



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

SOUTHEASTERN EUROPE

AT A GLANCE



SOUTHEAST EUROPE DIRECTORATE

“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: December 10th, Albania, a NATO member state is posting sensitive information about its most senior intelligence operatives in the internet, making details about their identities, vehicles, operational roles, travel movements, and daily habits publically available in what appears to be a major and potentially dangerous breach that could have international consequences. Salary and expense data posted in spreadsheets on the website of Albania’s Ministry of Finance show a wealth of details about the state Intelligence Service, including locations of field offices, cash withdrawals, and minutiae, such as plumbers, technicians, and mechanics they use. Records show the names and national identification card numbers of agents in service, known locally and in the intelligence community as SHISH, operating inside Albania and abroad, including two with sensitive posts at NATO Headquarters in Brussels. The spreadsheets disclose the names, positions, salaries, and expenses of at least eight senior clandestine Albanian operatives – some working under diplomatic cover – in Belgium, Greece, Kosovo, Italy, F.Y.R.O.M, and Serbia. *“The principle is that everything our agency does should be hidden, but we should follow all these rules and regulations,”* said one SHISH official adding that *“Rules and regulations don’t allow us to spend the money without reporting it.”* Intelligence and security professionals told about the breach were stunned by the revelations, which could leave agents in sensitive positions vulnerable to surveillance or blackmail by hostile intelligence organizations or criminals seeking to infiltrate the Western Alliance. *“By getting into Albania’s system they can get into NATO’s system,”* said Xhemal Gjunksi, an opposition MP who serves in the National Security Commission and was a

former Major General in the Army. *“Your start pulling a string and you end up in Brussels or London or the office of a Supreme Allied Commander in the U.S,”* he said. A former CIA field operative familiar with SHISH described it as the type of bureaucratic catastrophe that could put lives at risk. A 2007 U.S Department of State cable published by Wikileaks described SHISH as *“A professional, largely apolitical intelligence service that is excellent partners with the U.S Government and cited close cooperation on all intelligence activities.”* The Director of the organization, currently Helidon Bendo, is appointed by the Prime Minister but it operates as an autonomous unit outside of the Albanian Cabinet. According to the Finance Ministry documents it employs 913 people. Among other, one set of 2017 payments, classified as secret, refers to a NATO communication system, referred to as TUMBA, which might refer to several mountain peaks in the Balkans. At one point, water bills in Albania’s Himara district, where many members of the country’s Greek minority reside, suddenly drop 95%, suggesting shifting surveillance priorities. Officials vowed to remove the data after *“The Independent”* informed the country’s Prime Ministry, Intelligence Services, Foreign Ministry, Defense Ministry, Interior Ministry, and Finance Ministry publication of this article was pending. During the months the information has been online, it likely left the NATO country vulnerable to infiltration by operatives of Russian or other intelligence services. Albania appears to have repeatedly suffered from a lack of information security when it comes to its intelligence services. Last year the Presidency posted online an unredacted copy of SHISH Director’s national identification card, including his home address and ID number, as part of a transparency initiative. Earlier this year,

a state agency reportedly was sent a list of 250 or so names of operatives serving in the country's Military Intelligence Unit. Albanian officials scrambled behind the scenes to remove the data, but also assign blame for the mishap. One longtime former officer of the Albanian Intelligence Service told *"The Independent"* that the culpability lay with SHISH itself, for handing sensitive information to the Finance Ministry officials who lack security clearances. *"It's incompetence of the leadership,"* said the former official. *"Sometimes people are hired not because of good performance or qualifications, but because of the influence of politicians. Sometimes people coming into the security institutions aren't well vetted. The problem starts at the top,"* He concluded. (www.independent.co.uk)



SHISH Director, Helidon Bendo
(www.shish.gov.al)

- December 11th, while students protest in Tirana, citizens in northern and southern cities of Albania have blocked roads, protesting the high gas price. Citizens in Kurbin blocked the National Road, demanding a lower price for oil and electricity. There have been protesters also in Shkoder, Vlora, Fier, Elbasan, Durres and Dibra. The Albanian Prime Minister, Edi Rama, accused the opposition leader of these road blocks, claiming that it is trying to take advantage of the students

who are protesting for better education conditions. (www.top-channel.tv)

- December 14th, a group of young people from Lezha decided to march from its city to Tirana in order to join the student's protests. Thousands of students have been protesting for 10 days, urging the Government to fulfill eight demands, such as halving university fees and improving dorm conditions. This decision was taken as an action of resistance and protest, while the student's protest is being held in front of the Prime Minister's Office. Furthermore, students from Korca and Elbasan are expected to join protests. The Albanian Prime, Minister Edi Rama, said from the Parliament that the protest led by students was a lecture of democracy. *"It is a slap to the Government, a punch to the opposition, and hope for the society. And the society wants dialogue,"* Rama declared. According to the Prime Minister, the opposition is trying to use the protest for its own purposes. Rama reiterated that he accepts the demands made by students, but he insists to talk to them and discuss the details. Apart from that, Rama attacked to the Universities administration claiming *"Students don't know where these fees come from. Stop hiding and keep your responsibility in this. Time has come for you to be held responsible; otherwise we will review the autonomy of universities."* However, across the country students seem determined to deny Rama the *"dialogue"* he seeks, and not to elect any leaders. (www.albaniannews.com, top-channel.tv, www.balkaninsight.com)

COUNTRY ASSESSMENT ■ :

Opposition accuses the Government of having links with organized crime. It raises questions

over the power of “Albanian mafia” in the country and its influence in state’s politics. Undoubtedly, corruption and organized crime remains the most significant state’s problem undermining its strategic goal of opening accession negotiations with the EU. Albania has entered in a “protest storm”; Students protest for better education conditions and reduction of tuition fees and citizens protest for high fuel prices and public construction scandals. Opposition tries to take in advantage public discontent pushing further the Government to collapse. The EU closely monitors progress of reforms especially in justice sector. Latest European Parliament assessment on Albania accession negotiations is a rather positive sign underlining concerns over specific issues such as corruption, justice reforms, and implementation of rule of law. The final decision is up to the EU Heads of Governments for opening Albania’s accession negotiations in June 2019. Albania monitors Kosovo – Serbia negotiations and definitely has a role as a “mother nation”. It is estimated that Albania will fully comply with the EU and U.S “line” for territorial exchanges or border changes between Serbia and Kosovo if it is necessary for a mutual accepted solution. Albania maintains its leading role in the Albanian world providing guarantees and support to Albanian population in the region namely Kosovo, Serbia, Montenegro, and F.Y.R.O.M. In this context, the Albanian Prime Minister and his Government work on promoting Kosovo interests in international community using any forum they have access. Possible border changes may engage Albania in dangerous situations taking into consideration that it has the role of “protector” of Albanians in the region. Security situation stable without major incidents or challenges.



BOSNIA & HERZEGOVINA:

December 10th, relations between Bosnia and Croatia should be grounded on mutual respect and trust, but the way Croatia is acting now is not good, said Croat member of Bosnia and Herzegovina's tripartite Presidency Zeljko Komsic. Komsic's comment came as a response to the statement of Croatia's Prime Minister Andrej Plenkovic who said he would keep on demanding that the Bosnian Croats are able to elect their own representatives to the state Presidency. Plenkovic said on December 8th, 2018 he would “personally” not let go of this matter. According to Komsic, such stance of Zagreb officials is not good. “Good neighborly relations between Bosnia and Herzegovina and Croatia should be grounded on mutual respect and trust, after which we could open all issues that we should discuss as neighbors,” Komsic said. “However, what Croatia is doing to Bosnia and Herzegovina is not good, such activity annuls mutual trust and goes deeply into the denial of Bosnia and Herzegovina's sovereignty through denial of its sovereign Government voted in the election,” he added. Komsic came into the spotlight after being elected to the state tripartite Presidency as a Croat member. His election was strongly disapproved by the left-leaning Croatian Democratic Union of Bosnia and Herzegovina (Hrvatska Demokratska Zajednica Bosne i Hercegovine - HDZ BiH) and its leader Dragan Covic, Komsic's main rival in the run for the Presidency. HDZ BiH leader, who was openly supported by Croatian Prime Minister during the election campaign, claimed Komsic was elected owing to the Bosniaks' votes and therefore was not a legitimate representative of the Bosnian Croats. Both Covic and Zagreb demand that the issue is solved through changes to Bosnian Election Law and implementation of a

court ruling in the Ljubic case, which, in reality, does not treat the Presidency but election of delegates in the House of Peoples of the Federation (FBiH), Bosnia's semi-autonomous entity shared by Bosniaks and Croats. Bosnia consists of two semi-autonomous entities, the Federation (FBiH) that is shared by Bosniaks and Croats, and Republika Srpska (RS), dominated by Serbs. While the Election Law stipulates that the Bosniaks and the Croat members are elected in the FBiH, there is no law provision banning the Bosniaks from voting for a Croat member or the other way round. The Serb member in the Presidency is elected from RS entity. (www.ba.n1info.com)

- December 11th, activation of Bosnia's Membership Action Plan (MAP), an essential step for the country toward NATO membership, is the best news for Bosnia in 2018, and the differing views on the issue by the main Bosnian Serb and Bosnian Croat parties in the country are not an obstacle to their alliance, the Deputy Foreign Affairs Minister Josip Brkic told N1. *"This is the result of the work which started in 2009 when the Bosnian Presidency made the political decision for Bosnia and Herzegovina to become a member of the MAP process,"* Brkic said. He comes from the Croatian Democratic Union of Bosnia and Herzegovina (Hrvatska Demokratska Zajednica Bosne i Hercegovine - HDZ BiH), the main Bosnian Croat ethnic-oriented party in the country. HDZ leader Dragan Covic has repeatedly said he is firmly in favor of Bosnia becoming a NATO member. The HDZ has recently entered an alliance with the Bosnian Serb ethnic-oriented Alliance of Independent Social Democrats (Savez Nezavisnih Socijaldemokrataor - SNSD) whose hardline leader and current Chairman of Bosnia's Presidency, Milorad Dodik, vehemently opposes

Bosnia's NATO membership. The disagreement, however, is not obstructing their cooperation, Brkic said. He explained that after the Bosnian Presidency decided to adopt the MAP, the country was given conditions for its activation which were decided on at the NATO summit of Foreign Affairs Ministers in the Estonian capital Tallinn in 2010. Bosnia has been working on meeting those conditions since then, he said. Last week, NATO Foreign Ministers approved the MAP for Bosnia. (www.ba.n1info.com)

- December 14th, a *"Declaration on the status of Croats in Bosnia and Herzegovina"* which Croatia's Parliament adopted on December 14th, 2018 has sparked outrage in Bosnia, with political parties and intellectuals accusing the neighboring country of breaching Bosnia's sovereignty. The Declaration calls for Bosnia to change its electoral law, so that ethnic Croats achieve equal rights in the country. The move is the latest in a campaign three former top officials in the country who used to oversee the implementation of 1995 Bosnia's Dayton Peace Agreement said represents *"meddling in the internal affairs"* of Bosnia, which they also wrote in a letter to top EU officials. The newly adopted document warns that Croats are marginalized in Bosnia. A group of intellectuals gathered in Sarajevo on the same day to discuss the Declaration and announced they will put together an *"Anti-declaration"* which would include their own view on the status of Bosnian Croats in the country. The gathering was attended by, among others, former Bosnian Foreign Affairs Minister Zlatko Lagumdžija, wartime Bosnian Croat member of the country's tripartite Presidency Ivo Komsic, wartime Parliament Speaker Miro Lazovic, and General Secretary of the Council of Congress of Bosniak Intellectuals, Emir Zlatar. Bosnian citizens have

“At the Referendum in 1992 it was chosen an independent, sovereign and integral state of Bosnia and Herzegovina, with all of its peoples and citizens equal,” their joint statement said. The forming of Bosnia’s Government following the October 2018 General Election has come into international focus *“As the problem has been imposed as a political-security issue of the entire region,”* the intellectuals said. *“From the past war and the aggression onward, there is continuous interference by the neighboring countries in Bosnia’s internal issues. This has culminated recently and an image of Bosnia and Herzegovina as the main subject of the foreign policy of Serbia and Croatia is being created,”* they said. The group demanded that *“Domestic and EU authorities, the US administration, the High Representative and the Representative of the European Commission in Bosnia and Herzegovina,”* completely implement the 1995 Dayton Peace Agreement, which ended the war and *“Which guarantees protection of the sovereignty of our country, its integrity, multiethnicity, protection of the equal rights of all its peoples and citizens, of its democracy and basic human rights.”* The main Bosniak ethnic-oriented political party in the country, the Party of Democratic Action (Stranka Demokratske Akcije - SDA) said that Croatia’s behavior represents a *“Grave attempt to damage the sovereignty of Bosnia and Herzegovina.”* The Bosniak Presidency member from the party, Sefik Dzaferovic, said that Croatia is, with its Declaration, expressing disrespect for the sovereignty of Bosnia and its territorial integrity. He called upon Croatian officials to *“reconsider”* their relationship towards Bosnia. Other, civic-oriented parties also reacted. The Civic Alliance (GS) also condemned the move of Croatia’s Parliament, saying it represents the continuation

of the wartime politics of former Croatian President Franjo Tudjman. (www.ba.n1info.com)

COUNTRY ASSESSMENT :

Country faces several functional and institutional problems. Consequently political fragility maintains permanent uncertainty and institutional mistrust. It is under question if the general election held on October 7th, 2018 will bring political stability in the country. It is estimated that formation of Government would be a very difficult issue adding more problems in state’s function. It seems that HDZ (Bosnian Croatian party) and SNSD (Bosnian Serbian party) have reached an agreement to cooperate in forming a ruling coalition despite their different views on main issues. Tension has broken out between Bosnia and Croatia due to the direct intervention of the latter in country’s internal affairs. In our point of view it is another sign of “Dayton Peace Agreement” malfunction. Croatian actions put the agreement under question claiming that Bosnia’s Croats rights are violated. One should take into consideration the current arms race in the region mainly by Serbia and Croatia. Not only that but also the establishment of Kosovo Army complicates current situation. Election of ultra nationalist Serb Milorad Dodik in the tripartite Presidency is a strong sign of more nationalistic rhetoric and more obstacles towards Bosnia’s EU and NATO integration. Dodik is a person who does not actually believe in B&H viability and is expected to promote (actually, he has already started) his own political agenda. Bosnia has become a field of influence’s rivalry; Saudi Arabia, Turkey, and Russia approach the country mainly through “investments” and/or funding ethnic or religious groups according to their interests. Approval of Bosnia’s MAP by NATO

aims at facilitating state's approach with the Alliance; however Dodik's presence in the tripartite Presidency is a critical obstacle for any further step.



BULGARIA: December 10th, Bulgarian Deputy Prime Minister, Defense Minister, and Bulgarian National Movement (Bulgarsko Natsionalno Dvizhenie - VMRO) party leader Krassimir Karakachanov has threatened to block FYROM's path to the EU and NATO if its Prime Minister Zoran Zaev continues to claim the Prespa Agreement with Greece recognizes a "Macedonian language." Karakachanov is protesting Zaev's words to Skopje's Parliament, in which he insisted that the historic agreement between Greece and FYROM had clarified the existence of a separate "Macedonian language" an idea that Bulgaria has long disputed. The Bulgarian Ministry warned of the danger of making "a similar counter-response that would create a chain of negative reactions that will separate us [FYROM and Bulgaria] and will create hostility instead of friendship." In response, Skopje's Foreign Ministry said, "FYROM will continue its active, constructive and good neighborly policy in the future in the spirit of the Treaty with Bulgaria and the European values." The Bulgarian Defense Minister said that since the "Good Neighbor Agreement" was signed in August 2017, FYROM had continued to "play tricks ... falsify history and to force a 'Macedonian identity and language' not only within FYROM but also on Bulgarian territory." Karakachanov said he could not accept "People with unclear views and with an inverted reading of the history to slip into the NATO and EU, on the back and at the expense of Bulgaria and historical justice, least of all by pushing the

'Macedonian language' behind the scenes." (www.novinite.com)

- December 11th, an overwhelming majority of the European Parliament members have voted today in favor of a resolution that calls on the admission of Romania and Bulgaria into the Schengen zone. The resolution requires from the European Council to act swiftly, so both countries join the EU's border-less zone as soon as possible. The report, drafted by the former Bulgarian Prime Minister Sergey Stanishev, clearly states that "All the necessary conditions for the full application of the Schengen acquis were met by Bulgaria and Romania in 2011." It also "Regrets the fact that in the seven years since, the Council has failed to take a decision on the full application of the Schengen acquis in Bulgaria and Romania despite the repeated calls to this end by both the Commission and Parliament." Moreover, it objects the idea of a two-phase accession of Romania and Bulgaria, claiming it would negatively affect the future enlargement of the Schengen territory. The report was approved by the members of the Committee on Civil Liberties, Justice and Home Affairs of the European Parliament a month ago. Now that the European Parliament members have also approved it, the European Council must vote unanimously in order for both countries to join the Area. The European Parliament members called on the admission of Romania and Bulgaria in the Schengen Zone in June 2011 for the first time. Since then, the MEPs have showed their support several times. However, a final decision must be taken unanimously by the European Council, which will be chaired by Romania in the first part of 2019. Romania and Bulgaria are among the only four EU countries that are still not part of the Schengen Zone, alongside Croatia and Cyprus,

not including the UK and Ireland that chose to opt-out. (www.schengenvisainfo.com)

- December 14th, *“I hope they will offer better terms because, from my talks with pilots, a new F16 is a much better plane than all the others that are offered. There are committees examining these offers. I strongly emphasize that I am in no way intervening, except that I want our Air Force to have the best plane because the situation in the region is getting complicated. We need a combat aircraft capable of getting into military action and overpowering,”* the Prime Minister Boyko Borissov said to reporters in Brussels regarding the purchase of new fighter jets for the Bulgarian Air Force. He said he is expecting the committees’ decision the soonest possible. *“Now we have only transport aircrafts. In the last 10-15 years, other Governments bought only transport Cougars [AS532AL Helicopter], Spartans [C-27J cargo aircraft], Panthers [Eurocopter’s helicopter], but not armed,”* the Prime Minister said. In the meanwhile, The Swedish Government has optimized its offer for JAS-39 Gripen fighter jet proposing 10 aircrafts instead of 8, said Joakim Wallin, Director of Export and International Relations at Sweden's State Property Defense Agency (FMV). The three countries that reached the final phase of the new airplane tender had to meet the questions asked by the Ministry of Defense to improve their bids. Italy offers used Eurofighter Typhoon Tranche 1, Sweden and Saab new JAS-39 Gripen C/D, and the US the latest version of F-16 (block 70). *“The optimized offer covers all the mandatory requirements of Bulgaria, it is within the set budget and the first fighters will be delivered within 24 months after signing the contract,”* Walin said. The Government's investment project, approved by the Parliament, is for the purchase of 8 or 9 jets worth

a total of 920 million euro. The sum includes the purchase of aircrafts, their ground handling facilities, pilots and engineers training, weapons and maintenance for 3 years. Payment will be deferred for 9 years. At the second stage of the project, eight more fighters have to be bought with simultaneous withdrawal of MiG-29 fighters. At least two fighters must be delivered within two years of signing the contract while all deliveries should be completed within three years of the first delivery. The main competitor in the procedure is the US bid for new F-16 of Lockheed Martin, also known as Viper (V). Producer of F-16 Lockheed Martin and the US Government will reduce the cost and delivery time of the fighter announced today Jim Robinson, the Manager of International Business Development of the company. The US bid so far exceeded the amount earmarked by the Government, according to unofficial information that was not denied by Robinson. Three weeks ago, the company said they would not be able to deliver the first planes within two years. (www.novinite.com)



F-16 Block70 “VIPER”

(Photo source: www.lockheedmartin.com)

COUNTRY ASSESSMENT ■ :

The junior partner of the ruling coalition, United Patriots looks like the vulnerable piece of the Governmental stability; none could predict when

a new incident or dispute will break out. Thus, Bulgaria has entered in a period of fragile political stability. On the other hand, President Radev grabs every opportunity to criticize the Government (and the Prime Minister Borissov) highlighting his different political affiliation (Radev is backed by the opposition Socialists). Opposition BSP tries to push further Borisov and his Government by strengthening its rhetoric and having tabled three motions of no confidence so far. The country strengthened its efforts towards entering the Eurozone achieving a positive decision of the Eurogroup. Apart from that the European Parliament adopted a resolution for the accession of Bulgaria (and Romania) in Schengen Zone. However, it is questioned if the European Council will receive a unanimous final decision for Bulgaria under the current migration pressure. Corruption and organized crime remain significant obstacles and should be addressed decisively. Although modernization of Armed Forces is a top priority for Bulgaria and huge armament projects are ongoing (fighter jets, armored vehicles, vessels etc) military operational capability of the state is questioned especially in the Air Force. Bulgarian Armed Forces are far from NATO standards. Security situation stable; no major threats.



CROATIA: December 13th, teams of the European border guard agency FRONTEX will soon be deployed on the border between Croatia and Bosnia and Herzegovina in response to the pressure of migrants travelling westwards, the Health and Food Safety EU Commissioner Vytenis Andriukaitis said. However, Andriukaitis added that the brunt of responsibility for managing the border lies primarily with Sarajevo and Zagreb. “*Negotiations with Bosnia and*

Herzegovina concerning the deployment of FRONTEX teams have been completed and an agreement will be signed soon. That agreement will enable Border Police to manage the border between Bosnia and Croatia... However, the most important responsibility is in the hands of those two countries,” Andriukaitis said during a debate on migrants in Bosnia stuck near the border with Croatia, which doubles as the external border of the European Union. Andriukaitis added that there are currently 5,139 migrants and asylum seekers housed in centers in Bosnia and Herzegovina, including some 3,100 are located in northwestern Bosnia near the border with Croatia. In addition, about 1,000 migrants have still not requested assistance, he said in a plenary session of the European Parliament dedicated to the issue of migrants in Bosnia, moved by Croatian MEP Ivan Jakovic (IDS/ALDE). “*Over the past few weeks, Bosnia deployed 180 additional Police Officers to improve security on the border,”* Andriukaitis said. He said that there was information that Croatian Police were abusing migrants on the border with Bosnia, adding that the European Commission is actively monitoring the situation and had informed Croatian authorities of those accusations. Andriukaitis said that the agreement on re-admission should be applied to migrants who illegally cross the EU border. In the ensuing debate, Croatian MEP Ivan Jakovic (IDS/ALDE) said that he had proposed the debate because of the difficult situation the stranded migrants are in, but also because of the problems the local population is facing. He added that the situation appeared to be chaotic, because on the one hand Croatia was being called out because of alleged mistreatment of incoming migrants, while on the other hand it was expected to protect the EU external border. MEP Tonino Picula, (SDP/S&D), recalled that in spite of Croatia having the longest

external EU land border, the country has not resorted to raising razor wire fences like its neighbors. He added that the 6,500 migrants currently in Bosnia and Herzegovina were staying in improvised accommodation close to Croatia's border, which itself increased the chances of illegal crossings into Croatia. (www.hr.n1info.com)

- December 14th, the Croatian Parliament adopted a Declaration on the status of the Croat people in Bosnia and Herzegovina which calls for amending Bosnia's Constitution and election legislation with the aim of enabling the Croats, the least numerous constituent people, to be equal to the other two peoples in that country. The declaration said that in the October 2018 general election, the Croat representative in the country's tripartite Presidency was elected thanks to the ballots cast by the Bosniak people, and contrary to the spirit of the Dayton peace accord. Even if all Croat voters in Bosnia cast their ballot for just one candidate, the declaration said, it does not guarantee that that candidate will win the seat of the Croat representative in the presidency. The Croat and Bosniak members of the country's tripartite Presidency are both elected by voters in the Federation of Bosnia and Herzegovina (FBiH), one of Bosnia's two sub-national entities splitting the country in half along ethnic lines. The election of Zeljko Komsic, leader of the Demokratska Fronta – DF), to the Bosnian Croat seat in October is contested by all the major Croat parties in the country. Komsic defeated his main rival, Dragan Covic of the Croatian Democratic Union of Bosnia and Herzegovina (Hrvatska Demokratska Zajednica Bosne i Hercegovine - HDZ BiH), which is the sister party of the ruling centre-right Croatian Democratic Union (Hrvatska Demokratska Zajednica - HDZ)

in Croatia. Both Komsic and Covic are ethnic Croats, but Komsic ran on a multi-ethnic centrist platform, unlike Covic, who ran on a nationalist platform. It is stated several times in the declaration that Croatia supports the sovereignty of Bosnia and Herzegovina and that Zagreb assists Bosnia and Herzegovina's EU membership bid. It called for efforts to be taken to ensure simplification, transparency, manageability, and cost-efficiency of the internal structure of Bosnia and Herzegovina. Institutions in Croatia are called to continue advocating and supporting fast changes that will ensure the equality of all the three constituent peoples and citizens of the neighboring country, as well as to intensify assistance to institutions of strategic importance for the Croat people in Bosnia and Herzegovina. The document, which was put to a vote by the Parliamentary Committee for Croats living outside Croatia, was supported by lawmakers from the HDZ and some members of the parliamentary group of the Bandic Milan 365 - Labour and Solidarity Party (Bandić Milan 365 - Stranka Rada i Solidarnosti) as well as representatives of the Independents for Croatia (Neovisni za Hrvatsku). During the debate before the vote, Social Democratic Party of Croatia (Socijaldemokratska Partija Hrvatske - SDP) MP Josko Klisovic said that the purpose of the declaration should not be only to point to the status of the local Croats but also to determine what Croatia can do to help them to improve their situation. He also added that it was not the Croatian Parliament's duty to discuss the Constitution and election law of a neighboring country. (www.hr.n1info.com)

- December 14th, the US Ambassador to Croatia, William Kohorst, said that he is "hopeful" that the delivery of F-16 fighter jets sold by Israel to

Croatia would go forward after the US Congress approves the deal within the next 15 days. “We continue to be very supportive of Croatia’s attempt to modernize their aircraft with NATO inter-operable planes, so we are pushing forward with getting this approval done. As you may have heard, we submitted to our Congress the TPT approval process, which is the next step in getting this done. There’s a 15-day waiting period, we’re hopeful that at the end of the 15 days we’ll get approved and the process will move forward,” Kohorst told reporters at the official opening of renovated storage facilities of Croatia’s Interior Ministry in Zagreb. On December 12th, 2018, the State Department said they had formally asked the US Congress for the approval of the so-called Third Party Transfer (TPT) which regulates any re-sale of American-made arms to allow the delivery of twelve Israeli F-16 C/D aircraft bought by Croatia in a 477 million dollars deal in March 2018. The aircrafts, between 25 and 30 years old, are intended to replace the outdated Soviet-made MiG-21 aircraft currently used by the Croatian Air Force. Last week, Israeli media reported that the Trump administration is blocking the delivery of jets, as the US insists that the planes must be stripped of modernized electronics installed by the Israeli Air Force. Asked by reporters if the United States had been warning Israel for two years about the necessary technical specifications of the deal, and whether Croatia was aware of them, Kohorst said all parties involved were timely informed about the details, and called for patience in getting the deal finalized. (www.hr.n1info.com)

COUNTRY ASSESSMENT ■ :

Croatia follows a tough external policy with neighboring countries. Although it has territorial

disputes with Slovenia and Bosnia it does not hesitate to intervene in Bosnia’s internal affairs in the name of Croatian entity living there. Declaration on the status of Croats in Bosnia was considered by the neighboring country as a direct interference in its internal affairs. It is a fact, that after the October 2018 elections Croatia insists on a hard line against Bosnia’s politics requesting actually change of Dayton Peace Agreement. It is more than obvious that Croatia tries to establish a leading role in Western Balkans not only as an EU and NATO member state but also as a rising “local” power. One should take into consideration that Croatia shows its military strength and capabilities quite often not only in international, but also in national level sending strong messages to neighboring countries. Although the President is a member of the ruling party, it is estimated that there is some kind of political distance between the President and Government. However, ruling coalition claims political stability. 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. Apart from that a new border conflict has emerged with Bosnia & Herzegovina regarding Peljesak Bridge. 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.



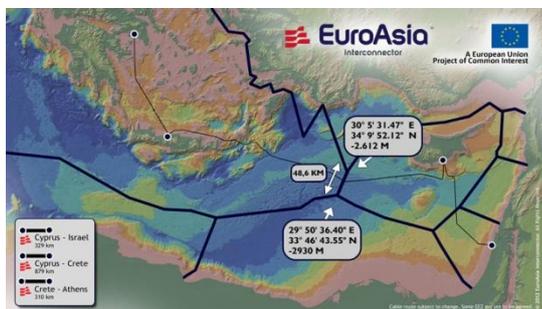
CYPRUS: December 10th, Main opposition Progressive Party of Working People (Ανορθωτικό Κόμμα Εργαζόμενου Λαού - ΑΚΕΛ) reportedly withdrew its member from the Cyprus problem negotiating team over

disagreements with the way President Nicos Anastasiades was handling reunification talks. The party's expert, Toumazos Tselepis, did not take part in a meeting of the negotiating team, with a report suggesting later it was due to the party's disagreement with Anastasiades' handling of the national issue. The party did not comment on the matter but a presidential palace source told the Cyprus Mail it was a decision by Akel's secretariat. Private Sigma television reported that Tselepis, widely respected as an authority, will return to the negotiating team when the party is convinced of the President's sincerity that he is negotiating within the agreed framework. Speaking after the 90-minute meeting, Government spokesman Prodromos Prodromou said the team was briefed about the arrival of UN special envoy Jane Holl Lute this weekend and the contacts ahead to form the terms of reference for the resumption of the talks. *"Our side is ready to discuss the substance of the terms of reference starting with Mrs Lute,"* Prodromou told reporters. The spokesman said Lute will also be seeing the guarantor powers – Turkey, Britain, and Greece. She has already met with the EU High Representative Federica Mogherini. Lute will be staying on the island for three to four days, Prodromou said. The spokesman denied having missed a deadline. *"The aim was to shape the terms of reference as soon as possible and provided all the sides showed readiness, that is the Turkish side, we will be able to agree. It had been said that this could be done by the end of the year."* With the terms, Prodromou said, the UNSG wants to have a solid ground on which all the parties will pledge to negotiate a solution of the Cyprus problem. The meeting of the negotiating team was the first since the talks broke down in the summer last year. Former Attorney-General Alecos Markides also declined

to attend despite the invitation, after having quit the team a long time ago. Legal expert Polys Polyviou was absent abroad and could not make it. (www.cyprus-mail.com)

- December 11th, the final stage of raising capital for the project has been reached, EuroAsia Interconnector Limited, the promoter for the mooted subsea cable that will connect the electricity grids of Israel, Cyprus, and Greece to the European system, has said. In a press release, the project promoter said it is *"In the final stage of concluding these actions in collaboration with strategic investors, through a capital increase and bond issue to safeguard the capital and financial closure for the construction of the entire Cyprus-Crete-Attica interconnector, with a total development and construction cost of 2.758 billion euro."* It noted that the EuroAsia Interconnector, as an EU Project of Common Interest (PCI), is eligible to receive grants of up to 50% of the total construction cost (including the Crete-Attica link) from the Connecting Europe Facility (CEF) and additional facilities from the European Investment Bank (EIB) and other EU institutions. *"Specifically, the pre-selection stage has been completed and the candidates have been informed about the results. Pre-ITT [Invitation to Tender] documents submission meetings with the successful candidates are being held in early December at the EuroAsia Corporate Headquarters in Cyprus and the results of these meetings will be incorporated in the final Invitations to Tender documents including all technical, commercial and legal requirements to be issued."* On the timeframes, the commissioning dates for the first two segments of the interconnector have been set for June 2022 (segment connecting Crete and the Attica region), and December 2023 for the segment connecting

Kofinou, Cyprus to Crete. In June this year, the Government issued a notice for the expropriation of land for the interconnector's direct-current converter station. The station, set to be built in Kofinou, will be the hub of the 2,000 MW 1,518km long subsea cable. Asked to comment, energy analyst Charles Ellinas said the EU has shifted funding priority of PCI projects to electrical and renewable projects, at the expense of fossil fuel related projects. *"Among these, Interconnectors get priority. The fact that the EU has approved a grant covering 50% of the construction costs of the project improves its viability. Hopefully, as and when the Interconnector is built, it will be used to transmit electricity for the benefit of Cyprus and even help bring electricity costs down. It could also encourage the development of renewable energy at larger scale,"* he said. (www.cyprus-mail.com)



Euroasia Interconnector Project
(www.euroasia-interconnector.com)

- December 16th, the Government Spokesman, Prodromos Prodromou, said critical consultations are underway as regards the Cyprus problem following an around two-hour meeting between the President Nicos Anastasiades and the UN Secretary General's special envoy on Cyprus, Jane Holl Lute. Lute, who is on the island for consultations with both leaders with a view to clinching an agreement on the terms of reference that will pave the way for the resumption of

Cyprus talks, left the Presidential Palace without making any statements. Prodromou said that it was a creative and productive meeting, both concerning the terms of reference but also critical issues concerning the Cyprus problem. The Government Spokesman did not want to elaborate on what had been discussed at the meeting or if the Government submitted any ideas. *"We are currently in the middle of critical consultations concerning the negotiation and the continuation of the (settlement negotiations on the) Cyprus problem and it would be best to avoid unnecessary comments,"* he said. Anastasiades, he said, is to have another meeting with Lute within the coming days, after her meeting with Turkish Cypriot leader, Mustafa Akinci, on December 17th, 2018. He said that Lute did not submit any documents. (www.cyprus-mail.com)

COUNTRY ASSESSMENT :

Cyprus expresses in highest level its commitment to continue its energy plans exploiting energy resources in Cypriot Exclusive Economic Zone (EEZ) despite Turkish aggression. Involvement of an American company (ExxonMobil) in the drills it is proved "wise" and "smart". The US administration expresses its support in Cypriot energy plans through visits of high officials and statements. Announcement of Turkish seismographic research within the Cypriot EEZ (plot 4) could be assessed as spasmodic actions of Turkey against Cyprus (already predicted and expected). At the moment, none could assess the level of escalation Turkey seeks to reach. Taking into consideration that Cyprus lacks of military power and especially aeronautical forces it is expected Greece to be engaged more actively in the region. Conduct of aeronautical exercises in cooperation with other countries sends various

messages of defense capability, readiness, and determination. The UN Secretary General appears optimistic for a new round of talks between the two communities. President Anastasiades promotes the scenario of a “bizonal, bicomunal decentralized federation”; an idea which is in principle accepted by the leader of the Turkish Cypriot community and enjoys support from the U.S. However, there are a lot of disputed issues in which both parts should compromise; the most important is considered the decision-making process. It seems that not only the Turkish Cypriot side faces arguments with Turkey regarding negotiations, but also Cypriot political parties are divided regarding President Anastasiades’ negotiations plans. Cyprus follows a multilateral external policy which proves efficient so far. However, recent close approach between Cyprus and the US provoked Russia’s strong reaction which foresees a possible isolation from its influence in the Island. It is not a secret that Russia enjoys or used to enjoy a privileged relationship with Cyprus due to the US distance regarding defense and foreign policy neutrality. It is a question how Cyprus will achieve to balance between the US and Russia interests in the region. Situation is complex since Russia strengthened its relation with Turkey, while the US and Turkey, two allies within NATO are deteriorating theirs. The idea of NATO as the guarantor of Cyprus reunification and its security is a new fact which may cause disputes within the Cypriot political life. 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.



F.Y.R.O.M: December 10th, a Commission’s discussion about the draft amendments for the Constitution, announced the Parliament’s Speaker Talat Xhaferri after the meeting with his Albanian colleague Gramoz Ruchi. The plenary parliamentary session is set for January 9th, 2019 and it is expected to last for a week followed on January 15th, 2019 by a vote on constitutional changes. A two-third majority is necessary for a successful vote. Starting from today, the deadline for the parties to submit their proposals on constitutional amendments is until December 17th, 2018. The last two public debates about the constitutional changes will take place today in Shtip and Tetovo. (www.meta.mk)

- December 13th, FYROM’s secret Police, UBK, will no longer have unchecked powers to place people under surveillance, and will no longer be misused for political purposes, under a set of bills that form part of EU-recommended reforms of the security sector. The Government said it has already adopted the proposed model for reforms, and had tasked the Interior Ministry to coordinate its implementation. The ultimate goal, it said, was to “decentralize the UBK’s unchecked power” and create a system of checks and balances that would prevent further misuses. One of the key novelties is that the secret Police will no longer be part of the Interior Ministry, but a separate independent agency that will be placed directly under Government’s control. Another novelty that the Government insists will be key is that the UBK, following reforms, will stop working under the existing Law on Police; its work will instead be regulated by a separate law. This law will take away the UBK’s powers to put people under surveillance and arrest them, turning it from a repressive service into a strictly preventive one

that will be tasked with handling national security. This is the second step in the UBK's reforms, in practice. In late November and early December, the Government proposed and Parliament adopted amendments to the Law on Surveillance aimed at ensuring that the secret Police are no longer in charge of the technical process of surveillance. The amendments envisaged the formation of a new Operational Technical Agency, OTA, which will be independent of the secret Police and under much firmer civil control. Its work will be monitored closely by the Prosecutor's Office. The UBK will only be able to analyze the collected data but will no longer have the ability to eavesdrop itself. The previous law allowed the UBK to eavesdrop without needing a Court's permission and without notifying the telecommunications operators. Also, as part of the wider reforms, mobile operators will no longer be obliged to provide technical equipment to the UBK, with which it could easily penetrate their systems for surveillance purposes. Reforms in the security sector were sought by Brussels and are one of the key preconditions if the country is to formally open EU accession talks, expected at the end of next year. They come after a massive illegal surveillance scandal rocked FYROM in 2015, causing a long political crisis. (www.balkaninsight.com)

- December 13th, FYROM Parliament's Committee on Reconciliation finished drafting a law offering an amnesty to those who took part in last year's violent rampage in the Parliament. If matters go as planned, the law will soon find itself on the list for speedy adoption. The draft law will offer amnesty only to those who did not personally commit any violent acts in the rampage and who did not organize the events, an opposition Internal Macedonian Revolutionary

Organization – Democratic Party for Macedonian National Unity (Внатрешна македонска револуционерна организација – Демократска партија за македонско национално единство - VMRO-DPMNE) MP, Zekir Ramcilovic, told the media. Ramcilovic, who is a member of the Committee that worked on the draft, insisted that the amnesty will not diminish the importance of the ongoing trial against 33 suspects accused of participating in the violence of April 27th, 2017. The Parliamentary Committee will likely soon submit the draft for adoption at a plenary session, under a shortened procedure. The planned “selective” amnesty has drawn much criticism for the country's Prime Minister, Zoran Zaev. Critics accuse him of trading the rule of law for opposition votes in order to reach the political goal of implementing the historic agreement with Greece on the country's name. Zaev has repeated that he is willing to “pay a political price” for the amnesty. The opposition VMRO DPMNE leadership is not part of this reconciliation process. It has demanded an amnesty for all the defendants in the trial over the rampage in the Parliament. (www.balkaninsight.com)

COUNTRY ASSESSMENT ■ :

The Prime Minister Zaev accelerates procedures for constitutional amendments aiming at concluding the whole process successfully. It is expected late January 2019 the whole process will have been finished successfully. Not only F.Y.R.O.M's future is based on this process, but also Zaev's political future. It is more than certain that constitutional change will end successfully not only because Zaev fully controls political balance in the Parliament, but also because international community namely the US and EU strongly supports F.Y.R.O.M's name

change. However, latest statements by the Prime Minister about “Macedonian” language within Greece raised tension between the two countries. It is assessed that Zaev is addressed to his own internal audience and it is not in his direct interests to intervene in Greek internal affairs. He is trying to convince FYROM’s citizens that “Prespa Agreement” is a good one securing the state’s interests. Nevertheless, tension proves that the agreement is unclear allowing both parts to interpret it according to their interests. Initiative for political reconciliation is a positive step by Zaev’s governance, although there are claims that it’s the price for 8 opposition MPs support regarding constitutional amendments and more specifically the name deal with Greece. The European Parliament has sent an encouraging message to F.Y.R.O.M for opening accession negotiations in June 2019. The country has become a field of rivalry between the US and EU on the one side and Russia on the other. After Montenegro, NATO seeks to bring F.Y.R.O.M within the alliance isolating Russian influence in the region. Lavrov openly claims that the US and EU blackmailed and bribed MPs to support the name agreement with Greece. Needless to say that in a period where border questions are raised again in the Balkans, F.Y.R.O.M needs political stability and growth prospects.



GREECE: December 14th, in a joint statement issued after the inaugural United States-Greece Strategic Dialogue held in Washington the two sides said the meeting “*highlights the strength of the bilateral relationship*” while confirming the mutual commitment of Athens and Washington “*to deepen cooperation*” in a number of areas including defense and security, counter-terrorism, trade and investment, and energy.

Talks, which included high-level interagency representation from both countries, were launched by the US Secretary of State Mike Pompeo and Greek Alternate Foreign Defense Minister Giorgos Katrougalos. “*The United States and Greece shared views of the Eastern Mediterranean and Balkans, noting their common vision for a peaceful and prosperous region, the need to integrate the countries of the Western Balkans into European and transatlantic institutions,*” the statement said. “*The United States lauded Greece’s leadership and vision in promoting regional stability and cooperation, in particular, Athens’s initiatives in the Eastern Mediterranean and the Balkans to facilitate common regional economic and security benefits, as well as in reaching the Prespes Agreement with Skopje and working towards its implementation,*” it said in reference to the name deal signed in June between Greece and the Former Yugoslav Republic of Macedonia (FYROM). According to the statement, Washington expressed interest in increasing its support for the Greece-Israel-Cyprus trilateral discussion, as invited. The two sides also expressed their desire to modernize and expand their defense relationship. Furthermore, the US highlighted the increasing role of Greece as an energy, transport, and commercial hub in the region. “*The two countries committed to cooperate in further strengthening this role.*” More specifically, in the energy field the two states noted the need to improve Europe’s energy security and diversification, highlighting the recent spot purchase of US LNG and ongoing negotiations for a long-term supply agreement. The United States commended Greece’s progress on energy projects to expand regional interconnectivity to include the enlarged Revithoussa LNG terminal, the Trans-Adriatic

Pipeline, and the Greece-Bulgaria Interconnector, and supports additional infrastructure designed to diversify routes and supplies, to include the proposed LNG terminal in Alexandroupolis and the Eastern Med pipeline, where commercially feasible. The two sides also discussed cooperation on renewable and clean and efficient coal technologies. The United States supports Greece's joining the Three Seas Initiative and related efforts to strengthen Europe's North-South interconnectivity. (www.ekathimerini.com)



The US Secretary of State, Mike Pompeo and the Greek Alternate Foreign Minister, Giorgos Katrougalos in joint statements
(www.mfa.gr)

- December 14th, the sense that the country is in a pre-election mode intensified as, despite the insistence of most Government officials that polls will take place as scheduled at the end of the coalition's term in the fall 2019, junior coalition partner Panos Kammenos continued to defy Prime Minister Alexis Tsipras on the contentious Prespes name deal. Despite the fact that Tsipras and Kammenos had agreed on an informal moratorium until March 2019 for discussion of the Prespes deal, the leader of right-wing Independent Greeks (Ανεξάρτητοι Έλληνες - ANEL) has increasingly been voicing his opposition to the agreement. In the latest of a

series of threats, Kammenos, who is also Defense Minister, broke with the Government line once again on Thursday with a statement to Armed Forces officials in Larissa, central Greece, declaring that he will quit his ministerial post and ANEL will withdraw its support for the Coalition of Radical left (Συνασπισμός Ριζοσπαστικής Αριστεράς – SYRIZA) led Government when the Prespes agreement goes to FYROM's Parliament. In his speech to Officers Kammenos accused FYROM's Government of "*Deciding to pursue its irredentist intentions,*" interpreting this as "*Discrediting the Prespes deal which, in any case, is dead.*" He was responding to a series of references by FYROM Prime Minister Zoran Zaev in recent days to a "*Macedonian*" identity and language. As approval of the Prespes deal in FYROM's Parliament is expected in January, Kammenos's statements on Thursday fueled concerns that a potential crisis in the Greek Government could come earlier than originally anticipated. In a second comment later on Thursday, Kammenos backpedaled, suggesting that he would quit when the deal comes to Greece's Parliament, most likely in February, a stance he has already expressed several times, most recently earlier this week during a debate in Parliament. Kammenos's accusations of FYROM's irredentist ambitions came just a few hours after a Greek Government source indicated that the FYROM Government's constitutional revisions are in line with the Prespes accord. According to the source, the main point of contention, Paragraph 3 of Article 49, which referred to "*Macedonian people who live in neighboring countries,*" was changed to "*diaspora,*" reflecting references that exist in the Greek Constitution. "*Therefore, it corresponds to the letter and spirit of the Prespes agreement, whose ratification process is continuing,*" the

source said. Centrist To Potami (Το Ποτάμι), whose support for the Prespes deal had appeared to falter following Zaev's comments, on Thursday indicated that it was prepared to back the accord subject to the review of FYROM's constitutional amendments. (www.ekathimerini.com)

- December 15th, speakers at New Democracy's (Νέα Δημοκρατία – ND) 12th conference over the weekend hit out against populism and hailed the party as the remedy for restoring Greece's tarnished image in Europe. In a speech on Saturday, the leader of the center-right European People's Party (EPP) in European Parliament, Manfred Weber, expressed confidence in ND leader Kyriakos Mitsotakis, saying an electoral win by the conservatives next year will bring multiple benefits. "A New Democracy Government will not only sideline populists, it will also restore the credibility of this wonderful country in Europe," said Weber who is the favorite to replace Jean-Claude Juncker as the European Commission President. "A New Democracy victory will also send a clear message to Europe that the rise of populism is not irreversible," he told delegates at the Metropolitan Expo venue near Athens International Airport in eastern Attica. "The forces of the extremes are on the rise. I am absolutely certain that New Democracy will not just win the next election but above all, that Kyriakos Mitsotakis will be an excellent Prime Minister." European Migration Commissioner Dimitris Avramopoulos struck a similar tone, saying that populists "Are taking us back to the darkest times of European history." The countries that survived similar crises to Greece's were those whose leaderships did not slide into populism, he said. Former conservative Premier Antonis Samaras lambasted the Prime Minister Alexis

Tsipras over Greece's name deal with the Former Yugoslav Republic of Macedonia. "He gave up everything that previous Greek Prime Ministers refused to," he said. "He is dangerous for many reasons but mainly because he has no red lines; he does everything they ask him to do." Mitsotakis, talking to reporters on the sidelines of the conference, said he would not follow Tsipras's example with divisive dialogue, adding that he believed elections would happen in May 2019. (www.ekathimerini.gr)

COUNTRY ASSESSMENT ■ :

The country has entered in full pre-electoral period and parties are prepared for snap elections. Ruling coalition of SYRIZA – ANEL intensifies its efforts to reverse political atmosphere addressed to their special electoral audience. ANEL leader Kammenos hardens his rhetoric against the name deal with FYROM threatening to topple the Government if the agreement will come to the Parliament for ratification. It is a fact, that ANEL as an ultra right-wing party with nationalist rhetoric has been trapped in the agreement with FYROM, which touches a sensitive issue for Greek society namely the Macedonian question. The burden of Prespa Agreement may be detrimental for political existence of ANEL and the party tries to eliminate it. On the other hand SYRIZA tries to gain political time planning to relief society with social care measures. Under these circumstances It is assessed that early election may be called in May 2019 together with local and European election. However, it is rumored another scenario; ANEL may topple the Government earlier, in the end of January 2019 or beginning of February 2019 when the Prespa Agreement will come to the Parliament for ratification. By

this action, ANEL keeps a “patriotic” stance and SYRIZA leaves the burden of ratification to New Democracy which is expected to be the winner of next election (according to the polls) and its leader Mitsotakis has publically stated that his party will not ratify the agreement. Of course there is always the alternative scenario of parliamentary election in autumn 2019 when actually mandate of current Government expires, but with few possibilities under the current political situation. Name agreement with F.Y.R.O.M is under question after provocative statements of the Prime Minister Zaev who openly raised the issue of “Macedonian” language in Greece and expressed irredentist ideas of “Macedonia of the Aegean.” Strategic dialogue between Greece and the US including defense, security, and energy matters strengthen geopolitical position of the state in the fragile region of East Mediterranean Sea and sending strong messages to Turkey. Greece (and Cyprus) has entered in a risky period of tension with Turkey. Several Turkish NAVTEX in the Aegean Sea for aeronautical exercises included fires establish conditions of tension and possible crisis. Next period will be critical to see if Turkey keeps maintaining a war of words or it will escalate situation taking in advantage an accidental or preplanned incident.



KOSOVO: December 11th, the Kosovo Prime Minister Ramush Haradinaj reacted to statements of the EU foreign policy Chief Federica Mogherini, who stated that she does not rule out exchange of borders between Kosovo and Serbia. Haradinaj who is against discussing the land swap idea during Kosovo-Serbia dialogue, said that Mogherini who facilitated high level dialogue between Pristina

and Belgrade has “killed” the dialogue. *“I think Mogherini has killed and disarranged the dialogue on normalization by transforming it into a dialogue on territories. This has caused harm to our region,”* Haradinaj said adding that Mogherini’s stance on borders is unacceptable. Mogherini said on December 10th, 2018 that it is up to Kosovo and Serbia to define what would be the final outcome of the dialogue without excluding a solution on land swap if agreed by the two Presidents of Kosovo and Serbia during bilateral negotiations. *“It is important for the EU and it has been clear since the beginning that we will welcome the result that comprehensively addresses all issues related to normalization in a legally binding manner and in relation to the principles of international law and the EU rules. It means there is no ethnic division within countries,”* Mogherini said when asked whether the idea of border correction is acceptable to the EU. (www.gazetaexpress.com)

- December 12th, the German Member of the European Parliament, Markus Ferber, said corruption, impunity, and non-implementation of laws by Kosovo leaders, are hindering visa liberalization. Ferber said political elite in Kosovo is using double standards with its people, by employing their relatives, and not supporting citizens. Ferber also said that corruption cannot be fought by corrupted officials. He criticized Ramush Haradinaj’s Government for the large number of Ministers who as he said are corrupted and have files at the Courts, but despite this they continue leading the country. But despite criticism Ferber said the European Parliament is the only EU institution recognizes Kosovo under its official name as the Republic of Kosovo and has given the green light for visa liberalization. (www.gazetaexpress.com)

- December 14th, the Kosovo Parliament passed legislation enabling transition of an existing 4,000 members Kosovo Security Force (KSF) into a full-fledged Kosovo Army. This is one of the most important decisions for Kosovo's statehood since the country declared its Independence in 2008. 108 MPs out of 120 seated Parliament voted unanimously the adoption of three laws to turn the KSF into an army. 11 Serbian MPs in Kosovo Parliament who are backed by Belgrade and are opposing creation of the Army have boycotted Friday's session. But experts say that the adoption of the new laws is just the beginning and there is a long way ahead for the KSF to become a real army. The package of laws extends powers to existing KSF, regulates recruitment into the new army and transformed the Ministry of the KSF into the Ministry of Defense of Kosovo. The United States, Germany and Great Britain have backed Kosovo's move, but warned Pristina authorities that the future Army of Kosovo should be inclusive. Kosovo's capital Pristina squares and roads are adorned with American flags, as well as flags of allied countries which are supporting creation of Army in a sign of gratitude for their support. Writing on social media Friday ahead of vote, the US Ambassador Philip Kosnett stated that a country's security depends on the quality of its security relationships and peaceful relations with its neighbors. Kosovo's President Hashim Thaci inspecting the KSF troops in a barrack near Pristina on the eve of the vote was seen dressed in a uniform and stated that the KSF is ready for a new role and mission. In October 2018 Kosovo MPs of both ruling and opposition approved in principle the three draft laws giving more power to current KSF civilian force, and bypassing the constitutional amendments required to change it into regular army.



Kosovo President Hashim Thaci inspects KSF accompanied by its Commander Lieutenant General Rrahman Rama

A constitutional obligation for that required a "double majority" – meaning the support of two-thirds of all 120 MPs and two-thirds of the 20 ethnic non-Albanian MPs. Kosovo Serb MPs, who hold 11 of the 20 seats in parliament reserved for non-Albanian communities, have made such an initiative impossible and strongly opposed creation of Kosovo Army. The European Union's foreign policy Chief Federica Mogherini has expressed regret over Kosovo's move to form a new army. Maja Kocijancic, spokesperson to the EU foreign policy Chief, said the EU was in agreement with NATO that the mandate of KSF "Should only be changed through an inclusive and gradual process in accordance with Kosovo Constitution." In the same line, NATO Secretary General Jens Stoltenberg issued a statement saying that he regrets the decision was made despite the concerns expressed by NATO. The Kosovo Police Deputy Director of Mitrovica

North station, Besim Hoti, said the situation in northern part of Kosovo is calm and Police is acting based on an operational plan drafted earlier. Kosovo Serbs gathered in Mitrovica North to protest Pristina's decision on transforming the KSF into an army. (www.gazetaexpress.com)

COUNTRY ASSESSMENT :

Kosovo has reached a critical point where only through normalization of relations with Serbia it will be able to move forward namely to enter the UN, NATO, EU and to achieve a normal status of a state. However, the state's authorities show a tendency of escalating tension with Serbia undermining a peaceful resolution of the case. By imposing 100% tariff on Serbian (and Bosnian products), establishing Kosovo army, executing Special Forces operation in northern Kosovo, and arresting Serbs it is created a climate which does not facilitate dialogue and the establishment of confidence between the two parties. It should be also underlined that at the moment Kosovo's political power are divided regarding negotiation process and goals. The Prime Minister Haradinaj and the Government are not in harmony with the President Thaci who is the chief negotiator of the state (or at least he decided that he is). There is even a matter of legitimacy within the state regarding who is authorized to represent the country in dialogue with Serbia. In this context, Haradinaj presented his own draft agreement with Serbia. The question of border exchange or simply change continues to divide Kosovo political forces and population. However, it could be estimated that if Kosovo keeps on acting in such way it may be isolated on the table of international negotiations. It seems that the U.S (and the EU) has a leading role in the background pushing for the idea of territorial

change (or exchange). One should take into consideration Haradinaj's "attack" against the EU foreign policy Chief Mogherini who supported in public the idea on territorial exchange. Kosovo lacks determination over its critical reforms which will establish in the country rule of law and modern functional administration. Path towards the EU and NATO will be long and hard. Kosovo announced the establishment of its army; what is strange (and impressive simultaneously) is that the US administration (and the UK) is against the NATO and EU point of view. While the US and UK Ambassadors expressed support in KSF transformation into an army Stoltenberg and Mogherini expressed their regret. The army issue may provoke rapid reaction by the Serbian side including military and Police power. One should take into consideration that the Serb President has already ordered all defense and security stakeholders to take all necessary measures for protecting Serbian population in Kosovo.



MOLDOVA: December 10th, the pre-electoral political struggle between the Democratic Party of Moldova (Partidul Democrat din Moldova – PDM) and Party of Socialists of the Republic of Moldova (Partidul Socialiștilor din Republica Moldova – PSRM) continues. The Head of state, Igor Dodon, has been temporarily suspended for the fifth time since taking office. Speaker of Parliament Andrian Candu and PDM Deputy Sergiu Sirbu filed a complaint to the Constitutional Court against the President. According to the case Dodon refused to promulgate several laws, although the Constitution obliges him to do so after being revoked in the Parliament. More specifically, Dodon has been accused of refusing to

promulgate five laws approved by the Parliament, including the construction of the US Embassy on the site of the former Republican Stadium, the celebration of May 9th as Europe's Day, the new Audiovisual Code, and the reform of the Carabineer Troop Department. The Constitutional Court decided to suspend him from office. So far, Igor Dodon has been suspended from office four times, and the bonds were met by Parliament Speaker Andrian Candu. Dodon has criticized the Constitutional Court's decision *"The Constitutional Court again decided to pass the Parliament Speaker and/or Prime Minister the right to enact certain laws, after I refused to sign a set of anti-popular laws adopted by the parliamentary majority. I will not give up on any of these issues and I'm sure the people will support me in this case. After the parliamentary elections of 24 February 2019, all these laws will be canceled."* (www.moldova.org, www.moldpres.md)

- December 11th, the Russian Federation may be involved in the Moldovan parliamentary elections of February 24th, 2019. The statement was made by the US Ambassador to Moldova, Derek J. Hogan, during an official visit to the city Balti. The US diplomat met with Deputies Gennady Shmulschii and Lilia Sava. In addition to representatives of the local public administration, Hogan also met with representatives of political parties in the territory. *"I do understand that you're on the eve of the parliamentary elections and so I wanted to know how the process is going on here,"* Hogan said. He has also mentioned that it is possible for the Russian Federation to intervene in the elections scheduled for February 24th, 2019, just as it happened in the United States in 2016. *"We believe that the involvement in a country's internal affairs is not a rarity. As*

you already know, this has also happened in the US and we believe that it is very likely to happen here as well. So, we work very actively with authorities and political parties in order to inform them about our experience," the US Ambassador said. (www.moldova.org)

- December 14th, Moldova and Turkey will have a Strategic Cooperation Council. The Parliament ratified the Joint Declaration on the setting up of the Council, signed in Chisinau on October 17th, 2018. Under the document, the Council will be co-chaired by Moldova's Government and the President of Turkey. The Council will establish the strategy of development of relations in the political and military sectors, fields of security, economy, trade, energy, transports, agriculture, tourism, health, culture, science and humanitarian sector. A joint group of strategic planning, co-chaired by the two countries' Foreign Affairs Ministers, will be created within the Council. The new structure will contribute to the deepening and diversification of cooperation with Turkey, boosting the economic ties, developing the regional and international cooperation, as well as raising the Moldovan-Turkish relations to the level of strategic partnership. (www.moldpres.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. Political situation in the country is alarming and the EU has hardened its policy towards Moldova pushing for more reforms which will strengthen state's

transparency, accountability and democratic values. Coming parliamentary elections scheduled for February 24th, 2019 will be closely monitored by the international community and especially the US and EU as a “democratic stress test.” Moreover the US express concerns over a possible Russian interference in the elections. The Government is sliding into dangerous paths which support corruption and organized crime and deep and determined justice reforms are needed. The U.S, EU and IMF express their major concerns. By autumn the state has entered in pre-election period although elections are scheduled for February 24th, 2019. The ongoing crisis between Russia and Ukraine may affect Moldova; First of all Russia maintains military forces in Transnistrian ground and secondly it shares common borders with Ukraine which cannot go unnoticed by international stakeholders. One should keep an eye on current political (and public) trend on reunification with Romania. The “Transnistria case” is always a “running sore” for the country working as a potential factor of destabilization.



MONTENEGRO: December 11th, speaking in a TV show of the country’s public broadcaster RTCG, the Spokesperson of the Montenegrin Hydrocarbon Administration, Jelena Savkovic, said the preliminary data on oil research in the Montenegrin coast will be known by the end of 2019 or the beginning of 2020. She also announced the first hole would be drilled within that period of time. “Research will last 4 plus 3 years, which means the concessionaire will need 7 years to see whether there’s oil and gas on our coast,” she said. Savkovic stated that during the period December 4th to 10th, 2018, 23% of the surface covering the blocks 4,5,9 and 10 has

already been surveyed which means so far 70% of the total envisaged area has been researched based on the concession agreement signed with the companies “Eni-Novatek.” (www.cdm.me)

- December 12th, Montenegro's Constitutional Court ruled that the jailing of the opposition MP Nebojsa Medojevic, one of the leaders of the Democratic Front (Demokratski front – DF), was unlawful and ordered his release. The Court overturned previous rulings from the higher and appeals Courts that Medojevic should be “put in jail” because he refused to testify in a bribery case involving the country’s Special Prosecutor and Podgorica’s former Mayor. The Constitutional Court found that jailing him as a witness refusing to testify was unconstitutional. Police arrested Medojevic on November 30th, 2018 and sent him to jail in the capital Podgorica on December 7th, 2018 to serve a two-month sentence after he was convicted of refusing to testify against the former long-term Mayor of Podgorica, Miomir Mugosa, in a case involving corruption and misuse of office charges. Medojevic had claimed that Mugosa paid Special Public Prosecutor Milivoje Katnic 100,000 euros to avoid pre-trial custody. Both Katnic and Mugosa denied the allegations. Days before the arrest, Medojevic complained of “being followed” by Police Officers and Intelligence Agents, and on December 6th, 2018 he filed an official complaint to the Interior Ministry. “This is a first-rate scandal, to arrest a lawmaker for the words he has said... this is a continuation of the repression against the Democratic Front,” the DF leader Andrija Mandic said after the arrest. Meanwhile DF has announced that it will take to the streets of Podgorica to protest the detention of Medojevic and the attempt to detain another lawmaker, Milan Knezevic, who on November 30th, 2018

took refuge in Parliament to avoid arrest. DF also announced that rallies will start in other cities and towns across the country from December 12th, 2018. Knezevic was also fined 1,000 euro in March for refusing to testify in another preliminary investigation. He had alleged that “A high-ranking judge” asked him for a 10,000 euro bribe in return for overturning his sentence in the ongoing “*coup plot*” trial. Knezevic and Mandic are both currently standing trial on charges of involvement in an alleged coup plot during the October 2016 elections. They have been charged with participating in attempts to undermine “*The constitutional rule and security of Montenegro.*” Both Mandic and Knezevic have dismissed the plot allegations as false. DF has accused the Prosecutor’s Office of acting under the influence of Montenegro’s President Milos Djukanovic. (www.cdm.me)

- December 15th, Montenegro’s Ministry of Defense is planning to go into a credit debt of 30 million euro for the purchase of 67 armored vehicles. Government’s documents state that funds for defense will make 2,98% of GDP in 2019, more than predicted by NATO standards and caused by provision of armored vehicles and payment of installments for helicopters. “*Profit that the Ministry of Defense makes by selling armament, selling and renting former military property (immovable) and provision of services, as well as the funds on the basis of refunding costs by NATO will amount up to 5 million euro and will be used for the achievement of partnership objectives and equipment of the Army, inclusive of uniforms,*” the Ministry said. Budget of the Army will amount 36.8 million euro. As far as the missions in which Montenegrin soldiers participate, the budget predicted 2.294.456 euro for missions’ expenses, payments,

accommodation in camps and barracks as well as for the engagement of soldiers in recovering consequences caused by natural disasters. For 2019, the Armed Forces is planned to join five peacekeeping missions; in Afghanistan (20 soldiers), Somalia (7 soldiers), Mali (1 soldier), West Sahara (2 soldiers) and in KFOR mission in Kosovo (2 soldiers). For the lease of premises in NATO headquarters, Ministry will provide 680.000 euro, and for the Council, they will provide 20.000 euro. (www.cdm.me)

COUNTRY ASSESSMENT ■ :

Although the country enjoys a period of “euphoria”, major reforms should be implemented in order the country to come closer to the EU. The EP assessment is positive praising the state’s efforts to implement major reforms, but on the other hand it underlines the problems of the rule of law, media freedom, corruption, money laundering, and organized crime. However, the EP expressly states that Montenegro under certain conditions may be able to access the EU by 2025. The Government promotes state’s political and economic stability which creates an almost ideal investment environment. Although the Government takes concrete measures against corruption, organized crime, and money laundering it is assessed that a lot should be done to reach such a level of economic activity; mainly in the field of public administration, public sector corruption, and money laundering. Imprisonment of opposition MPs is a worrying and alarming sign regarding rule of law and democratic values in the country. Montenegro shows activity within NATO trying to prove that it is an equal partner of the alliance with military capacity according to NATO standards. 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 significant number of people is opposed in NATO and maintains pro-Russian stance while Montenegro's presence in Kosovo may harm relations with Serbia.



ROMANIA: December 10th, Liviu Dragnea, leader of the ruling Social Democratic Party (Partidul Social Democrat - PSD) in Romania and Speaker of the Romanian Parliament's Chamber of Deputies, is mentioned in a story of The Washington Post (WP) that talks about "*the new autocrats*" namely leaders who are turning democracy into a tool of oppression. The article refers to "*the struggle underway in Poland, Hungary, Romania and the Czech Republic, as leaders seek to consolidate control and citizens fight back.*" Referring to Romania, the WP article says that the PSD Government has been using pay hikes in the public sector and the GDP growth to maintain its popularity and "*cement power,*" local Digi24 reported. "*Money helps leaders keep their populations happy. It also gives them cash to burn on vanity projects, influence operations and patronage networks populated by favored cronies,*" reads the article. The WP also reminds readers that Liviu Dragnea has been twice convicted on corruption and vote-rigging charges. The second conviction, although not final, was ruled in June this year; three years and six months in prison. Moreover, amid subsequent accusations of even greater graft, the PSD Government "*Ousted the nation's top fraud Prosecutor and pushed legislation that experts say will keep other investigators off the trail.*" WP journalists say that silencing corruption watchdogs is a widespread practice in the region. In Romania, the National Anticorruption Department (DNA) is the

institution investigating corruption offences by state officials. The DNA Prosecutors have sent many top politicians to court since 2014, when Laura Codruta Kovesi was appointed Chief Prosecutor. However, Kovesi was dismissed this summer at the Justice Minister's request. President Iohannis rejected in late November the Justice Minister's proposal to appoint Adina Florea as DNA Chief Prosecutor. Minister Tudorel Toader decided to support Adina Florea for this position despite a negative opinion of the Superior Magistracy Council (CSM), which considered that Florea was unfit for this important position. (www.romania-insider.com)

- December 10th, Romania's Prime Minister Viorica Dancila on December 7th, 2018 in the beginning of the Government's meeting, announced that the executive has notified the Constitutional Court with a request to settle the deadlock generated by President Klaus Iohannis postponing the appointment of some Ministers. "*The only source of uncertainty that we have at this moment, is generated by the President Klaus Iohannis who blocks the appointment of Ministers in two important areas, meaning the Ministry of Regional Development and Public Administration on a one hand, and the Ministry of Transport on the other. I believe that it is not the petty politics that should guide us these days, but the interest of the country,*" Dancila said. She also said that the successful holding of the rotating presidency of the EU Council, which Romania will take on January 1st, 2019 can only be done by "*giving full authority and legitimacy to each Minister.*" In response, later the same day, Iohannis blamed Dancila for turning a political issue into a constitutional one. "*This Government is controlled by the delinquent Dragnea through intermediaries,*" Iohannis said. He also announced

that he would not appoint any Minister, until the Constitutional Court issues a response to the request submitted by Dancila. At this moment, the legal status of ongoing Ministers of the two Ministries (Regional Development and Transport) remains unclear after they submitted resignations. (www.romania-insider.com)

- December 13th, Romania's opposition parties will file in the Parliament a non-confidence motion against the Government headed by Prime Minister Viorica Dancila. The text of the motion will be presented in front of the joint chambers on December 17th, 2018 and the lawmakers will give vote on December 20th, 2018. The motion is backed by the main opposition party, the National Liberal Party (Partidul Național Liberal - PNL), but also by most of the other opposition parties; Save Romania Union (Uniunea Salvați România - USR) and even the political vehicle of the former Prime Minister Victor Ponta PRO Romania (PRO România - PRO). The leader of the PNL Deputies caucus announced that "163 MPs from PNL, USR, PMP (the party of former President Traian Basescu), non-affiliated and belonging to the Pro Romania Party have signed and back a non-confidence motion against the Government," local Mediafax reported. The Democratic Alliance of Hungarians in Romania (Uniunea Democrată Maghiară din România - UDMR) will most likely not back the motion, thus helping the Government remain in office. UDMR President Kelemen Hunor told Mediafax that "there is no alternative" to the incumbent ruling coalition. Quite notably, the text of the motion (unveiled by Mediafax) speaks of the "PSD-ALDE-UDMR ruling coalition," which in principle is expected to annoy ethnic Hungarians' party thus minimizing the opposition's odds against the Government. The motion also speaks of the

alternative to the incumbent Government, rather than alternative to incumbent ruling coalition and it speaks of very general principles; smaller cabinet, flexible and better public management. But the key problem, namely the identity of another ruling majority or a minority Government, is left untouched. (www.romania-insider.com)

COUNTRY ASSESSMENT :

Romania is in the edge of early parliamentary elections after the non-confidence motion against the Government filed by the opposition. Parliamentary political balance is fragile and opposition has significant chances to topple the Government leading the country in early parliamentary elections. Political background will be very "active" until December 20th, 2018 when the vote will take place in the Parliament. In the meanwhile, political struggle between the President Klaus Iohannis and Government has been transformed into an "open battle" leading the political functionality in a deadlock. The President rejects the Government's plans for amnesty and pardon laws, while he strongly criticizes statements and actions by governmental officials. Iohannis directly asked for toppling the Government calling them "an accident of the Romanian democracy." The Prime Minister Dancila requested by the Constitutional Court to solve the problem since Iohannis rejected the appointment of certain Ministers. One should also take into consideration that the ruling coalition has lost majority in the Chamber of deputies which makes things more complex. Apart from that the EU released reports strongly criticizing the Government over rule of law and justice. 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. As a conclusion, the state faces political abnormality in many levels which at the moment only by early parliamentary elections could be resolved. Romania according to NATO strategic and operational planning has become an advanced base close to Russia. Its strategic importance and role has been upgraded and high level NATO exercises take place in its territory. Current crisis between Russia and Ukraine may affect Romania's security situation as a forward NATO base.



SERBIA: December 14th, the Government has condemned in the harshest terms Pristina's decision leading to transformation of the Kosovo Security Force (KSF) into Kosovo army. Pristina's decision causes great concern and represents a gross violation of international law, first and foremost of UN Security Council Resolution 1244, the Government announced. This decision is also contradictory with the Constitution which the interim institutions of self-government in Pristina drafted and adopted on their own, which is an absurdity and proof that not only Pristina does not respect international agreements, but its own norms as well. The Serbian Government will continue to point out to all international actors the violation of international law by Pristina, which has been obvious ever since the signing of the Brussels Agreement in 2013, as Pristina has done absolutely nothing to implement it. Violation of international law was demonstrated by a series of armed raids in the north of Kosovo and the harassment of Serbs in the province, and then it escalated in early November when Pristina decided to introduce a tariff of 10% and subsequently of 100% on products from Serbia

and Bosnia-Herzegovina, thus violating directly and unequivocally the CEFTA Agreement and Agreement on Stabilization and Association. The act of transformation of KSF into an Army is just the latest indicator of the extent to which unilateral moves of Pristina are in opposition to the basic values of democratic societies. This is also the biggest threat to regional peace by Pristina so far. The Serbian Government, together with the President of Serbia, continuously follows the situation in Kosovo and it will make all subsequent decisions in consultation and together with the President of the state. Serbia remains firmly committed to peace and stability in the whole region and all activities will be directed at their preservation, the Government concluded in a statement posted on its website. In the meanwhile the President and Supreme Commander Aleksandar Vucic visited army units at an undisclosed location, and that his tour of the area was continuing. The Ministry of Defense announced earlier that Vucic would visit the Ground Safety Zone together with Defense Minister Aleksandar Vulin and Army Chief Milan Mojsilovic. The Ground Safety Zone was established after the 1999 war and runs along the administrative line between Kosovo and central Serbia. (www.b92.net)

- December 15th, in the second large protest against Serbian Government and President Aleksandar Vucic in one week, thousands of protesters massed on the streets of Belgrade to demand for elections to be free and fair. The rally comes after President Vucic earlier warned that he would not meet the demands of protesters. Despite bad weather, the protest drew more people than the previous one on December 8th, 2018 which was attended by 15,000 people according to the opposition. Several opposition

parties on Friday signed an agreement on commonly agreed conditions for free and fair elections. The document was signed by the Civic Alliance of Serbia (Građanski Savez Srbije), Democratic Party of Serbia (Demokratska Stranka Srbije - DSS), Social Democratic Party (Socijaldemokratska Stranka - SDS), New Party (Nova stranka), the Democratic Union of Vojvodina Hungarians, the Enough is Enough movement, the Movement of the Centre, the Civil Platform and the civic initiative Let's Not Drown Belgrade. The key demands are the effective prevention of abuse of the electoral roll and of public resources in the campaign, control of the electoral process, including in Kosovo, control of election campaigns and during election day, and penal sanctions against those that abuse the campaign. This is the second anti-government protest this month, after several thousand people participated in a march called "*No More Bloodied Shirts*" in Belgrade on December 8th, 2018 which was held after a journalist was beaten up and left with a bloodied shirt. Serbian President Aleksandar Vucic reacted by saying that "*If people don't like me, they can choose somebody else in elections - not in the streets.*" "*When people in elections say that they want someone else, be my guest, do it. And I will not change my policy under pressure... If you don't like me, choose someone else. but in elections,*" Vucic stressed. (www.balkaninsight.com, www.b92.net)

- December 16th, the President Aleksandar Vucic announced he would attend a session of the UN Security Council, scheduled for next week, regardless of whether the session will be open for public or not. "*I will tell the truth about how much effort we put to reach a compromise, and the other side does not want that,*" Vucic told Prva Television. After an informal meeting held Friday

evening at a request of Serbia, the UN Security Council scheduled a session for the next week to discuss the most recent developments in Kosovo. Vucic said he would attend this meeting "*to tell the truth*" and that he would address those who helped that a compromise is not reached. According to him, the Brussels agreement in the Belgrade-Pristina talks was "*a difficult compromise*" for Belgrade but it fulfilled all of its obligations. Vucic also said he was not fascinated by the resolution on normalization of the relations that the Kosovo Parliament adopted assessing that with this document Pristina intends to close the door of dialogue with Belgrade. Serbia's President said this document stipulates that every possible agreement must lead to Kosovo's full independence, no altering of borders and that the integrity of territory would be maintained in line with the principle of unitarity. (www.n1info.com)

COUNTRY ASSESSMENT :

Kosovo announcement of the establishment of its Army escalates tension between Belgrade and Pristina. The UN Security Council has scheduled an extraordinary session discussing current situation in the region. Security situation is becoming complex and uncertain since Serbia apart from political and diplomatic means engages its military and security forces. The Armed Forces are in alert last three weeks but Vucic's visit in military units in Ground Safety Zone sends a strong and determined message of possible action. None could predict Serbia's reaction in a possible accidental or pre-planned (provocation included) incident in Northern Kosovo against local Serbs. One should have in mind that top state officials have said in public that Serbia will protect Kosovo Serbs by any mean including security and military force. It is

assessed that a possible Kosovo Police operation in the north or security forces deployment may provoke Serbia's security forces engagement for the protection of Serbian population. Serbia seeks support from Russia and China (two UN Security Council members) describing situation as the "worst in last ten years. At the moment, Serbia looks like acting in accordance with the international law aiming at reducing tension in the region. In other words state's leadership is acting in a "reasonable" and "wise" way avoiding mistakes of the past which have isolated Serbia from the international community. Of course, under these circumstances none could speak for restarting of Belgrade – Pristina dialogue. There are certain analysts who claim that such situation will inevitably lead in Kosovo partition with the north part going to Serbia. Some of them claim that this scenario has already agreed by Vucic and Thaci. Serbian repayment will be Kosovo recognition. By expressing neutrality and maintaining equal distance from the U.S.A and Russia it moves in an environment of fragile balance. Russia is getting involved in Kosovo case by supporting actively Serbian stance.



SLOVENIA: December 11th, the three right wing opposition parties; the Slovenian Democratic Party (Slovenska Demokratska Stranka - SDS), New Slovenia (Nova Slovenija - NSi), and Slovenian National Party (Slovenska Nacionalna Stranka - SNS) preparing an impeachment against the Prime Minister Marjan Sarec have decided to wait with the motion until the Parliament will discuss the Democrats-sponsored legislative changes to raise state funding for private schools to 100%. The three parties were planning to file the motion against

Sarec today, but they will wait for consideration of the amendment to the law on the organization and financing of education. The parties decided to impeach Sarec after his Government announced it will not support the SDS-sponsored changes in late November. While the Government implied the changes failed to tackle the funding issues comprehensively, the SDS claims that the changes would implement the 2014 decision by the Constitutional Court that ordered Slovenia to raise funding for private schools teaching public curricula from 85% to 100%. Education and Sport Minister Jernej Pikalo said that this is a political issue and decision will be made by the Government. Most coalition partners believe that impeachment would be a premature step. The prime Minister's Office has not commented on the planned impeachment, but his party said that the coalition partners will discuss the motion. (www.sta.si)

- December 14th, the Prime Minister Marjan Sarec expressed regret in Brussels over disunity in Slovenia's position on Catalonia, taking aim at President Borut Pahor for receiving the Catalan President Quim Torra for an informal meeting during his visit in Slovenia last week. "I regret our foreign policy was disunited again despite an agreement that we will act as one," Sarec said after he discussed the Catalan issue with his Spanish counterpart Pedro Sanchez on the sidelines of the EU summit. "It is astonishing the conduct of some who have much longer experience working in foreign policy than I have. At least that's what I had been hearing a while ago," Sarec said in a reference to critics leveled against him in the 2017 presidential race in which he challenged Pahor. "Considering Mr Pahor's wealth of experience I would expect a different reaction," the Prime Minister said. Sarec said that

the Catalanian issue has created a storm in Spain, but he and Sanchez had a constructive debate. Sanchez is coming to Slovenia said Sarec adding that relations of the two countries are very good. He repeated that Slovenian Government's position on the issue of Catalonia's independence is that Spain is a sovereign and democratic country and this issue is an internal affair of Spain and Slovenia's independence cannot be linked with Catalonia's. Torra who visited Slovenia at the invitation of MEP Ivo Vajgl (ALDE/DeSUS) and the former Slovenian President Milan Kucan caused an uproar in Spain after urging Catalonia in a speech in Brussels on December 8th, 2018 to follow the example of Slovenia in its push for independence. (www.sta.si)

- December 15th, new negotiations on the border dispute between Croatia and Slovenia would not be productive, so Slovenia insists on the implementation of the arbitration ruling, Slovenian Foreign Minister Miro Cerar told reporters during a visit to Washington. "Secretary of State Mike Pompeo was grateful that I clearly explained our position. A return to negotiations with Croatia would not be productive," Cerar said after meeting with Pompeo and National Security Advisor John Bolton at the Department of State. Slovenia's previous Government, led by Cerar filed a lawsuit against Croatia before the Court of Justice of the European Union (CJEU) earlier this year, saying Croatia was in breach of EU law by refusing to implement the arbitration ruling reached in June 2017. The new cabinet led by the Prime Minister Marjan Sarec of the centre-left List of Marjan Sarec (Lista Marjana Šarca - LMS) party, has maintained that stance. Refusal to implement the arbitration ruling means "Ignoring international law," which is bad for the whole Western Balkans region, Cerar said. "We

hear Ministers and Prime Ministers in the region say they are surprised that they are required to honor the rule of law while Croatia doesn't do that in the case of the arbitration ruling," Cerar said, adding that Pompeo had promised to consider the matter thoroughly. Slovenia and Croatia had presented their cases before the European Commission (EC) in May this year, and the EC decided in mid-June to remain neutral in the matter and allow the countries to resolve the issue themselves. (www.n1info.com)

COUNTRY ASSESSMENT :

Slovenia enjoys a relative political stability. The Government has to address several internal social issues (increase of minimum wage, health care, pensions etc) which may test governmental cohesion. Border dispute with Croatia is still ongoing and former Government of Miro Cerar filed a lawsuit against Croatia over its refusal to implement the border arbitration and it is still a question how the new Government will continue with the case. The Slovenian Armed Forces face problems mainly in the field of modern equipment and manning. The med-term 2018 – 2023 defense program it could improve situation, but under current political situation it is doubtful if it will be implemented to the end.



TURKEY: December 11th,

Armenia is ready to establish relations with Turkey without any precondition, said acting Prime Minister Nikol Pashinian, whose bloc won Sunday's snap parliamentary elections. "I have already said many times that we are ready to establish direct relationships with Turkey without any precondition. And we hope Turkey is ready to do the same," Pashinian told reporters at the

Prime Ministry building. *“The problem is that unfortunately relationship with Turkey has been connected with the Nagorno-Karabakh conflict,”* Pashinian added. *“It is a very strange situation when the relations between two countries can be so strongly connected with a third country, [...] I mean Azerbaijan,”* he said. *“This situation is the biggest problem for our relations with Turkey,”* he added. Nagorno-Karabakh – a disputed territory between Azerbaijan and Armenia – led to the closing of the frontier with Turkey, which sides with Baku in the drawn-out dispute. In September, President Recep Tayyip Erdogan said during a visit to Baku: *“We want good relations with our neighbors but solving the Karabakh problem is the absolute precondition for Turkey to improve ties with Armenia.”* Erdogan also recalled the 1992 Khojaly massacre that killed hundreds of Azerbaijani citizens. *“Those who cannot explain what happened in Khojaly 26 years ago, the massacre in Upper Karabakh, and declare the killers heroes, should not give Turkey any kind of history lesson,”* Erdogan said, referring to genocide allegations over World War I killings of Ottoman Armenians. Political ties between Ankara and Yerevan remain frozen due to the Karabakh conflict as well as the massive killings of Armenians during the First World War, which the Armenian diaspora and Government describe as genocide. (www.dailysabah.com)

- December 12th, Turkish President Recep Tayyip Erdogan has said he will start a military operation east of the Euphrates river in northern Syria in a *“few days.”* The operation could further complicate already strained relations with the United States, which has troops stationed in the area currently controlled by Kurdish forces. *“We will start the operation to clear the east of the Euphrates from separatist terrorists in a few*

days. Our target is never US soldiers,” Erdogan said in a speech televised live. *“This step will allow for the path to a political solution to be opened and for healthier cooperation,”* he said. The US is supporting Kurdish forces east of the Euphrates, where People's Protection Units (YPG) troops have been fighting against DAESH. But Ankara recently again voiced frustration about what it says are delays in the implementation of a deal with the US to clear the YPG from the town of Manbij, located west of the Euphrates in YPG-controlled areas. Last month, Turkey said it wanted the agreement on Manbij to be fully carried out by the end of the year, followed by joint patrols by Turkish and US troops in northern Syria. In January, Turkey and the Free Syrian Army (FSA) - an Ankara-backed armed Syrian opposition group - launched what it called Operation Euphrates Shield in the Afrin district in northern Syria in an attempt to remove the Kurdish fighters, who it claims are affiliated with the outlawed Kurdistan Workers Party (PKK). As the Syrian war progressed, the US-backed Syrian Democratic Forces (SDF) umbrella organization gained significant amounts of territory in eastern and northern Syria in its fight against DAESH. Turkey, however, sees the territorial expansion as a threat as it has battled with Kurdish separatists who want a state of their own for decades. The US support for the SDF infuriated Turkey and created an ongoing diplomatic crisis between the two NATO allies. That relation was further damaged by Turkey's imprisonment of an American pastor and a tepid response by the US to the killing of Saudi journalist Jamal Khashoggi in the Saudi consulate in Turkey. (www.aljazeera.com)

- December 15th, as long as terror groups are present in northern Iraq, Turkey will continue its

counterterrorism operations in the region, Foreign Ministry Spokesperson Hami Aksoy said. “*Turkey will launch anti-terror operations to preserve its national security,*” Aksoy said in a statement. Reiterating that the Kurdistan Workers Party (PKK) terror group has used Iraqi soil as a base to attack Turkey for many years, Aksoy said tens of thousands of Turks had been killed in these attacks and “*the activities of the PKK on Iraqi and Syrian soil have been a national security issue for Turkey.*” Aksoy's statements followed Iraqi authorities summoning Turkey's Ambassador in Baghdad after Ankara said it killed eight militants from the PKK. Iraq claimed that Turkey's attack on the PKK is a violation against the country's sovereignty. However, as a response to these claims, Aksoy underlined that the activities of PKK terrorist organization on Iraqi and Syrian soil are a national security issue for Turkey. In its more than 30-year terror campaign against Turkey, the PKK, listed as a terrorist organization by Turkey, the U.S. and the EU, has been responsible for the deaths of some 40,000 people, including women and children. The terrorist organization is not just active in Turkey but operates throughout the region, particularly in Syria and Iraq. “*The Iraqi Government has been reminded many times that it must fulfill its responsibility to prevent the activities of the PKK terrorist organization,*” Aksoy said, underlining that Article 7 of the Iraqi Constitution obliges the Iraqi Government to prevent the use of Iraqi land as a base for attacks on neighboring countries. Turkish military aircraft “*neutralized*” eight PKK terrorists and destroyed more than 30 targets, including tunnels and warehouses, in the Sinjar and Mount Karajak regions in a cross-border operation late Thursday. According to a statement issued by the Ministry of Defense, the air raid was conducted to preserve national security and

prevent terrorists' attacks coming from northern Iraq in line with the right of self-defense stipulated in Article 51 of the United Nations Charter. Utmost attention was given to avoid any harm to civilians' safety and property, the Turkish military said. The Turkish Government has repeatedly called on the Iraqi Government to eradicate the PKK threat in Sinjar. If not, Ankara says, it will exercise its rights and launch a cross-border operation in the area as it did during Operation Euphrates Shield and Operation Olive Branch into Syria. (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. Local and international observers claim the country moves towards an authoritarian regime with thousands of citizens being persecuted. Turkish – U.S relations have strongly been harmed forcing Ankara to approach new allies such as Russia. Although Turkey re-examines its relations with the EU in an effort to avoid international and regional isolation, the EU sends messages of terminating the EU – Turkey accession talks. Turkish Armed Forces have been engaged in military operations against Kurds and PKK in Northern Iraq and against YPG Kurds in Syria as well. Erdogan announced an imminent military operation in east of Euphrates river which may provoke hard line by the US and their forces located in the region. At the moment, Turkey is engaged in military operations in the territory of two other countries, it threatens to start a new operation in Syria, maintains a significant military force in North Cyprus, and threatens a NATO ally – Greece – with an armed conflict. Apart from the use or the threat of use of

direct armed violence Turkey participates actively in diplomatic processes in the region (Syria negotiations, Nagorno-Karabakh conflict, Cyprus question, Qatar crisis etc). The state tries to show a leading role regarding Syria's "next day" claiming that developments in neighboring country are related to its national security mainly because of the Kurds. Kurdish question is a major security threat for Turkey affecting stability, peace and even unity of the state. Regarding Turkish interests in East Mediterranean Sea it seems that they are reaching a critical point since Cypriots have already started hydrocarbon drills in their Exclusive Economic Zone via the US energy giant ExxonMobil. Is Turkey ready to move from rhetoric to action? It is rather difficult to see a direct harassment against the drill ship (which is monitored by 4 U.S vessels), but none could exclude a "hot" incident in the Aegean Sea. The Turkish President and high state's officials express Turkey's determination to protect its interests no matter what. It seems that strengthened multilateral cooperation between Greece, Israel, Cyprus and Greece, Cyprus, and Egypt raises its concerns of regional isolation in a region (Eastern Mediterranean Sea) where Turkey considers it as a preferential field of action.

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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

 Imminent major incidents regarding stability and security. High security risk

 Evolving or ongoing crisis or violent/armed conflict