22 drones for use by the military for tactical reconnaissance. The estimated value of the deal is about 12.7 million euro, and is made up of two lots. The first lot involves the supply of 12 mini drone systems, with delivery of the first four in 2020 and the rest by the year 2024. Spending on this lot is estimated at 10.8 million leva. Of this batch, two should have a maximum range of 120 km. The second lot is for two unmanned small flying systems, at an envisaged price of about 14 million leva, with delivery for the first one in 2020 and the second in 2021. The companies approached include ones in Bulgaria, Israel, the United States and various parts of Europe. Some of the companies previously have

participated in other military modernization projects in Bulgaria. The deadline for the submission of bids is mid-February 2020. The main criteria for the choice of winning bidder will be price and warranty. The project involving the acquisition of F-16 fighter jets for the Bulgarian Air Force envisages a tie-in with drone production, but there is no clarity on this yet. (www.sofiaglobe.com)

- January 8th, Prime Minister Boyko Borissov and US Ambassador Herro Mustafa open the first session of the Bulgaria - US Strategic Dialogue. Global issues, topics in the fields of defense, security, economy, trade, energy, the rule of law will be discussed in separate panels within the forum. Borissov's meeting with US President Donald Trump at the White House on November 25th, 2019 confirmed the strategic nature of Bulgaria's partnership with the US. The focus of the forum will be to establish excellent security and defense relations, both bilaterally and within NATO. Emphasis will also be placed on further deepening of trade and economic relations between Bulgaria and the US. In 2018, bilateral trade in goods increased by 36%. Preliminary data from the Ministry of Economy for the period January - September 2019 show a new, 3.7%, increase in bilateral trade on an annual basis. Cooperation with the US in the field of energy and the implementation of priority infrastructure projects in the sector so that Bulgaria retains its key role on the gas map of Europe will also be discussed on the event. (www.novinite.com)

- January 8th, Bulgaria's Cabinet gave its approval for state-owned gas grid operator BULGARTRANGAZ to take a 20% stake in the proposed liquefied natural gas (LNG) terminal near Alexandroupolis, in northern Greece.

BULGARTRANGAZ will acquire the stake from GASTRADE, the company developing the project, but no financial details of the transaction were disclosed. The Government statement said only that BULGARTRANGAZ was authorized to carry out "*investment spending*" corresponding to its 20% stake. The terms of the agreement were signed on January 8th, 2020 by GASTRADE board Chairperson Elmina Copelouzou and BULGARTRANGAZ Chief Executive Vladimir Malinov, the Greek company said. The Cabinet said that the state-owned gas company BULGARGAZ would also participate in the binding offers stage of the project's market test, seeking to reserve between 300 million cubic meters and 500 million cubic meters of the LNG terminal's capacity a year. The gas would be shipped from the LNG terminal into Bulgaria using the gas inter-connector pipeline currently under construction as a joint venture with Greece's gas company DEPA, which also holds a 20% stake in the Alexandroupolis LNG terminal. To secure LNG deliveries, a Bulgarian delegation that will include Energy Minister Temenouzhka Petkova and senior executives from BULGARTRANGAZ and BULGARGAZ will travel to the US to meet with prospective suppliers, Prime Minister Boiko Borissov said earlier in the day, after meeting with a US delegation for high-level strategic dialogue talks. In a statement, the US Embassy "*welcomed Bulgaria's recent action to acquire a 20% ownership stake in and consider booking capacity*" in the Alexandroupolis LNG terminal. The LNG floating terminal is set to be moored 10 km off the Greek coast near Alexandroupolis and will have a maximum daily regasification capacity 22.7 million cubic meters. It is slated to

begin operations in 2022, GASTRADE said. (www.sofiaglobe.com)

COUNTRY ASSESSMENT █ :

Boyko Borissov's Government is stable. However, a "lack of water" crisis in the city of Pernik has emerged lately which finally led in resignation of the Minister of Environment and Water, Neno Dimov. Corruption and organized crime remain significant obstacles for the country's development and should be addressed decisively. The country pays special attention to energy security developing several projects. Modernization of Armed Forces is a top priority for Bulgaria and huge armament projects are ongoing (fighter jets, armored vehicles, vessels etc). However, military operational capability of the state is questioned especially in the Air Force. Bulgarian Armed Forces are far from NATO standards.



CROATIA:

January 6th, Independent Democratic Serb Party (Samostalna Demokratska Srpska Stranka – SDSS), Milorad Pupovac said that it is less important how he will cooperate with the newly elected Croatian President than what cooperation will be developed between Zoran Milanovic and the current Government. That is of great importance and need for Croatia, said Pupovac on Monday, expressing hope that he shares the feeling of the majority of Croatian citizens considering the messages sent by the President-elect Milanovic and incumbent President Kolinda Grabar-Kitarovic upon the completion of the presidential runoff on Sunday evening when they called for dialogue and understanding. That means, the ethnic Serb leader believes, that the

society should live in an atmosphere of dialogue and understanding “because we have spent too much energy on conflicts, arguments and they have not brought anything good.” The SDSS Chief expects Croatia to achieve that sort of political culture, that type of political responsibility, to share political responsibility between the Government and President. Pupovac recalled that the status of Serbs in Croatia was described by the Serb National Council (SNV) President Boris Milosevic when he spoke about some unfortunate events for the Serb community in Croatia in 2019. All of us who are at the helm of the Serb community will do our best to open the channels and bridges so as to prioritize communication and relations between Croatia and Serbia, between the Serbs and Croats, said Pupovac. (www.hr.n1info.com)

- January 10th, the Democrats, a parliamentary party led by former Social Democrat Mirando Mrsic, warned on Friday about the possibility of the opposition Social Democratic Party of Croatia (Socijaldemokratska Partija Hrvatske - SDP) and the ruling Croatian Democratic Union (Hrvatska Demokratska Zajednica – HDZ), forming a grand coalition. Mrsic used the opportunity to call on left-leaning parties to oppose the potential move and support a wider like-minded platform for a more modern and open Croatia. “Zoran Milanovic's victory shows in the best way what left-wing parties should do to win parliamentary elections. We should come together and work together to remove HDZ from power,” Mrsic said. The Democrats believe that the SDP has not recognized the importance of rallying left-wing opposition parties, while offering cooperation to the HDZ and Andrej Plenkovic, thus creating conditions for a post-election

coalition with the HDZ. *“Participating in the elections together is the only way to prevent a grand coalition between the HDZ and SDP and the continuation of the plunder of Croatia,”* said the party. The party called on left and center-left parties to rally around a program for a modern and open Croatia where competence and hard work rather than party membership would be the recipe for success. For his part, SDP lawmaker Domagoj Hajdukovic said *“never under any circumstances there will ever be a grand coalition.”* (www.glashrvatske.hrt.hr)

- January 11th, purchase of fighter jets for the Croatian Air Force will be decided by the next Government, the Jutarnji List daily of Saturday reports, noting that there is no information on the financial framework of the project and that the Commission in charge of procuring the jets had still not discussed where pilots would be trained. The Director-General of the Israeli Defense Ministry, Udi Adam, confirmed on January 10th, 2019 officially in Zagreb that Israel could not sell Croatia its F-16 “Barak” jets as it could not obtain Washington's approval for the deal. A year later, by all accounts, Croatia is further away from buying a new generation of combat aircraft than it was a year ago, says the daily. If the Commission were to send its request for final offers today, the bidders would need five to six months to compile their offers, which would be followed by an analysis of the bids, to last several months. And that is the time of the campaign for parliamentary elections when the Andrej Plenkovic Government will be a caretaker Government which should not make any crucial decisions such as the purchase of military aircraft. That means that the process of decision-making and contracting is shifted to the next Government and the year 2021, which puts

the Air Force in a difficult position, says the daily. The Air Force has only eight fighter jets, of which four-five are operational. Also, the lifespan of its MiG jets starts to expire in 2023, when their landing will start. That was why the end of 2023 had been announced as the final deadline for the arrival of new planes, which now seems impossible. It is also very questionable which of the bidders is capable of delivering at least some of the total of 12 planes to be bought, in a period of less than two years, says the daily. (www.hr.n1info.com)

COUNTRY ASSESSMENT :

The country enjoys political stability. An interesting question is coexistence of the new President, Zoran Milanovic backed by the opposition SDP, with the prime Minister, Andrej Plenkovic and the ruling HDZ. Although, the Croatian President has more or less a ceremonial role, it is assessed that he will try to push the Government giving it some “hard time.” The country took over the EU Presidency and it will have a six month period to implement its political agenda. The country received a positive recommendation by the European Commission for implementing all necessary criteria for entering the Schengen Zone. However, the final political decision by the member states requires a unanimous vote and it is expected to become a field of confrontation between Croatia and Slovenia. Slovenia has already expressed its intention to block Croatia’s accession to the Schengen Area due to their border dispute. However, Croatia expresses confidence that finally it will get full support (Slovenia including) for entering the Zone. However, Croatia insists on claiming that the arbitration rule is not valid and

the dispute should be resolved through bilateral negotiations; a position which is unacceptable for Slovenia. Croatia implements a hard-line foreign policy with its neighboring countries maintaining open disputes with Bosnia, Slovenia, and Serbia. Top officials do not hesitate to openly interfere in Bosnian domestic affairs in the name of Bosnian Croats as aforementioned. 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: January 9th, Nicosia said Cyprus accepted a request from Washington regarding the arrival of an American Rapid Deployment Forces unit in case of an emergency, amid rising tension in the region following the US assassination of Iranian General Qassem Soleimani in Iraq last week. An official statement said the Cypriot Government gave its consent for the temporary stationing of a rapid response unit, which would be tasked with a mission to evacuate US diplomatic personnel and US citizens, should the need arise. The Cyprus News Agency later cited a source saying the US request did not have anything to do with using the island as a launching pad for “military operations.” State-funded broadcaster RIK News aired Thursday morning video footage of a C130 airplane and 5 or 6 Chinook helicopters over Paphos, saying the aircraft landed and were on stand-by at Andreas Papandreou air base adjacent to Paphos International Airport. (www.ekathimerini.com)

- January 10th, the UN Secretary-General Antonio Guterres has recommended the extension of the

UN peace-keeping force’s mandate for six more months, until July 31st, 2020, reiterating his commitment to explore the possibility of convening an informal five-party meeting with the island’s leaders and the guarantor powers. “*In this regard, I again urge the leaders, the guarantor powers, and other interested parties to make productive use of the coming period,*” Guterres said in his report on UNFICYP, an unofficial copy of which was handed over on Thursday evening to UN Security Council members. The Security Council will be briefed by the UN Secretary General’s special representative in Cyprus on January 20th, 2020 while the adoption of the resolution has been scheduled for January 30th, 2020. In the meantime, Foreign Minister Nikos Christodoulides said on Friday that the Government has discussed several scenarios if a solution is not found and UNFICYP withdraws. “*If it continues to remain an unresolved problem, for certain UNFICYP will not continue its presence here,*” Christodoulides told state broadcaster CyBC. He said, his Ministry in cooperation with those of Defense and Interior and the Police, have done tabletop exercises on this scenario or reduction of the force. He gave no further details. But for the time being, the presence of UNFICYP is more or less certain. Guterres said that he continued to monitor developments relating to hydrocarbons closely and with concern. “*I have repeatedly stressed that the natural resources found in and around Cyprus should benefit both communities and constitute a strong incentive for all parties to find a mutually acceptable and durable solution to the Cyprus problem,*” Guterres said. (www.cyprus-mail.com)

- January 11th, developments in the region, EU – Turkey relations and the Cyprus problem are

expected to be discussed, among other issues, during a meeting tomorrow between the Foreign Ministers of Greece and Cyprus, with the aim of making “*certain very specific moves in the immediate future,*” Cyprus’ Foreign Minister Nicos Christodoulides said on Sunday. In statements, in Limassol, Christodoulides, who is set to officially visit Greece on Monday, said the meeting with his counterpart Nikos Dendias would be important and an opportunity “*together with technocrats from both sides, to discuss in depth not just developments in the region, which are very important and affect the two countries but also relations between EU and Turkey, Turkey’s future, the Cyprus problem and all matters which concern the two countries.*” The goal, he added, was to decide on “*certain very specific moves in the immediate future.*” “*I consider the meeting with the Greek Foreign Affairs Minister as particularly important, taking into account the crucial nature of these moments,*” he noted. Christodoulides also referred to a meeting on Tuesday at the Ministry of Foreign Affairs with the US Assistant Secretary of Consular Affairs Carl Risch, with the participation of Cyprus’ Interior and Justice Ministers. The aim, he said, “*is to review situation on the negotiations in the matter of ending the need for a visa for holders of Cypriot passports for the United States and to discuss the next steps. The ultimate goal is to reach the desired outcome within 2020.*” (www.cyprus-mail.com)

COUNTRY ASSESSMENT ■ :

Cyprus conducted an excessive diplomatic initiative by informing regional countries of the current situation in eastern Mediterranean and more specific about the Turkish actions and the

agreements with Libya. Although it tries to establish defense relations with other countries aiming to balance its military deficit it is rather unlikely to see a foreign military force or coalition to defend Cypriot sovereign rights. In other words, Cyprus is obliged to protect its sovereignty if it is necessary (with the potential support from Greece). Turkey is determined to establish its presence in the region and especially within Cypriot Exclusive Economic Zone (EEZ) claiming the Turkish Cypriot community rights. It maintains a significant military force on the island (Army Corps seize) and it reinforce it with modern systems such as UAVs. Lift of arms embargo by the US administration and the sign of EastMed pipeline between Cyprus, Greece and Israel may escalate tension in the near future. Turkey continues its invasion in Cypriot Exclusive Economic Zone (EEZ) with YAVUZ drillship challenging the state’s sovereignty. Lack of military power and more specifically aeronautical power is critical for Turkish uncontrolled action within Cypriot EEZ. As long as tension remains in eastern Mediterranean, there is always a high risk of an armed “hot” incident or a conflict. It is certain that Turkey will not accept “fait accompli” in a region considered as part of its strategic interests. The Cyprus – US upgraded relations are confirmed in the field; American military units requested stationing in Cypriot ground and Cyprus accepted the request. Transport aircrafts and helicopters landed in the Pafos air-base. Besides, the US considers lifting of visa restrictions for Cypriots. Taking into consideration that the recent law on lifting arms embargo for Cyprus requests ban of Russian ships docking in Cypriot ports, one could realize that Cyprus has upgraded into an advanced military base of the US. As long as part of Cyprus

remains under Turkish occupation and Turkish troops (equipped with heavy weapons) are deployed in the island, Cyprus faces an existing direct threat against its national security and sovereignty.



GREECE: January 8th, the US President Donald Trump hailed his country's close relations with Greece as he welcomed Prime Minister Kyriakos Mitsotakis at the White House on Tuesday. As the meeting got under way, Trump said the two countries are *"doing a lot"* together and will continue to do so. *"We have many things to discuss, the relationship is really extraordinary, as good as it can get. We are doing a lot of things together militarily; we are also doing a lot of trade. Greece has done a tremendous comeback, we have worked with them very closely,"* he said. Mitsotakis said Greece is *"very much interested"* in participating in the F-35 program. He said the maritime border agreement between Libya's Tripoli-based Government and Turkey *"infringes upon Greece's sovereign rights."* *"We are very much looking to your support... because it is a very important issue for my country,"* he told Trump. Asked if he will talk to Turkish President Recep Tayyip Erdogan about the issue, the US President gave a general answer. *"We are talking to him and we are discussing with many other countries... about that subject specifically. We will be talking to Russia – many countries are involved. It is now a mess... and they know where we stand,"* he said. Earlier in the day, during an event at the Washington-based think tank Atlantic Council, Mitsotakis suggested that Greece is leaving behind its crisis years and *"looking to aggressively attract foreign direct investment"* as it is a reliable ally in an unstable

region. Asked about his visit to the US, Mitsotakis said it is an opportunity *"to set new, more ambitious targets"* to boost cooperation in the areas of defense, economy and energy. *"We are coming at a time of great geopolitical turbulence but also at a time when the Greek-American relationship is, in my mind, the best it has ever been,"* he said at the Atlantic Council. *"This is a very, very important relationship to Greece."* Describing the relationship as one with *"strategic depth,"* he said Greece has always been a *"very reliable and dependable partner"* of the US in a complex region. Mitsotakis described the Turkey - Libya deal as *"geographically ridiculous"* as it disregards the presence of Crete. *"You just need to look at the map to understand that there is no connection between Turkey and Libya,"* he said. Greece and Turkey have their differences, he said, while adding that Athens is *"open"* to going to the International Court of Justice at The Hague over maritime border disagreements. As for the EastMed pipeline deal between Greece, Israel and Cyprus, he said it is *"an ambitious long-term project"* that will bring gas into the European markets. *"For the next 30 years at least, natural gas will be the transition fuel that will allow Greece to move toward a carbon-neutral Europe."* In a meeting earlier, Mitsotakis met with International Monetary Fund Managing Director Kristalina Georgieva, announcing afterward that the IMF office in Athens would close. He also called for a lowering of primary surplus targets from 2021. (www.ekathimerini.com)



Greek Prime Minister visit to the White House

(Photo source: www.primeminister.gr)

- January 8th, Foreign Ministers of Greece, Cyprus and Egypt, Nikos Dendias, Nikos Christodoulides and Sameh Shoukry, along with their French counterpart Jean-Yves Le Drian, jointly denounced on Wednesday two memorandums of understanding signed between Turkey and the Tripoli-based Government in Libya as illegal and invalid. The joint statement condemning the Memorandum of Understandings (MoUs), which include an accord designating maritime boundaries and military cooperation between the two countries, was issued in Cairo during a summit of the four countries' Foreign Ministers and Italy's Luigi Di Maio, who attended as an observer. It said the maritime delimitation pact between Turkey and Libya is not in accordance with international law, produces no legal consequence and violates the sovereign rights of states in the region. It also condemned Turkey's "illegal actions" in Cyprus' Exclusive Economic Zone. The four Ministers said they will continue this format of consultations and that their next meeting will take place on Crete. "It goes without saying that countries which understand that international law must be the code of conduct are discussing and taking initiatives," said Dendias, who also lauded the presence at the summit of his French counterpart Le Drian "and his clear position, both at the meeting and after." (www.ekathimerini.com)

- January 9th, Defense Minister Nikos Panagiotopoulos said on Thursday Greece is interested in acquiring a squadron of US-made F-35 fighter jets in the coming years as part of its plan to reclaim its superiority over Turkey in air defense. Speaking on Skai TV, the Minister said the upgrade of the Hellenic Air Force's F-16 to the "Viper" version will be starting in the coming days, adding that the process will take about seven to eight years. Panagiotopoulos also said that Greece will respond "dynamically" to any challenge to its sovereignty and confirmed Kathimerini's report that the US plan to take initiatives to defuse tensions with Ankara following Prime Minister Kyriakos Mitsotakis' meetings with the US leadership, Senators and lawmakers in Washington in the past few days. Asked on the initiatives, the Minister said they do not necessarily include President Donald Trump calling Turkish President Recep Tayyip Erdogan, but may involve other channels of communication. (www.ekathimerini.com)

COUNTRY ASSESSMENT :

Greece enjoys political stability focusing on strengthening economy and imposing law and order. However, the election of the state's new President (in Greece the President is elected by the Parliament; not directly by the people) may become a source of political instability leading to early elections (a rather unlikely scenario). At the moment, the country faces several diplomatic, security, defense, economic and energy challenges. Migration could be considered as a major security issue which threatens internal stability of the country. Greece is in the forefront of the migrant flows which continue to arrive in the Greek islands of eastern Aegean Sea.

According to the UNHCR statistical data 74,482 migrants arrived in Greece in 2019. The Government introduces a new law on migration and asylum seekers aiming to control the problem, reduce arrivals and improve migrants living conditions. Local communities strongly react in construction of new facilities claiming that migrants change demographic balance of their place, increase criminality and create conditions of local turbulence. It is not expected that situation will improve in the near future and illegal migration remains an unsolved problem. The Prime Minister's visit to the US was a significant issue with controversial results. The US President Donald Trump and top officials reaffirmed strong strategic relations between the two countries. However, the US avoided sending a clear message against Turkish actions in Eastern Mediterranean and Aegean Sea. It should be clear that the US maintain equal distance from Greece and Turkey since both countries considered as allies and also both countries are located in critical location regarding the US geostrategic interests. The Greek Prime Minister promotes de-escalation of tension between Greece and Turkey and diplomatic resolution of the bilateral problems. He reiterated once again that Greece is open in going to the International Court of Justice for bilateral maritime borders dispute. In this context, the US has undertaken an initiative for de-escalating tension and the Foreign Minister, Mike Pompeo is expected to visit Greece and Turkey in the near future. According to media sources, Pompeo's mediation will focus on Exclusive Economic Zones (EEZ) dispute. It is a "tricky" issue since Greece acknowledged only delimitation of continental shelf as a disputed bilateral issue between Greece and Turkey. EEZ is something different and

consequently we notice a slight change of Greek diplomatic stance. Moreover, delegations of Greek and Turkish Foreign Ministries were met in Ankara for political consultations. Although de-escalation is promoted in political level, nothing has changed in Turkish activity. Turkish fighter jets continue to violate Greek airspace overflying islets in the Aegean. Turkish rhetoric has not changed and remains highly provocative regarding Greek sovereign rights. Turkish – Libyan MoU is in effect and there is still open the possibility of Turkish drillships to appear south of Crete island for drills within the Greek EEZ. Moreover, there is always a high possibility of a hot incident in the Aegean Sea. It is assessed that it is more possible a narrow incident in an islet (Greece has thousands of them) instead of an excessive war. Besides, the armed conflict will take place in limited time (no more than 72 to 96 hours) engaging a large number of land, naval and air forces and weapons in a rather narrow operational field. It is assessed that Turkey will avoid engaging troops in big Greek islands for several civil-military reasons. Of course Greece promotes regional cooperation aiming to strengthen its geostrategic and geopolitical position. Under the current situation in Eastern Mediterranean and Aegean Sea Greece is obliged to strengthen and modernize its Armed Forces operational capability. The Greek Defense Minister, Nikos Panagiotopoulos announced that the country will purchase a squadron of 5th generation fighter jets F-35 (20 to 24 aircrafts) aiming to change balance of air superiority in the Aegean Sea. Currently, Greece focuses on naval units, upgrade of fighter jets, UAVs and follow on support agreements. Taking into consideration the ongoing provocations in the Aegean Sea and the complicated current situation in Cypriot EEZ

and eastern Mediterranean in general, security situation is of high risk due to an accidental or preplanned incident by Turkey.



KOSOVO: January 8th, Albin Kurti's Self-Determination (Vetevendosje) movement said on Wednesday that it would inform Kosovo President Hashim Thaci who will form a new Government in the next few days. "The Vetevendosje party will submit its nomination for Prime Minister in the next few days in writing to the President," a press release said. Vetevendosje is the strongest party in Parliament following the October elections but does not have enough MPs to form a Government on its own and has been negotiating with second-placed Democratic League of Kosovo (Lidhja Demokratike e Kosovës - LDK). (www.rs.n1info.com)

- January 10th, Kosovo President Hashim Thaci is pushing leader of Self-Determination (Vetevendosje) movement, Albin Kurti to form a new Government after his party won October elections. Thaci wrote a letter on Friday to Kurti asking him to act quickly or "make way" for others to form Government as Kurti is struggling to create majority and he continues his talks with the Democratic League of Kosovo (Lidhja Demokratike e Kosovës - LDK). Thaci asked Kurti to inform him whether the Vetevendosje is ready to propose the Prime Minister's name or reject the mandate to form a Government, in order, as Thaci said in his letter, "to proceed with giving mandate to someone else," referring to the Constitutional Court. "As a President of the Republic of Kosovo I am obliged to take actions without further delay, by respecting all constitutional steps in order for citizens of Kosovo to have their Government as soon as possible,"

Thaci wrote in his letter sent to Kurti. "Considering democratic principles, transparency and political right, I gave you the chance and asked continuously to propose a candidate for the Prime Minister," Thaci wrote to Kurti, reminding him a Constitutional Court ruling which "does not exclude that a party or coalition which wins the election to reject the mandate to form new Government." The Vetevendosje despite winning elections lacks majority to form new Government alone and is negotiating a potential coalition with the LDK headed by Isa Mustafa. After three months of negotiations the two parties which won elections have not reached an agreement on sharing powers in new Government. Thaci met on Monday candidate for Prime Minister Kurti and mandated him to form a new Government. After the meeting Thaci said that he gave Kurti a 48-hours deadline to come with a proposal, a deadline which expired on Thursday. But Kurti said that Thaci has never mentioned any deadline during a meeting on Monday adding that the President cannot give deadlines on establishment of new institutions. (www.gazetaexpress.com)

- January 10th, First Deputy Head of LDK, Agim Veliu, told Gazeta Express that is up to Vetevendosje to find a solution on co-governance. He confirmed that no meeting will be held today between leaders Albin Kurti of Self-Determination (Vetevendosje) movement and Isa Mustafa of LDK. Veliu says Kurti's party as winner of elections should find a model acceptable to them. He also confirmed that the two parties are disagreeing over the Speaker's Post. "The LDK has lost the election is not the leading party, we should wait for the Vetevendosje which is responsible to form the Government," he said. Vetevendosje and LDK

met for three days in a row after a two-week recess in an attempt to finalize the coalition agreement. But negotiations have stalled after the Vetevendosje has refused negotiating the position of the Parliament Speaker, which has been already occupied by the second most voted member of the Vetevendosje, Glauk Konjufca, during constitutive session of Parliament held on December 26th, 2020. (www.gazetaexpress.com)

COUNTRY ASSESSMENT :

Kosovo faces a long political uncertainty since no Government has been formed yet. Following October 6th, 2019 elections, the winning Vetëvendosje movement is in talks with LDK to form a Government but they cannot reach an agreement. It seems that the main point of disagreement is the Kosovo President post. LDK leader Isa Mustafa seeks to get this position for his party, while Vetëvendosje leader Albin Kurti does not agree. However, it is assessed that the coming week the new Government will be announced, either with LDK participation or not (minority Government of Kurti). President Hashim Thaci is pushing Kurti to accelerate the whole procedure and to form the Government eventually. If Kurti does not achieve to establish a Government this week then new elections is very likely to be held. There is some tension lately between Kosovo and Albania due to the latter's participation in the "mini-Schengen" scheme and cooperation with Serbia. Thaci urged the Albanian Prime Minister to abolish borders between the two countries, but Rama has rejected the idea raising concerns in Pristina. Although there are several agreements between Albania and Kosovo regarding bilateral trade, custom controls and free movement of people and goods

Albania is reluctant to fully implement them facing complaints by the Kosovo side. Regarding Belgrade – Pristina dialogue it is assessed that it is rather difficult to restart in the near future since Serbia is entering in pre-electoral period. It is possible to see a couple of "reconnaissance" meetings between the two sides but without tangible results. Besides, potential Prime Minister, Kurti has stated that he seeks to re-negotiate all previous agreements signed with Serbia; a view that may cause several troubles in the negotiation process with Serbia. In general, Kurti has a total different approach in talks with Belgrade which is not necessarily negative. Besides, nothing has achieved so far. Although he expresses nationalistic views he looks ready to compromise and it is assessed that his statements are more or less populist tricks to gain citizens' support. However, his statements regarding Kosovo Serbs have raised concerns for stability in the north. Kosovo lacks determination over its critical reforms which will establish rule of law and modern functional administration in the country. 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.



MOLDOVA: January 10th, Parliament Speaker Zinaida Greceanii, in an interview, has said that the status of associate country with the EU, held by Moldova, did not represent an obstacle to the cooperation with the Eurasian Economic Union (EAEU). "After getting the status of observer within the Eurasian Economic Union in 2017, the Moldovan state became a more active participant in all events of

this structure and this does not run counter the status of associate country with the European Union, held by Moldova,” the Parliament Speaker said. According to Greceanii, the Moldovan state is willing to deepen cooperation with the EAEU and to develop the multi-vector economic policies. *“Moldova has the advantage that it is member of two free trade areas – European Union and Commonwealth of Independent States,”* Zinaida Greceanii added. (www.moldpres.md)

- January 10th, the European Court of Human Rights (ECHR) ruled on Thursday that Russia has violated human rights and the right of freedom and security in the breakaway Moldovan region of Transnistria, which it has de facto controlled since it broke away from Moldova in 1992. The ruling relates to the arrest of a young man by the Transnistrian secret services in 2010 and his subsequent jailing for espionage. Ilie Cazac was detained on March 19th, 2010 and accused of *“high treason and espionage on behalf of Moldova.”* Cazac was then working for the tax Inspectorate in Tighina, a town in Transnistria. In June that year, his parents went on a protest hunger strike in front of the Russian Embassy in the Moldovan capital, Chisinau, accusing the Russian authorities of bearing ultimate responsibility. Stela Solticean, his mother, said on camera at the time that the men who had arrested her son were *“Russian citizens who have to assume responsibility in his case.”* Cazac’s father claimed that the Transnistrian secret service officer who interrogated his son was also a Russian citizen. His parents had no access to their son before his sentencing on February 9th, 2011, when, after a closed-door trial, and after being deprived of the right to a lawyer or a meeting with

relatives, he was given a 14 year prison sentence. The parents, lawyers from the Promo-LEX Association and several international organizations took up the case and campaigned for his release, which occurred on October 31st, 2011, when the then leader of the separatist region, Igor Smirnov, officially pardoned him. The Strasbourg Court fined Russia 42,000 euro in moral damages and awarded the plaintiffs 4,000 euro in costs and expenses for their legal representation. Over the past years, the Transnistria intelligence agency has carried out several abductions, some of them even in Chisinau, with the apparent complicity of the Moldovan authorities, an investigative story by the media outlet RISE Moldova claimed. The breakaway region declared independence after a brief war in 1992 and numerous attempts to bring about its reunion with Moldova since then have failed to achieve anything substantial. (www.balkaninsight.com)

- January 11th, Democratic Party of Moldova (Partidul Democrat din Moldova - PDM) MP Andrian Candu said in an interview that his party could form a majority parliamentary coalition with both the Party of Socialists of the Republic of Moldova (Partidul Socialiștilor din Republica Moldova – PSRM) and ACUM [Dignity and Truth Platform Party (Partidul Platforma Demnitate și Adevăr - PPDA) and Party of Action and Solidarity (Partidul Acțiune și Solidaritate - PAS)] Block. *“We do not exclude any political cooperation, nor left nor right. Until we reach the moment when we decide whether we will participate in the Government or we will remain in opposition, we will continue to support the policies of Chicu Government, we will come up with critical approaches, if time will show*

them,” said Candu. At the same time, he said that PDM is not participating in the Government, but supports the executive led by the Prime Minister, Ion Chicu. “*We do not participate directly or indirectly in the governing. We are in opposition, but at the same time, we support Chicu Government, as long as this executive will meet its commitments to the PDM, when we voted for this cabinet of Ministers,*” Candu said. (www.moldpres.md)

COUNTRY ASSESSMENT :

The country enjoys relative political stability since the President Igor Dodon achieved to establish his own Government putting aside the pro-western ACUM block. The country definitely follows a pro-Russian orientation, although it declares that it seeks to join the EU (some day). Due to its strategic geographic position, Moldova has become a field of rivalry between Russia and the US and NATO. The country lacks economic growth, while corruption is in high rates. Russia maintains troops in Transnistria which are considered by pro-western forces as violating Moldovan sovereignty. The frozen conflict of Transnistria is always a “running sore” for the country working as a potential factor of destabilization.



MONTENEGRO: January 8th, Montenegro’s controversial new religion law came into effect on Tuesday, and gives the Property Directorate a year – until January 8th, 2021 – to compile a register of all religious sites in the country. The hotly disputed law, which has ignited mass protests, includes a register of all religious buildings and sites that authorities say were owned by the independent kingdom of

Montenegro before it became part of the Serb-dominated Kingdom of Serbs, Croats and Slovenes in 1918, later renamed Yugoslavia. Under the law, religious communities must provide clear evidence of ownership in order to retain their properties, a provision that the Serbian Orthodox Church – the largest faith group in the country – says is designed to strip it of its holdings. Once the register of sacred sites is complete, the Property Directorate may submit requests to register some of these objects as state property, and inform the religious community about that request. “*The religious community can continue to use a particular cultural property even after the registration under state ownership of that property, until the decision of the state body responsible for deciding on the use of those objects and land,*” the law states. Protests against the law have been motivated by a fear that the pro-Western Government – which relations with the Serbian Orthodox Church are poor – will use it to dispute the Church’s assets and so weaken its influence. However, some elements in the Church are sounding keen to downplay talk of violent conflict. The Coordinator of the Serbian Orthodox Church’s Legal Council, Velibor Dzomic, on Tuesday said the Church does not see itself as above the legal order in Montenegro, and merely wants dialogue about the law re-opened. “*Nobody is starting a war here. I believe that dialogue should be opened urgently, in a professional, responsible manner, to bring key issues such as these property disputes to an exclusive legal resolution,*” Dzomic told Prva television on Tuesday. Since Parliament adopted the law on December 27th, 2019 tens of thousands of Serbian Church priests and believers have protested in Montenegro almost every night, demanding that the Government withdraw the law. However, the

Council of Serbian bishops in Montenegro announced a three-day break in demonstrations over Orthodox Christmas, after which they called for peaceful walks and processions to be held twice a week in towns and cities until the law is withdrawn. Church representatives have meanwhile announced appeals to international organizations and the Constitutional Court of Montenegro over the law. Some lawyers have defended the new law, saying it is highly unlikely that the state will use it to abduct the property of religious communities and wishes only to determine its origin. (www.balkaninsight.com)

- January 11th, we have ensured full protection of Montenegro's territorial integrity and independence by joining NATO and completing the process of integration of the Armed Forces of Montenegro into the Alliance last year, Montenegro's Defense Minister, Predrag Boskovic stated. This, as well as the fact that in 2019, capabilities and capacities of the Army were boosted, increased credibility of it [the Army] and the state. Special attention, Boskovic added, should be paid on the modernization of the Armed Forces of Montenegro having in mind that last year they concluded many contracts on the procurement of 67 light armored all-terrain vehicles. Another important fact is that they [the Ministry of Defense] started the renovation of the Army barracks. *"In the next few years, they will be renovated, which means the members of the Army will get a new space so that they can use it to perform their activities in the highest possible manner,"* Boskovic said. (www.cdm.me)

- January 11th, thanks to an undersea power cable, Montenegro managed to link the Western Balkans and the EU and thus directly entered the electricity market, which would positively affect

the electricity price paid by consumers, the Dean of the Faculty of Electrical Engineering of the University of Montenegro, Sasa Mujovic, told in an interview with Dnevne Novine daily. He pointed out to the fact that the Electric Power Company of Montenegro, EPCG, has been the only electricity supplier in Montenegro so far, but now the circumstances have changed. *"The so-called deregulated electricity market is being created, where as an end-consumer, you will be able to choose from whom you will buy electricity. One of the powerful mechanisms for entering that market is precisely the undersea power cable,"* Mujovic said. He emphasized that citizens will feel the benefits of the undersea cable immediately, as its co-owner is the Montenegrin Electric Transmission System, CGES. In addition, a space for the new energy suppliers is to open and every consumer (household) will have the right to choose his preference. *"Of course, in choosing the supplier, the quality and price of the electricity offered will be of crucial importance,"* Mujovic noted. (www.cdm.me)

COUNTRY ASSESSMENT :

Although Montenegro has a strong Government, the country lives political uncertainty and instability. The Parliament does not work effectively since opposition boycotts its works, politicians are imprisoned and media are fully controlled by the ruling party. Besides, the new law on religious freedoms has deteriorated situation provoking harsh reactions by Serbian Orthodox Church; the large religious group in the country. Montenegro promotes a stable and ideal investment environment, but the truth it is not so "bright". Corruption, smuggling and money laundering are dominated in the country setting

significant obstacles and risks for every investor. Besides, such situation has strongly affected progress of accession negotiations with the EU, which avoided opening a new chapter in the process. Montenegro needs more concrete reforms in the field of justice, rule of law, fight against corruption, money laundering, and organized crime, public administration transparency and accountability in order to become a stable and attractive investment environment. Russian influence continues to be considered as a “threat” against state’s national security. Moreover, Serbian intervention in Montenegrin internal affairs is considered also as a notable problem which needs to be resolved. Serbia refuses to abandon the view that Montenegro is the “natural extension of the country.” The country focuses on strengthening its Armed Forces by purchasing modern equipment and reducing the average age of its military personnel (currently 37 years old).



NORTH MACEDONIA: January 8th, I do not see it as hard to defend the position that we have advocated. We are not Zaev to say something and then trample on the same statement. 80 MPs can change the Constitution, so the “Prespa” Agreement can be changed too, Igor Janusev, Internal Macedonian Revolutionary Organization – Democratic Party for Macedonian National Unity (Внатрешна македонска револуционерна организација – Демократска партија за македонско национално единство - VMRO-DPMNE) Secretary - General said Wednesday on the “Utrinski briefing” show. It is a formal procedure. Reference at the UN was not an interstate agreement like the “Prespa”. It would be unserious if did not do it i we had the

opportunity to do so. What we promise, we will deliver. We will not promise hills and valleys like Social Democratic Union of Macedonia (Socijalde-mokratski Sojuz na Makedonija - SDSM), time will tell if we are right, Janusev says of VMRO-DPMNE leader’s stance on deleting the “Prespa” Agreement. “We will do everything we can within the framework of democratic and institutional action to improve it,” Janusev said. (www.republika.mk)

- January 8th, French President Emmanuel Macron said Wednesday after meeting with Croatian Prime Minister Andrej Plenkovic in Paris that France would withdraw its enlargement reserves at the next EU Council in May if the European Commission drafts an enlargement methodology by the end of the month to address France’s demands. Macron has said he wants the Zagreb Summit to be a success and that changing the methodology of the negotiation process is a prerequisite for starting negotiations with EU candidate countries. “I share your efforts to achieve unity at the Zagreb Summit in May and make it successful for Europe. France has proposed a new methodology so that the enlargement process is not only a bureaucratic process, but a real political way forward that can be both accelerated and reversible, containing conditions as well as concrete benefits for candidate countries,” Macron said. Croatia took over the EU presidency on January 1st, 2020 and the main goal of its EU presidency is to promote the Western Balkans’ EU integration. (www.republika.mk)

- January 10th, the newly appointed Minister of Interior Nakje Chulev has appointed 12 Directors at Minister of Interior (MoI) including additional Deputy Directors. Appointment of Risto

Stavrevski as the Head of Department of Interior Affairs - Skopje in the Bureau of Public Security caused rifts between the technical Minister Chulev and the Deputy Minister Slavjanka Petrovska because Stavrevski was a witness in SJO's case "Tank" for which the former Minister Gordana Jankulovska was found guilty. Stavrevski was also involved in the "Titanic" case trial and in the purchase of a governmental Mercedes worth 600.000 euro which finally led in the former Prime Minister, Nikola Gruevski's conviction. (www.meta.mk)

COUNTRY ASSESSMENT :

The country is on the way for early parliamentary elections scheduled for April 12th, 2020. A technical Government has been established in order to prepare the elections and guarantee that they will be free and fair. Political parties are preparing for the pre-electoral campaign in which it is expected to see a tense political atmosphere. Failure of opening accession negotiations with the EU, scandals and corruption cases, and the "Prespa" agreement is expected to be the main issues for dispute. In general it is assessed that the pre-electoral period will have a nationalistic character since VMRO-DPMNE will try to mobilize and rally the voters. At the moment, North Macedonia has political uncertainty and next day of election it needs a strong Government to proceed with necessary reforms and securing opening of accession negotiations with the EU within 2020. The country should focus on reforms regarding justice, rule of law, fight against corruption and money laundering, administration, and respect of human rights in order to accelerate its European integration process.



ROMANIA: January 7th, MPs Daniel Constantin and Sorin Cimpeanu, two of the founders of the PRO Romania (PRO România - PRO) party, led by former Social Democrat Prime Minister Victor Ponta, joined the National Liberal Party (Partidul Național Liberal - PNL) of Prime Minister Ludovic Orban Hotnews.ro reported. They will hold leadership positions in PNL, Orban announced. Constantin was Agriculture Minister in the Ponta Government while Cimpeanu was Education Minister and interim Prime Minister for a brief period, after Ponta's resignation in November 2015. Three other MPs who previously represented PRO, Damian Florea, Mircea Baniias and Liviu Balint, also joined PNL. The five MPs voted for the PNL Government led by Orban in November 2019, going against the party leader's decision not to support the new Government. PRO helped PNL remove the Social Democrat Government of Viorica Dancila from power through a no-confidence motion, in October 2019, but Ponta wanted to form a new Government with Social Democratic Party (Partidul Social Democrat - PSD). Votes of the PRO "rebels" were decisive for installing the Liberal Government. Constantin, Cimpeanu and 14 other PRO members left the party in December 2019. (www.romania-insider.com)

- January 7th, Russian energy giant LUKOIL is in talks with EXXONMOBIL about the planned sale of the US multinational's 50% stake of Neptun Deep gas project in the Romanian zone of the Black Sea, Romanian Prime Minister Ludovic Orban revealed late on Monday. "LUKOIL has asked for some information," Orban said in an interview with Romanian news channel Digi24,

although he added *“This does not mean that a decision to sell to LUKOIL has been taken.”* He blamed a law that toughened conditions for foreign energy investors that was adopted by Romania’s former Social Democrat Government in July 2018 for EXXONMOBIL’s possible exit. Orban also said on Monday that *“other investors are interested in buying [the stake in the Black Sea project], including a consortium that includes [Austrian company] OMV, [Romanian state enterprise] ROMGAZ and another company.”* The center - right Prime Minister, who belongs to the emphatically pro-Western National Liberal Party (Partidul Național Liberal - PNL), expressed his Government’s preference for a European or American company to take over Exxon’s shares should the US firm leave the Neptun Depp project. The other half of the project’s shares are currently held by Austria’s OMV. *“We would like a serious partner, if EXXONMOBIL decides to sell, which is from the area of our partnerships – the EU and NATO,”* Orban said. He claimed that the Romanian Government cannot decide on EXXONMOBIL’s behalf in which to sell the shares to, but noted that *“we are implicated too, in a way, in the decision”* due to the capital importance, both economic and strategic, of the project for Romania. Energy Minister Virgil Popescu also expressed concern about LUKOIL’s interest in the Black Sea gas project. *“Operations in the Black Sea represent a matter of national security and I would advise that no one puts us to the test with this,”* Popescu wrote in a social media post, in which he also voiced the Government’s wish that EXXONMOBIL continues to operate in Romania. The company’s withdrawal from Romania is part of a broader plan that has seen the US giant pulling out of other operations in Europe, Asia and Africa,

Reuters news agency reported. OMV’s Romanian subsidiary, PETROM, and EXXONMOBIL announced in 2012 that they had found 42 to 84 billion cubic meters of gas in the Neptun block in the Romanian zone of the Black Sea. They have not started extracting the gas so far, partly because of legal and fiscal uncertainty in Romania. (www.balkaninsight.com)

- January 10th, Prime Minister Ludovic Orban has announced on Friday after an one-hour meeting with President Klaus Iohannis that they had decided to start procedures for snap elections. *“I say it clearly; Romania’s President and I we decided that it is the best for Romania to kick off early elections,”* Orban said. The Premier explained that a working group had been set up to manage negotiations with the parties to secure support to start the procedure of these elections. Orban argued that Romanians do not want to be led by Social Democratic Party (Partidul Social Democrat - PSD) anymore, which is acting like a brake in Parliament and that the only solution is to hold early elections as soon as possible to the local elections that should be held in May – June 2020. Asked if he will resign to start the procedure to trigger snap elections, Orban denied answering. *“My will and PNL’s will is 100% for early elections,”* he said, adding *“There are two solutions to start this procedure, depending on the events we will opt for one of the two. I would prefer not tackle tactical discussions right now.”* PSD interim Chairman, Marcel Ciolacu, has slammed Orban’s announcement, saying he does not endorse early elections, arguing that such an action *“would throw Romania into a superficial political crisis.”* *“Why to force early elections when we have elections this year on time? It is a democratic abuse,”* Ciolacu stated. On the other

hand, Save Romania Union (Uniunea Salvați România - USR) Chair Dan Barna hailed the announcement on snap elections. *“The sooner, the better,”* he said. *“We need a reformist Parliament,”* he added, reminding he has warned since mid-last year that *“a reformist majority is impossible within the current parliamentary configuration.”* (www.romaniajournal.ro)

COUNTRY ASSESSMENT :

The Prime Minister, Ludovik Orban upon consultations with the President, Klaus Iohannis announced that early elections will be held in Romania. His Government is an “interim” one after collapse of PSD Government. It is assessed that PNL leaders decided to call for early elections due to favorable conditions for their party to win. PSD is in a transition process and even its Chairman is an interim one. That is why PSD reacted about Orban’s decision claiming that snap elections are not necessary. The fact is that Romania needs early elections in order a strong Government with new mandate to come in power ensuring political stability of the country. Besides a strong Government will forward reforms regarding fight against corruption and modernizing public administration. 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 and the Alliance perceiving it as a threat against its national security. Romania keeps strengthening its Armed Forces seeking to achieve NATO standards.



SERBIA: January 6th, the US Ambassador in Serbia Anthony Godfrey told the

Belgrade daily Danas that Serbia needs free elections and an environment in which all political views can be expressed. He said that he hopes that all political groups will be represented at the coming elections, but expressed fear that this will not be the case which, according to him, is not a good thing for Serbia. I will be disappointed if a large number of Serbian citizens do not get an opportunity to express their view, he said. Godfrey said that he is convinced that all political leaders in the country understand how important is for Serbia to have good elections in 2020. He said that access to electronic media is limited for people who disagree with the Government. *“We know of threats to journalists which create unnecessary tension and an environment in which people do not feel safe enough to express their views. The US is in favor of freedom of expression and we know that Serbia is as well but I would like, as would most Serbians, to see better implementation of that in practice,”* he said. (www.rs.n1info.com)

- January 6th, President Alexandar Vucic says he would not rule out the possibility of Pristina resorting to the adoption of similar law as Montenegro has enacted on freedom of religion. However, he pointed out that Serbs are united and tough in the intention of saving what is theirs. Vucic said that such preparations are also underway, which can be seen in their textbooks. He also says that the campaign on Kosovo's heritage, which is supposed to be different, to include Islamic and Orthodox monuments, that the Gashi family built Decani, has been ongoing for many years. *“I would not rule out this possibility,”* Vucic said, but stressed that Serbs, when are united are strong as a tough nut, in seeking to preserve their own. *“When you*

endanger people's right to preserve their name and surname, to nurture their religion and Church, their heritage, then that spirit and energy waken in every Serb and we know how and manage to win,” Vucic said. (www.b92.net)

- January 9th, “*The Bosnian Serbs do not have their own army, but they can always count on the Army of Serbia,*” Serbian Defense Minister Aleksandar Vulin said on Thursday accepting the Medal of Republika Srpska in Banja Luka. The President of Bosnia’s Serb-majority region, Zeljka Cvijanovic, awarded Vulin for his “*efforts and achievements in strengthening cooperation and peace*” and his “*contributions to the development of general relations between Serbia and Republika Srpska.*” The award ceremony is part of the celebration of the Day of Republika Srpska - a holiday Bosnia’s Constitutional Court declared unconstitutional because it falls on a Serb Orthodox religious holiday and therefore excludes non-Serbs from celebrating it. On January 9th, 1992, the assembly of Serbs in Bosnia and Herzegovina adopted the Declaration on the Proclamation of the Republic of the Serb People - today Republika Srpska - as a federal unit within the Republic of Yugoslavia. But non-Serbs, most of all Muslim Bosnians (Bosniaks), perceive the holiday as a celebration of a policy that led to genocide.



Serbian Defense Minister, Aleksandar Vulin is awarded by the RS President, Zeljka Cvijanovic
(Photo source: www.mod.gov.rs)

They argue the 1992 decision served as the basis for Bosnian Serb forces to expel, kill and put non-Serbs into concentration camps in order to create an ethnically pure Serb republic. The Constitutional Court ruled several times that the holiday is unconstitutional. The last such ruling was in March last year. Judges ruled that the holiday is discriminating against Bosniaks and Catholic Croats. The RS leadership, however, organized in 2016 a referendum in the entity at which the predominantly Serb citizens voted in favor of January 9th staying the date for the holiday. The annual celebration is usually attended by some Serbian official. This year, it was the Defense Minister. “*The acknowledgement I received today is not just mine, it is Aleksandar Vucic’s Serbia,*” Vulin said in Banja Luka, referring to the Serbian President. Vucic’s Serbia “*does not hesitate to help its Republika Srpska always, everywhere,*” he added, emphasizing that he himself was raised in Bosnia to be loyal to Serbia. “*This represents a hope that all Serbs will be united, unified, that they will pull together and that no other political interests, foreign masters, fake leaders, wrong ideologies will ever pit them against each other,*” he added. (www.rs.n1info.com)

COUNTRY ASSESSMENT :

Serbia has a strong Government, but political uncertainty dominates due to opposition protests and accusations against President Aleksandar Vucic and ruling SNS that he has established an almost authoritarian regime which restricts freedom of expression and violates human rights.

Taking into consideration the aforementioned situation the country moves towards snap elections scheduled for the end of April or beginning of May. However, there are concerns that opposition will boycott the elections claiming that they will not be fair and free. Serbia needs political stability since it has a lot of diplomatic, security and economic challenges ahead. First of all, the Kosovo case and dialogue with it. Pristina is going to have a new Government and negotiations could restart, but it is not very likely since Serbia is also to have elections. However, Belgrade “keeps an open eye” in Kosovo and most specific to the north where Kosovo Serbs are located. Any provocation against them may activate Serbia’s reflexes and a crisis or conflict may be emerged. In general, Kosovo is a very sensitive issue and could become a factor of destabilization at any time. Moreover, Serbia is engaged in several Balkan regions such as Bosnia, Montenegro and Croatia where a significant Serb population is located. Belgrade never gave up the idea that these territories are the natural extension of its territory and keeps intervening in internal affairs of these states. For instance, Defense Minister Aleksandar Vulin did not hesitate to state in public that the Serbian Army will protect Bosnian Serbs in any case. The country has developed very close relations with Russia, especially in the fields of defense. Russia keeps supplying Serbia with weapons, while both countries conduct military exercises. In other words, Serbia is trying to balance between the west, namely the EU and the US and Russia on the other side. The EU has raised serious concerns over Serbia’s effectiveness on independence and accountability of the judiciary, freedom of expression, prevention of corruption and the fight against organized crime. Serbia

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



SLOVENIA: January 6th, President Borut Pahor congratulated Croatia's newly elected President Zoran Milanovic, telling the press that he was happy that Milanovic had made improving relations with Slovenia a priority. Although Milanovic was Croatia's Prime Minister when the country unilaterally withdrew from the border arbitration procedure, Pahor hopes dialogue will lead to the implementation of the border arbitration decision. He is to attend Milanovic’s inauguration in early February. (www.sta.si)

- January 8th, the six Slovenian soldiers deployed in northern Iraq in the international operation “*Inherent Resolve*” are being pulled out after Iran attacked Erbil airport in retaliation for the US assassination of Iranian general Qassem Soleimani. “*The temporary withdrawal of Slovenian soldiers into a third country is expected to be carried out by evening and they should be home tomorrow,*” Defense Minister Karl Erjavec announced. The Foreign Ministry condemned the Iranian attacks on army bases and called on all sides to refrain from any activities that would escalate tensions in the region. (www.sta.si)

- January 9th, annual inflation in Slovenia in 2019 reached 1.8%, not 1.9% as reported by the Statistics Office (SURS) at the end of December. SURS corrected the figure after detecting an error in the statistical data. Prices of services increased by an average 2.9%, not by 2.6%, with prices of goods rising by 1.3% over 2018. (www.sta.si)

COUNTRY ASSESSMENT :

Marjan Sarec's minority Government continues to enjoy support in the Parliament. Although the Prime Minister is reassuring for the Government's stability and sustainability there are questions over its effectiveness. The possibility of snap elections is rather unlikely, however it is not certain what it will happen since the Government bases its viability on opposition support. Slovenia – Croatia relations may be tested in coming period due to the latter's effort to join the Schengen Zone. Slovenia appears determined to play the "Schengen Zone card" in order to push Croatia to implement the ruling arbitration regarding the Piran Bay dispute, but it is not sure if it will insist until the end of the process. It might Slovenia be isolated by the other member states; it is not an easy way to veto in EU institutions. The issue of illegal migrants entering Slovenia mainly from Croatia is high in the agenda lately. The Slovenian Armed Forces face problems mainly in the field of modern equipment and manning. The annual report on the Armed Forces operational readiness released by the Armed Forces Chief of Staff is disappointing since it assessed that the Armed Forces have limited operational capabilities in war time namely they cannot accomplish their mission. The med-term 2018 – 2023 defense program it could improve situation, but under current political situation it is doubtful if it will be implemented to the end. However, the 2020 and 2021 budget foresees increased funding for defense sector.



TURKEY: January 9th, touching upon the historical and cultural ties of both countries, Awut Deng Acuil, South Sudan's Foreign Affairs

and International Cooperation Minister expressed the country's aim to further deepen relations with Turkey, signing four agreements of cooperation in various fields. Speaking to Daily Sabah, Acuil said, "I am here today to deepen our relations. We have signed four agreements with Turkey that include different areas with many projects involving schools, health and agriculture," he said. The visit was the first Foreign Ministry level visit to Turkey from South Sudan after it gained independence in 2011. It is also expected that Foreign Minister Mevlut Cavusoglu will visit South Sudan by the end of 2020. Acuil stressed Turkey's constructive role in Africa and said Ankara has an important place both in South Sudan and the continent. She also invited Turkey to invest in the country and to share the knowledge and expertise needed in South Sudan, which has rich natural resources including oil, gold, mining, natural gas, agriculture and fisheries. "We do not even use fertilizers, our soil is rich," she said. Acuil further underlined that there are currently strong relations between the two countries, as Turkish people have friends and property in the country as well as other institutions. "We have an embassy in South Sudan and we have [the Turkish Cooperation and Coordination Agency] TİKA as well as other Turkish agencies," Cavusoglu said. When asked about the current Libyan crisis in the region, Acuil said, "The issue of Libya is a regional problem that has to be handled by the region. It is important that the African Union looks at Libya, what is best for it, and I think that a political solution for Libya is going to be key. The role of Turkey to help find a political solution with other actors will be important." Regarding Sudanese mercenaries fighting beside Haftar in Libya, the Minister stated, "This is an issue concerning

Sudan.” President Recep Tayyip Erdogan had stated this week during a broadcast interview with CNN that there were currently 2,500 troops from Russia's “Wagner” paramilitary group and 6,000 troops from Sudan in Libya. Cavusoglu had indicated that political relations were good with South Sudan but that there is still a lot to do in different fields. Highlighting that both countries have great potential especially in terms of trade volume, Cavusoglu said, “*What is important is to utilize these riches. For this means, we will provide every kind of support to South Sudan, including experience sharing.*” Turkey's multidimensional foreign policy has led it to seek cooperation and open itself up to previously neglected regions, one of which is the African continent, which is close both geographically and in terms of historic relations. Turkey is sharing its own historical experience, its social, political and cultural savings, its resources and means with African Governments and people within the principle of “*African solutions to African problems,*” and on the basis of mutual benefit. (www.dailysabah.com)

- January 9th, “*In order to turn the Eastern Mediterranean into a cooperation zone rather than a conflict zone, we (as Turkey) are ready to cooperate with all of the countries except for the Greek Cypriot Administration of Southern Cyprus,*” the Foreign Ministry stated. The Ministry's statement came following a meeting of Greece, France, Cyprus and Egypt in Cairo where Turkey's initiatives in the region have been misjudged. Underlining that the claims of the aforementioned countries regarding the developments in the Eastern Mediterranean are based on “*unrealistic arguments,*” the Ministry stated that Turkey's memorandum with Libya on

the issue is completely “*lawful*” and “*legitimate.*” “*These memorandums are a response to the parties that try to overlook our country and Northern Cypriots in the Eastern Mediterranean,*” the statement expressed, adding that the anti-Turkey remarks made following the meeting in Cairo prove how rightful Ankara was in taking those steps with Libya. On Wednesday, after the meeting in Cairo, Greece, Egypt, France and Cyprus declared Turkey's deal with Libya “*null and void.*” Italy, on the other hand, despite attending the meeting, refused to sign this declaration. Egypt announced Monday that it will hold a meeting with four European Mediterranean countries about developments in neighboring Libya following the Turkish Parliament's decision to deploy troops to the country. Following Turkey's decision to deploy troops, some countries, including the UAE and Saudi Arabia, have tried to defame Turkey by creating propaganda on social media. Egypt has also talked with UN Secretary-General Antonio Guterres to defend its view that Turkey's deployment of troops threatens the country's stability. Egypt also slammed maritime and military deals signed between Ankara and Tripoli in November as “*illegitimate.*” Libya and Turkey signed agreements in November outlining cooperation in terms of security and maritime affairs, angering Mediterranean countries, including Greece and Cyprus, of whom the diplomatic maneuver prevents from unilaterally exploiting energy resources in the region. Turkey has the longest shoreline in the Eastern Mediterranean, making it a natural candidate for seeking reserves in the region in accordance with international law. The presence of the Turkish Cypriot community in Northern Cyprus also strengthens Turkey's hands as the country defends

the rights of the Turkish Cypriots in the region and insists that their consent is needed for any type of drilling activities. (www.dailysabah.com)

- January 10th, Russia and Turkey have announced a ceasefire in Syria's Idlib province, paving the way for a pause in continuing Government-led bombardment in the country's last rebel-held stronghold, while allowing the delivery of humanitarian aid. *“According to the agreements with the Turkish side, the ceasefire regime was introduced in the Idlib de-escalation zone starting from 14:00 Moscow time (11:00 GMT) on January 9th, 2020,”* Russian Major-General Yury Borenkov was quoted as saying. Turkey had asked Russia to establish a ceasefire in the region and it sent its delegation to Moscow in December to discuss the issue. That month, the Syrian Government and allied Russians launched a large-scale campaign against rebels in Idlib. As the offensive intensified, in December alone, almost 300,000 people fled to safer areas towards Turkey from southern Idlib, according to the UN. Al Jazeera's Jamal Elshayyal, reporting from Ankara, said Turkey has been pushing and calling for the ceasefire, in part because it is already under enormous strain from the influx of Syrian refugees already within its border. *“This agreement is significant because it will not only stem the flow of refugees from Idlib but will also allow for much-needed aid by humanitarian organizations to reach desperate people inside that Syrian city.”* Kenan Rahmani of the Syria Campaign, said *“conditions are dire”* in southern Idlib, and were made worse by the *“deliberate targeting”* by the Assad Government on hospitals. He also pointed out that Russia had repeatedly vetoed humanitarian aid at the UN. *“The ceasefire, we hope it will stay,”* he said, adding

that previous ceasefire deals were broken, with the *“regime continuing its brutal military onslaught. We hope this time will be different.”*

The civil war in Syria has killed more than 370,000 people since it started in 2011 with the brutal repression of anti-government protests. In total, 11,215 people - including more than 1,000 children - were killed in 2019, the least-deadly year on record since the beginning of the conflict. (www.aljazeera.com)

COUNTRY ASSESSMENT ■ :

Turkey exercises a multilateral, multifaceted, dynamic external policy ensuring its national interests. Enjoying a pivotal geographic location is engaged in several regional challenges. Despite that, enjoys special relationship with great powers such as the US and Russia. The Preseident Recep Tayyip Erdogan made clear publically last week that “Turkish security is beyond its borders.” This statement summarizes the security doctrine of Turkey; Turkey will be engaged in regional challenges, conflicts and cooperation to ensure its security. Turkish engagement in Syria, Libya, Cyprus is explained by this doctrine. The country combines both diplomatic means and “hard” power aiming to achieve its goals. Turkey achieved so far to establish a safe zone within Syria eliminating the Kurdish threat. Moreover, it launches several military operations in Southeast Turkey and Eastern Iraq against PKK. It conducts hydrocarbon drills in Mediterranean Sea within Cypriot Exclusive Economic Zone (EEZ) and presents its aeronautical power against Greece and Cyprus questioning their sovereign rights. Finally, it sends troops in Libya aiming to have a “say” in North Africa developments. Of course it is a NATO member and enjoys a special


relationship with Russia. Without any question, Turkey has the characteristics of a regional superpower and it tries to act like one. It is assessed that its relations with the US will never reach a “zero point: since Turkey is an integral and critical part of the western security architecture. Under these circumstances an armed conflict or a “hot” incident could not be excluded in the Aegean Sea, the Cypriot territorial waters or southeast of Crete. Definitely Turkey will not accept “fait accompli” in the region and is expected to react violently if balance of power is jeopardized. The country continues to face several restrictions in freedom of expression and human rights. Elected MPs, Mayors, journalists and thousands of citizens are in custody or convicted by the state Courts. Local and international observers claim the country moves towards an authoritarian regime with thousands of citizens being persecuted. Turkey develops an ambitious armament project aiming at becoming self-sufficient in defense sector; if it succeeds it will set the base to become a regional military super power.


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NOTE

 *Stable situation. No security risk.*

 *Rather stable situation. Security risk is monitored.*

 *Major concerns over stability and security. significant security risk in specific regions. Low tension incidents.*

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

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