

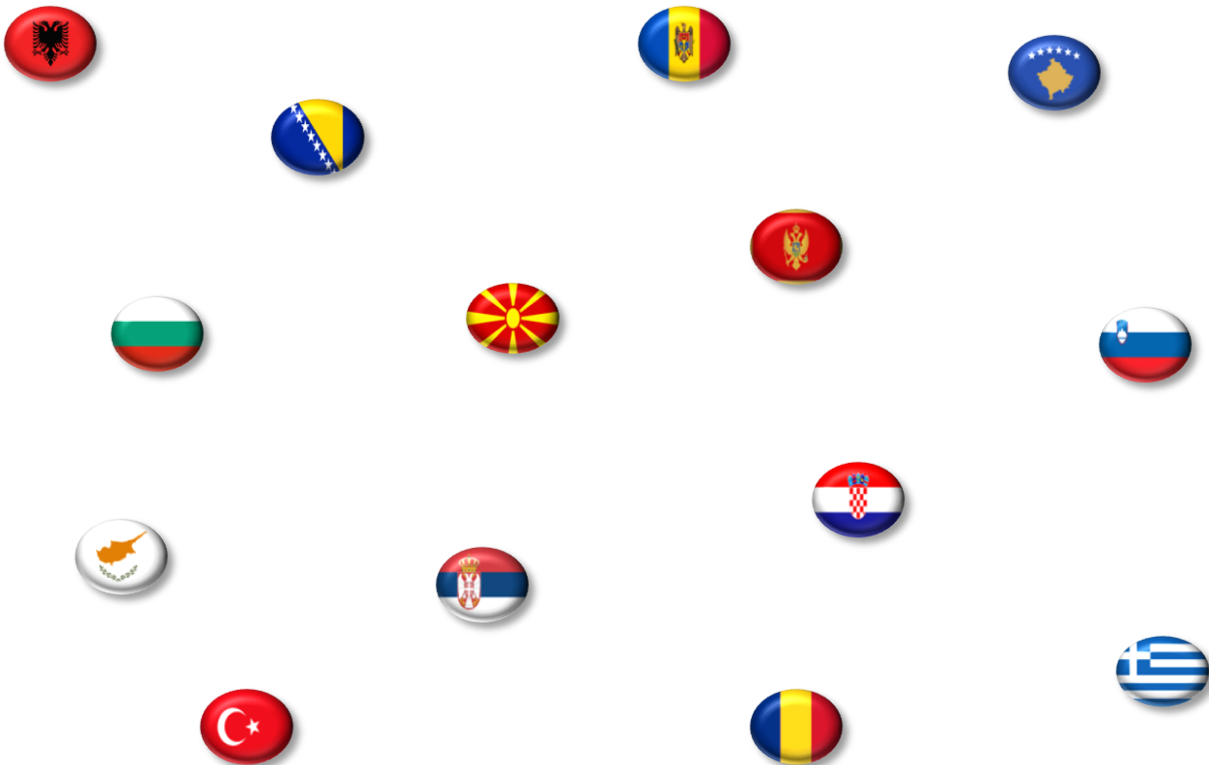
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**Hermes Institute of
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SOUTHEASTERN EUROPE

AT A GLANCE



SOUTHEAST EUROPE DIRECTORATE

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

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

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ALBANIA: August 19th, in an interview for RTV21 on Sunday, Albanian President Ilir Meta said the political crisis the country is facing contributes to the Kosovo - Serbia dialogue, although, in his opinion, the country should not be part of that dialogue at all. *“This artificial crisis in which Albania finds itself and which the Albanian people do not deserve, without a doubt is in my opinion related to developments in Kosovo, with the Kosovo - Serbia dialogue,”* Meta said. Meta said the deadlock in Albania is in fact the result of certain individuals’ games which create scenarios that do not serve Albania’s stability and European path, but seek violent conflict. According to Meta, his motivation to cancel June 30th, 2019 as the local elections date came from the big tension between the Government and the opposition, and both sides’ lack of intent to engage in dialogue. *“This crisis is so artificial in my opinion and it is obvious there is interest for Albania to look bad. When Albania looks bad, this does not help Kosovo or Albanians in general as a factor that can rightfully impose its rights and legitimate requests. Because they seek to show that we, Albanians have a very hard time to create a state,”* Meta said. (www.tiranatimes.com)

- August 19th, Albanian President Ilir Meta said this week during an interview for RTV21 the Parliament is used to hide the Government’s illegal acts. According to Meta, the *“Parliament is merely used to cover the illegality of Government acts. So special law for individuals are passed contrary to the Constitution, contrary to Albania’s obligation to the Stabilization Association Process, contrary to the principles of*

non-discrimination, which are constitutional principles, and so on.” He primarily accused the Government and Socialist Prime Minister Edi Rama of seeking to eliminate democracy in the country, as well as minority and opposition rights, political dialogue, media freedom and the new justice system. *“At the same time, opposition, which in my estimation has followed a wrong strategy, that of burning the mandates, not participating in the local elections, ie not registering on time, but also delegitimizing every institution, should also be held accountable, as it could have followed a different policy,”* Meta said. He added the country is going through a political chaos. *“Practically during these 11 years democracy in Albania has been degrading and this has been noticeable in Parliament, in all other institutions and above all in the way Government decision-making is realized and finally how Parliament is used merely to cover up the illegality of Government acts,”* Meta concluded. (www.tiranatimes.com)

- August 21st, opposition leader, Lulzim Basha, accused the Albanian Prime Minister, Edi Rama, of taking criminals to run so that he can steal the elections and get richer by robbing Albanians and laundering dirty money. *“The psycho robber is a danger for life and security of every family. He and organized crime are inseparable. In order to save Albania from criminals in power, we must remove Edi Rama,”* Basha wrote. He underlined that one year ago, the Democratic Party of Albania (Partia Demokratike e Shqipërisë – PD) and the opposition proposed a law for vetting politicians, but, according to him, Rama and his party voted against it. Basha listed the five reasons why Rama rejected the law; first of all,

the vetting requires a majority of 93 votes, but Rama has filled it with criminals and they will not vote for their end. Secondly, the vetting of politicians investigates all high-level officials, MPs, Ministers, and candidates for the local Government. However Rama, according to Basha, stole the elections to fill the municipalities with former convicts for drug traffic. Moreover, the vetting of politicians removes criminals from the politics and uncovers their mafia networks. But for Basha, Edi Rama holds the power with criminals and politicians connected with the crime. Furthermore, the vetting of politicians investigates and removes from duty the politicians who cannot justify their wealth. Basha claims that Rama is robbing Albanians and getting rich with his political gang. Last but not least, the vetting of politicians includes the Prime Minister, and according to Basha, Rama is afraid of it as he leads the criminal gang that is robbing the country. (www.top-channel.tv)

COUNTRY ASSESSMENT :

Political crisis not only remains active in Albania, but is escalated due to “criminalization” of internal politics. In specific, the PD leader Lulzim Basha stated that he has evident for 17 Socialist Mayors and MPs who are linked in criminal cases. Moreover, the Prime Minister is fired by both, Basha and President Ilir Meta for being involved in criminal networks and acts illegally within the Parliament. Under these circumstances it is rather impossible to see an approach between the ruling PS and opposition which would lead in reducing political tension. As long as opposition PD refuses to join local election (PS as well) scheduled for October 13th, 2019 by the President

Ilir Meta it could be assessed that the whole procedure would be a fiasco which will be reflected to Meta. If elections of October 13th 2019 will not be successful the President of Albania would appear weakened in the battlefield called “Albanian domestic politics.” To conclude, the country has entered in an endless crisis undermining its democratic function according to the European values and standards. In other words, Albania is under a political and constitutional chaos. Such situation strongly affected Albania’s EU perspective. Combination of political instability, ties between politics and organized crime, and corruption made the EU to postpone the opening of accession negotiations for Albania for the near future. According to the Enlargement Commissioner, situation will be re-examined by October 2019, but is rather in question if the country will get a positive answer. Rama’s Government collapse and snap elections is a possible scenario, especially after opposition has started to reveal evident for criminal activity of Socialist political executives. The Government is accused of having links with organized crime and current situation raises questions over the power of “Albanian mafia” in the country and its influence in state’s politics. Undoubtedly, corruption and organized crime remains the most significant state’s problem undermining its strategic goal of opening accession negotiations with the EU. The EU closely monitors progress of reforms especially in justice sector. Albania monitors Kosovo – Serbia negotiations and definitely has a role as a “mother nation.” The state maintains its leading role in the Albanian world providing guarantees and support to Albanian population in the region namely Kosovo, Serbia, Montenegro, and North

Macedonia. In this context, the Albanian Prime Minister and his Government work on promoting Kosovo interests in international community using any forum they have access.



BOSNIA & HERZEGOVINA:

August 20th, the State Presidency session that was supposed to discuss the appointment of the Prime Minister-designate and the Annual National Program (ANP) for the NATO was called off, Presidency Chairman Zeljko Komsic confirmed at a press conference on Tuesday. The tripartite Presidency held consultations and passed a conclusion on cancelling the session, minutes before the session was supposed to take place. *“If you ask me what is going to happen next, I am sorry. I wished for those 15 minutes that a compromise would be reached and we would solve all misunderstandings in Bosnia and Herzegovina,”* said Komsic. The Presidency was set to hold two separate sessions, a regular one and a special session on the appointment of the Prime Minister-designate and the adoption of the disputed document for the NATO. Although, leaders of three strongest nationalist parties signed earlier this month an agreement that among other things stipulates the principles to form the Government, the statements they gave in the following days showed the deal was not likely to be implemented within 30 days, as agreed. Leaders of the Alliance of Independent Social Democrats (Savez Nezavisnih Socijaldemokrata – SNSD), the Croat Democratic Union (HDZ BiH) and the Party of Democratic Action (Stranka Demokratske Akcije - SDA) put the signatures on the document agreed last week. The country's road to NATO which was vaguely mentioned in

the leaders' agreement is a stumbling stone and has been preventing the Government formation in the past ten months after the general election was held. While Bosniak and Croat representatives support the membership, the Serb political leadership is against it and is resolute in maintaining the stance on military neutrality. The failed session left the country in a months-long stalemate, blocking among other its EU integration process. Although Bosnian political leadership unanimously supports the country's road to the EU, the Government formation remains one of the main conditions to advance on that road. (www.ba.n1info.com)

- August 21st, the EU Neighborhood Policy and EU Enlargement Negotiations Commissioner Johannes Hahn sent a message via social media to the Alliance of Independent Social Democrats (Savez Nezavisnih Socijaldemokrata – SNSD), Croat Democratic Union (HDZ BiH), and Party of Democratic Action (Stranka Demokratske Akcije - SDA) party leaders Milorad Dodik, Dragan Covic, and Bakir Izetbegovic regarding the establishment of Government within the deadline set by the signing of the Principles Agreement of the formation of state power on August 5th, 2019. That deadline expires on September 5th, 2019. *“Ten months after the elections, BiH and EU citizens rightly expect Government formation to move forward to accelerate necessary reforms on the European path. Leaders set a thirty-day deadline on August 5th. They must honor their commitment to that deadline and remain credible,”* Hahn stated. Half the time limit has already passed, and under Article 12 of the Agreement, unless the Government is formed by September 5th, 2019 the

Agreement will cease to be valid. The first attempt failed after the BiH Presidency did not vote on the Annual National Plan for NATO or nominated a Chairman of Council of Ministers to form this body. The international community called on political representatives who should form a Government to take responsibility so that BiH can continue to fulfill its obligations on its path to the European Union. BiH needs a functioning and responsible Government to ensure peace and stability of the country, News Agency Patria reports. (www.sarajevotimes.com)

- August 21st, Bosnia should be modeled after Belgium and divided into three regions, which would enable Croats to achieve equality with other two ethnic groups, Bosniaks (Muslim Bosnians) and Serbs, Croatian MP Miro Kovac told local media in Bosnia on Tuesday. “*Bosnia and Herzegovina could be inspired by the arrangement of Belgium, which has three language units, three regions. The same could be done in Bosnia and Herzegovina, in order to make the Croats a fully equal people with other two constituent peoples, the Bosniaks and the Serbs,*” Kovac told Mostar-based Radio-Television of Herceg-Bosna. Bosnia consists of two semi-autonomous regions, the Federation (FBiH) dominated by the Bosniaks and the Croats, and the Serb-dominated Republika Srpska. Each of the three major ethnic groups and both entities, as stipulated by the Constitution, share the power in the state-level institutions. But, the Croat political leadership claims the equality principle is not respected, mainly in the Federation, and wants it to be implemented through various Court decisions. The stance is strongly supported by Croatia's leadership and its

ruling Croat Democratic Union (HDZ), which has a branch in Bosnia, the HDZ BiH. Kovac, who represents HDZ in the Parliament of Croatia, said he is personally in favor of Bosnia's reorganization and its progress towards the Euro-Atlantic integration, in line with Belgium's model. Forming a Croat constituency in Bosnia would help to avoid that the Croat member in Bosnia's tripartite Presidency is elected by votes of the Bosniaks, said Kovac. Due to its complexity, Belgium was also organized to provide equality for its three communities. (www.ba.n1info.com)

COUNTRY ASSESSMENT :

Political instability and uncertainty continues in Bosnia despite latest encouraging political developments, because it has not formed a Government since October 7th, 2018 general elections. Although, the three main parties representing the three constituent entities (Bosniaks, Serbs, Croats); HDZ (Bosnian Croatian party), SDA (Bosnian Muslim or Bosniak party), and SNSD (Bosnian Serbian party) have reached an agreement on August 5th, 2019 in forming a Government within 30 days. However, a strong dispute has broken out if this agreement precedes progress on Bosnia's NATO membership. In specific, the agreement is rather vague regarding Bosnia's relationship with NATO. Bosnian Serbs refuse any progress in the NATO accession process, namely to submit the Annual National Program (ANP) to NATO. The other two parts; Bosnian Muslims and Croats seek to move forward the whole procedure having the goal to join the Alliance. Time is running out and there are little chances for a successful outcome, namely the establishment of a

Government. The EU increase pressure towards the three parties to finally form a Government and a positive “surprise” is still an option. Country faces several functional and institutional problems. Consequently political fragility maintains permanent uncertainty and institutional mistrust blocking any attempt for economic growth and major reforms. Croatia and Serbia keep on intervening in Bosnia’s internal affairs destabilizing the state. Russia pays special attention in Serbia and Bosnia in order to maintain its influence in the region. Bulgaria, Romania, Croatia, Slovenia, Albania, and Montenegro have already entered NATO, while North Macedonia would join the Alliance within 2019. These two countries (Serbia and Bosnia) are the only “vehicles” for Russia to maintain a narrow influence in Southeastern Europe. Apart from external influence and intervention the country has to confront several internal “threats” which undermine its sovereignty, cohesion, and viability. EU path is too far for Bosnia and only for geopolitical interests it could have chances entering the EU. Bosnia faces a significant problem of illegal migration which may lead in new disputes between state’s ethnicities. Saudi Arabia, Iran, Turkey, and other Muslim countries approach the country mainly through “investments” and/or funding ethnic or religious groups according to their interests.



BULGARIA: August 20th, the Bulgarian Ministry of Defense (MoD) has commented that its request for new wheeled combat vehicles is one of the most important projects for the recapitalization of the country’s Land Forces inventory, writes Shephard

Media. On August 5th, 2019 the country’s MoD forwarded a Request for Proposal (RfP) to four pre-selected bidders in a tender set to deliver 90 8x8 wheeled IFVs - armed with a 30mm gun, a 7.62mm machine gun, and anti-tank guided missiles. The tender has an allocated budget of 830 million dollars. In addition, the tender calls for 60 more support vehicles (equipped for reconnaissance, command and control, medical evacuation and other support roles), which could be offered on 4x4, 6x6 or 8x8 chassis. According to tender requirements, Sofia expects the first wheeled IFVs to be delivered within 12 months of contract signature. The offer submission deadline is set on October 31st, 2019. Krasimir Karakachanov, the Bulgarian Defense Minister, told the local press that an industry winner should be selected by December 20th, 2019, while the contract is expected to be inked in early 2020. The Bulgarian MoD told Shephard that the 150 vehicles set to be purchased under this project are considered to be enough only for attaining an initial operational capability of the four Battalion Battle Groups, while additional vehicles will be ordered at a later stage. The RfP has been forwarded to a shortlist of four bidders - ARTEC of Germany, Patria of Finland, Nexter Group of France and General Dynamics Land Systems – MOWAG (GDLS) of US/Switzerland. Previously, Turkey’s Otokar and Italy’s Iveco – Oto Melara had expressed an interest in participating in the tender, but the Bulgarian MoD decided against their inclusion. The service confirmed that only four companies were shortlisted following a technical analysis of their products, approved by the Bulgarian Government. (www.novinite.com)

- August 20th, Bulgaria's Energy Ministry said that it has received letters of interest from 13 candidates in its tender to pick a strategic investor for the restart of the Belene nuclear power plant. Not all letters were from potential strategic investors, since as part of the process, the Ministry also sought offers for minority stakes and from potential long-term electricity buyers. In total, seven candidates formally recorded their interest in becoming a strategic investor, including Russia's nuclear corporation Rosatom, China National Nuclear Corporation and Korea Hydro & Nuclear Power, which had all been mentioned in media reports going back to 2018. Four other parties were named as in the running for strategic investor, including one German-registered company and three Bulgarian-registered entities, but the ministry did not give further details about their identity and backers. French Framatome and General Electric both declared their interest in supplying equipment and participating in securing the funding for the project, confirming earlier media reports that said that the two companies were seeking to win supply contracts rather than taking a stake in Belene. Additionally, North Macedonia has lodged its interest in acquiring a minority stake and signing an electricity-purchasing agreement, according to the Ministry's statement. The Ministry reiterated that its search for a strategic investor was expected to be completed in 12 months. Previously, it had repeatedly said that Bulgaria's key condition for restarting the project was that it must be carried out on a "market principle," without any state investment guarantees or long-term electricity purchase contracts. (www.sofiaglobe.com)

- August 15th, The Government has fulfilled its commitment and provided 42.186 million euro to the Ministry of Defense for the aircraft, Prime Minister Boyko Borisov announced on social media. *"I visited the Bezmer Air Base, where I got acquainted with the state of the Su-25 aircraft. I was informed that the Ministry of War had already transferred the amount to the company that would repair the Su-25. I expect the competent authorities to prepare the aircraft for transportation and repair to start in the short term,"* Borisov added. According to him, this will allow the restoration of the airworthiness of Su-25 aircraft and preserve the acquired defense capabilities in the period until the acquisition of the new type of combat aircraft. (www.novinite.com)

COUNTRY ASSESSMENT :

United Patriots, the minor partner of ruling coalition, instability raises concerns over Government's viability (once again). However, it is assessed that the Government will remain "alive" enjoying support of Ataka MPs. Nevertheless, there is concern for the Government's future. Thus, Bulgaria has entered in a period of fragile political situation. Corruption and organized crime remain significant obstacles for the country's development and should be addressed decisively. Bulgaria promotes a dynamic multilateral trade and energy policy taking into advantage its privileged location. Being at the western coasts of the Black Sea is an almost ideal passage for energy pipelines connecting east with central Europe. Although modernization of Armed Forces is a top priority for Bulgaria and huge armament

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



CROATIA: August 19th, Elisabeta Madzarevic, the First Secretary at the Croatian Embassy in Berlin, was recalled back to Zagreb to explain her social media posts after screenshots of them were published by the media. Foreign Minister Goran Grlic Radman dismissed on Monday Madzarevic's claim that her social media account had been hacked. *"There was some suspicion, but that has been ruled out,"* Grlic Radman told reporters on Monday. He signaled Madzarevic is likely to be fired pending a procedure before the Civil Service Disciplinary Tribunal. *"She was recalled, her mandate was cut short. She will be suspended from the moment this process starts. A diplomat is never just a private citizen and there are options, dismissal being one of them,"* Grlic Radman said. The Minister confirmed that a request to initiate disciplinary proceedings against Madzarevic would be filed as early as Wednesday morning, and said the Ministry's review had found Madzarevic in serious breach of duty. (www.glashrvatske.hrt.hr)

- August 22nd, a seventh group of Syrian migrants from Turkey arrived in Zagreb on Wednesday as part of the European resettlement program, the Interior Ministry has reported. Eight families or 41 Syrian nationals, including 24 minors arrived on Wednesday while another two families or 7

people of whom 3 are minors are expected to arrive at the end of August. With the latest group of migrants, Croatia will have resettled a total of 250 Syrian nationals and will have met its obligations defined in Government decisions adopted in 2015 and 2017. Refugees will spend the next few weeks in the migrant reception center in Kutina while approval for international protection is processed. They will have an opportunity to attend integration activities which include informing them of their rights and obligations as well as learning about the customs and culture in Croatia and attending Croatian language classes. (www.hina.hr)

- August 24th, the Croatian Police are conducting extensive investigations into the August 21st, 2019 incidents in cafes in the village of Djevske and in the village of Uzdolje near Knin, and considering the Djevske case, misdemeanor charges have been filed against five people and one person is charged with a criminal offence, Interior Minister Davor Bozinovic said on Saturday, expressing hope that the Uzdolje investigation will also result in the detection of the perpetrators. Police is investigating the incidents which happened last Wednesday when guests, including a 9-year-boy, and the owner of Uzdolje cafe were beaten, while in the Djevske cafe they were exposed to verbal attacks while they were watching a TV broadcast of the football match of the Belgrade-based Crvena Zvezda club. *"Assaults should be condemned just as any violence should be condemned. The state institutions notably those which responsibility is to ensure peace and order are supposed to act promptly and efficiently. Police have shown that they act efficiently and they will be efficient in the*

future, too,” the Minister said. Bozinovic confirmed that a suspect was arrested on Saturday morning in connection with the case in Viskovo, Rijeka, where a local inhabitant told media that he had been beaten and injured in an incident based on his ethnicity. The incident happened two days ago. (www.hina.hr)

COUNTRY ASSESSMENT :

The country enjoys political stability and support from EU towards its Eurozone goal. Croatia implements a hard-line foreign policy with its neighboring countries maintaining open disputes with Bosnia, Slovenia, and Serbia. Its new Foreign Minister Gordan Grlic-Radman claimed that Croatia seeks resolution of all problems with its neighbors and undertook some initiatives to talk with his neighboring counterparts (Bosnia). However, a series of violent and verbal attacks against Croat Serbs raises questions over smooth coexistence of ethnic communities in Croatia. It should be noted that state institutions act decisively in resolving these cases sending a strong message that such attacks are not tolerated in Croatian society. Unofficial sources claim that the country has fulfilled all Schengen zone criteria and it is a matter of time (during September 2019) to officially announced. However, the matter may become a new field of confrontation with Slovenia due to the Piran Bay border dispute. In this context, the Croatian Foreign Ministry called Slovenia for talks in order a mutual accepted to be reached. It is a question if Slovenia will block Croatia's entrance in the Schengen zone. Croatia implements a policy of Armed Forces' modernization trying to form a reliable and well equipped force according

to NATO standards. Failure to complete successfully the purchase of a modern fighter jet maintains a long period of an ineffective and weak Croatian Air Force.



CYPRUS: August 19th, a fourth Turkish ship, Oruc Reis, is on its way to meet the three drillships already stationed off the coast of Cyprus, Turkish Foreign Minister Melvut Cavusoglu said on Monday. Responding on social media to the President of the opposition Republican People's Party (Cumhuriyet Halk Partisi - CHP) Kemal Kilicdaroglu, who asked why there is a lack of a Turkish presence in the eastern Mediterranean, Cavusoglu said that Kilicdaroglu might believes that “*the Fatih, Yavuz, and Barbaros, which protect our rights and those of the Turkish Republic of North Cyprus, are Greek ships.*” Beyond the three already stationed in the Cyprus Exclusive Economic Zone (EEZ), Cavusoglu said that the fourth, the seismic research ship “*Oruc Reis,*” is on its way to the region. It will be assisting the Barbaros in seismic research. Earlier in August, reports said that the Turkish drillship Yavuz began drilling operations off Karpasia, with protection being provided by Turkey's Armed Forces. Drilling operations are expected to last until the end of the month. The Fatih drillship, the first to arrive in May on the west coast of the island, has also begun drilling and will continue for a few more weeks. Reports claim that the Turkish Armed Forces have dispatched submarines, Unmanned Aerial Vehicles (UAV) and warplanes to the area to provide round the clock protection to the drilling and research vessels. (www.cyprus-mail.com)

- August 23rd, Turkish President Recep Tayyip Erdogan's comments regarding natural gas exploration off Cyprus do not contribute to the creation of a suitable climate for resuming reunification talks, the Government said on Friday. *"At a time when ... an effort is a foot to create the conditions and a suitable climate for the resumption of substantive talks, yesterday's (Thursday's) comments by the Turkish President not only fail to contribute towards this direction, but they poison the atmosphere, attempting to create a negative climate,"* Government Spokesman Prodromos Prodromou said in a statement. *"We hope Turkey, through certain actions, will allow the resumption of substantive talks from where they had been left off at Crans-Montana [Switzerland in 2017], refraining from statements and moves that do not contribute towards this direction,"* he added. On Thursday, Erdogan said Ankara is determined to continue exploring for natural gas and oil in the eastern Mediterranean, warning that consequences would befall *"those who refuse to learn their lesson."* *"No project can be realized if Turkey and the Turkish Republic of Northern Cyprus are not involved,"* Erdogan said at a press conference in Ankara. His remarks came after a meeting with the Turkish Cypriot *"Prime Minister"* Ersin Tatar. *"We will continue to defend the rights of Turkish Cypriots with the same dedication,"* the Turkish leader said, adding that problems in the region are caused by the *"irreconcilable attitudes of the Greek Cypriots."* (www.cyprus-mail.com)

- August 23rd, a multinational consortium of JV China Petroleum Pipeline Engineering Co Ltd, Aktor S.A. and Metron S.A., with Hudong-Zhonghua Shipbuilding Co. Ltd, and Wilhelmsen

Ship Management Limited ranked first in the evaluation for the construction of the infrastructure required for the introduction of natural gas in Cyprus, it was announced on Friday. It followed a lengthy and complex tender process overseen by the state natural gas company, Defa, in cooperation with external industry experts. The top ranked bidder had to satisfy a series of qualitative, quantitative and financial criteria, so as to be able to demonstrate an ability to perform at the high standards set by Defa regarding the development of the Cyprus natural gas market infrastructure. *"We are pleased to see the successful outcome of the process,"* Defa chairman Symeon Kassianides said. *"Here at Defa, we believe that the future of the country is aligned with natural gas and we expect it to play a major role in the economic development of the country in years to come. The establishment of the natural gas market will boost the development of the whole energy and industry sectors of the Republic,"* Kassianides said. The LNG Import terminal to be constructed includes a Floating Storage Regasification Unit (FSRU), a jetty for the mooring of the FSRU, jetty borne and onshore pipelines as well as additional facilities. The LNG Import Project is co-financed by a grant from the EU Connecting Europe Facility (CEF) financing instrument. (www.cyprus-mail.com)

COUNTRY ASSESSMENT :

Cyprus has reached a deadlock in the ongoing crisis with Turkish invasion of drillship Fatih (while the second one Yavuz has also started drilling activity off Karpasia, according to Turkey) within its EEZ. Fatih is there for more than three months, while Turkish administration

declares that offshore drilling will continue until an agreement between Greek Cypriot and Turkish Cypriot communities will be reached regarding exploration and exploitation of natural gas. In other words, Turkey's objective goal is to force (by the presence and activity of drill ships) Cyprus to compromise reaching an agreement with the occupied north part. Despite international calls to Turkey for abandoning its plans of violating the Cypriot EEZ and its sovereign rights, Turkish actions remain "unanswered." Not only that, but Turkey seeks to escalate tension by sending a fourth research vessel; the "Oruc Reis". With four research vessels in the region and Turkish navy ships protecting them autumn is expected to be "hot". Cyprus is trapped failing to act decisively and effectively for protecting its sovereignty. Actually, Cyprus is trapped because it does not have a mechanism of power (military, diplomatic, economic etc) to force Turkey to withdraw its ships. Cyprus lacks of naval and air forces which could deter Turkey of violating Cypriot sovereign rights, while Greece appears reluctant in sending naval units in the region showing presence and exercising deterrence. The EU prepared a draft with sanctions against Turkey but the latter rejected them claiming that it will continue its activity. Turkish message is very clear; we are present in Cyprus, we are present in the energy "game" and nothing works leaving Turkey aside. In other words, energy security includes Turkey; otherwise eastern Mediterranean is not a stable and secure sea. It is rather strange that Anastasiades promotes restart of negotiations with the Cypriot Turkish side, while Turkey violates the state's sovereignty. It seems that there is somekind of "external" pressure for moving

forward towards the Cypriot question resolution and consequently the island's energy resources. Biocommunal, biozonal federation is a base for talks regarding Cyprus status. Despite current situation, Cyprus works systematically in order to become a major part of the East Mediterranean energy hub. It is favored not only by its natural gas deposits, but also by its strategic position in the "heart" of East Mediterranean Sea and of course of being an EU member state. The strategy of multilateral cooperation seems to be fruitful. Turkey looks like being isolated from the energy game and its current aggressive reaction is attributed to this situation. It is certain that Turkey will not accept "fait accompli" in a region considered as part of its strategic interests. As long as part of Cyprus remains under Turkish occupation and Turkish troops (equipped with heavy weapons) are deployed in the island, Cyprus faces an existing direct threat against its national security and sovereignty. A "hot" incident cannot be excluded during autumn.



GREECE: August 19th, Defense officials and diplomats in Athens and Nicosia are on standby for potential developments in the Eastern Mediterranean in the coming period while international observers await a fresh peace push aimed at reunifying Cyprus. September is expected to be a critical month for Cyprus, as Cyprus President Nicos Anastasiades and Turkish Cypriot leader Mustafa Akinci have already had United Nations-mediated talks. Meanwhile there are concerns that Turkey will make a fresh move in the Eastern Mediterranean where it has been disputing Nicosia's right to search for hydrocarbons in its Exclusive Economic Zone

(EEZ). The Turkish research vessel Barbaros recently completed its mission south of Cyprus and moved northward to the Turkish port of Mersin. There are fears now that the departure of the Barbaros will lead Turkey to dispatch a drillship to Cyprus' EEZ. The Fatih is to remain west of Cyprus until September 3rd, 2019 while the mission of the Yavuz, east of the island, is to end on September 30th, 2019. Nicosia fears that, in a bid to heighten tensions, Ankara might send a drillship to the island's south, to Block 1 which has yet to be licensed. There are hopes that some progress is achieved in exploratory Cyprus talks before Ankara takes such action - a move that would likely create practical problems for Cyprus' energy program. (www.ekathimerini.com)

- August 22nd, Athens is looking to extend the US - Greece defense agreement, also known as the "Souda" Agreement, by a year when US Secretary of State Mike Pompeo visits in October or November it emerged after Wednesday's meeting between Prime Minister Kyriakos Mitsotakis and US House Appropriations Committee Chairwoman Nita Lowey at the Maximos Mansion in Athens. Meanwhile, the prospect of a meeting next month between Mitsotakis and US President Donald Trump was also reportedly discussed. Lowey also met with Foreign Minister Nikos Dendias and his Deputy Antonis Diamataris for talks that reportedly focused on areas of the US - Greece Strategic Dialogue and efforts to promote common interests in the Eastern Mediterranean region. US Ambassador to Greece Geoffrey Pyatt, who was at both meetings, wrote in social media the discussion with Dendias focused on "*progress in all areas of the US - Greece Strategic Dialogue*

and the commitment of both our Governments to do even more to promote common interests in the EastMed and strengthen Greece as regional pillar of stability." As for the meeting between Mitsotakis and Trump, this could reportedly take place on the sidelines of the United Nations General Assembly in New York in late September. Pyatt reportedly said that the timing is right for such a meeting. (www.ekathimerini.com)

- August 22nd, France will not tolerate Turkish violations within Cyprus' Exclusive Economic Zone (EEZ), President Emmanuel Macron said Thursday. "*We will not show any weakness,*" the French leader said. Macron was speaking during a joint press briefing ahead of a meeting with Greek Prime Minister Kyriakos Mitsotakis, who was on an official visit to France. Macron stressed France's support during Greece's financial crisis, nevertheless acknowledging "*the great courage of the Greek people and their desire to remain in the euro area.*" The French President said that the two countries "*are connected by a long-standing friendship,*" adding that Athens and Paris are faced with common challenges. "*Achieving economic growth and fighting unemployment are top priorities,*" he said, emphasizing his plan for eurozone reform, including a common European budget. In his comments, Mitsotakis stressed the two countries' long - standing friendship that goes back centuries and was evident during the country's 1821 War of Independence. "*The country is re-entering a trajectory of growth and claiming its position in a Europe which remains our natural space,*" he said. The Greek Prime Minister also urged French businesses to invest in Greece and "*take part in Greece's growth leap.*" (www.ekathimerini.com)

COUNTRY ASSESSMENT :

Greece enjoys political stability in a “strange” time period that security, diplomatic, and economic issues challenge Greek administration. Greek – Turkish relations are in a critical point due to Turkey’s decision to violate Cypriot Exclusive Economic Zone (EEZ) aiming at conducting oil and gas drills. Moreover, Turkey maintains a hard rhetoric against Greece regarding its territorial and maritime sovereign rights. Greece is concerned due to Turkish intention to search for hydrocarbons within its EEZ near to Kastelorizo region. The critical question is “how Greece would react if a Turkish drillship would appear in its territorial waters.” It should be noted that situation may be escalated rapidly especially after the end of the touristic season (end of September – mid October). Moreover, a crisis to Cyprus means a crisis to Greece forcing Armed Forces to deploy military, naval, and air units. Taking into consideration that Cyprus lacks of naval and air power it is Greece which will support the small and vulnerable island located in the East Mediterranean heart. Turkish fighter jets keep on violating Greek airspace. Strengthening of military cooperation between Greece and the US upgrades Greece’s strategic role in Eastern Mediterranean and Middle East as a western (US, EU, NATO) forward military base. Greece seeks to modernize its Armed Forces by receiving US military aid. It is a fact that Greek military force has been affected by the long economic crisis threatening the balance of power with Turkey. Security situation is of high risk due to an accidental or preplanned incident by Turkey and

the complicated current situation in Cypriot EEZ (not likely within the summer touristic period).



KOSOVO: August 20th, Kosovo’s outgoing Minister of Trade and Industry, Endrit Shala, hosted on Tuesday North Macedonia Minister of Economy, Kreshnik Bekteshi, and agreed that by the end of this week to remove all non-tariff barriers introduced by Skopje. Shala’s Cabinet in a press release after the meeting said that he discussed with Bekteshi over complaints of Kosovo businesses reporting that North Macedonian authorities have introduced non-tariff barriers to some of Kosovo goods. Shala introduced last week reciprocity measures towards North Macedonia. Shala said that they agreed that by the end of this week to remove all obstacles and enable free trade between the two countries. North Macedonia Minister of Economy, Kreshnik Bekteshi, said that his country has not introduced certain trade measures only against Kosovo but to all other neighboring countries. Kosovo authorities introduced last week reciprocity measures after North Macedonia stopped import of honey and fish. Kosovo lodged a complaint also to the Central European Free Trade Agreement (CEFTA). (www.gazetaexpress.com)

- August 23rd, Kosovo Parliament was dissolved on Thursday and President Hashim Thaci is expected to announce election date soon. Officials of the Central Elections Commission (CEC) said that they are ready to organize early elections if required. The CEC chairwoman, Valdete Daka, said they have already started preparations and will act after President decrees the election day. She said that the CEC lacks budget to organize

elections adding that after announcing the election date they will request for additional funding. Media are reporting that early elections are expected to be held by the end of September or beginning of October at the latest. (www.gazetaexpress.com)

- August 23rd, Fatmir Limaj and Behgjet Pacolli have signed on Friday an agreement to jointly run in early elections, after resignation of Ramush Haradinaj as Prime Minister of Kosovo. Limaj who is leader of Social Democratic Initiative (NISMA Social Demokrate) confirmed that he will run for Prime Minister in a joint election roll with Pacolli's party; New Kosovo Alliance (Aleanca Kosova e Re - AKR). Limaj said that AKR - NISMA coalition will be decisive in creation of future Government. Pacolli in his addressing after signing pre-election coalition deal said that AKR and NISMA will run in upcoming election under one election roll and pledged to work with dignity if their coalition wins the elections. Both AKR and NISMA were part of a ruling coalition in Ramush Haradinaj's Government who resigned on July 19th, 2019 after he was called to be questioned as a suspect by international prosecutors at the Hague on his role as wartime commander of the Kosovo Liberation Army (KLA). (www.gazetaexpress.com)

COUNTRY ASSESSMENT :

Kosovo has entered in pro-electoral atmosphere with political parties to expect the announcement of early parliamentary elections. Parliament's was dissolved on August 22nd, 2019 and Kosovo President Hashim Thaci is expected to announce the elections date. It is expected to be called for end of September or beginning of October. Under

these circumstances dialogue with Serbia comes in second priority. International community namely the US and EU will repeat their efforts towards restarting dialogue between the two parties after elections, assessing the new Kosovo political reality. Restart of bilateral negotiations could not be expected before December 2019 or beginning of 2020. However, Kosovo insists on maintaining high level of tension with Serbia due to a series of provocative actions; ban of Serbian officials to enter north Kosovo populated mostly by Serbs, Police operation in the north arresting Serbs, 100% tax on Serbian and Bosnian products, Kosovo Assembly resolution that Serbs committed genocide during 1998-1999 war, establishment of Kosovo Army, request for a special Court for Serbs undermining any possibility of negotiations with Serbia. Only through normalization of relations with Serbia, Kosovo will be able to move forward namely to enter the UN, NATO, EU and to achieve a normal status of a state. Kosovo lacks determination over its critical reforms which will establish in the country rule of law and modern functional administration. Kosovo unresolved status, political instability, corruption, and organized crime are not encouraging factors for its future within European community. Path towards the EU and NATO will be long and hard. The possibility of Kosovo Army presence in the north it is assessed of high security risk which may lead in armed violence.



MOLDOVA: August 23rd, Moldova has only one way of development; the European integration, stated Prime Minister Maia Sandu within the framework of her two-day official visit

to Vilnius. According to Government press service, she stated on Thursday that the only solution on developing Moldova is the integration in the EU for ensuring democracy, respecting human rights, and ensuring high living standards for Moldovan citizens, as well as for conducting reforms in key fields, such as the sector of justice and corruption combating. In Vilnius Sandu met with President of the Lithuanian Republic Gitanas Nausėda to discuss perspectives of Moldovan - Lithuanian all-sided cooperation, development of internal policy in both countries, implementation of reforms in Moldova, as well as the regional security. She thanked Lithuania for support to Moldova both in European integration processes and within the Eastern Partnership. The Moldovan Premier met also with Lithuanian Minister of Foreign Affairs Linas Linkevičius. *“Officials considered the possibility of resuming the activity of Moldova - Lithuania Joint Commission for European Integration, within which the issues that concern both the European integration and the economic cooperation will be discussed,”* the press release said. The interlocutors expressed interest in strengthening the Moldovan - Lithuanian cooperation in the field of mutual promotion and protection of investments, in combating crime, in standardization, as well as combating of hybrid threats, for which it was proposed to organize a forum of “Eastern Partnership” dedicated to cyber security this autumn. (www.infotag.md)

- August 23rd, John Bolton, Security Advisor to US President Donald Trump will pay a visit to Moldova on August 29th, 2019. Also, on August 31st, 2019 Prime Minister Maia Sandu will pay an official visit to the USA. The Prime Minister said

that the visit of such a US official is a strong signal of support for Moldova. *“the Republic of Moldova has been isolated For many years internationally. Governments had been closed the door on the big capitals of the world; Washington, Brussels, Berlin and other major capitals, and the country was in an oligarchic isolation. Today, situation has changed. All the most important external partners show interest for the Republic of Moldova. We have many open doors, many partnership proposals, support and openness. In this context, I see an unprecedented development of our relations with the USA,”* wrote Maia Sandu on her official page on a social network. Following the visit of Bolton, Sandu, accompanied by several members of the Government, will pay an official visit to the USA, according to the Government’s communication and protocol department. The priorities announced by Sandu in this context are the deepening of the strategic dialogue with the USA, cooperation in key areas, attracting investments and creating jobs for Moldovan citizens. Earlier, the Premier has visited Brussels, Germany, Romania, Ukraine and Lithuania. (www.moldpres.md)

- August 24th, the Minister of Defense of Russia, Sergey Shoygu, has arrived on a visit to Chisinau. He has had a meeting with President, Igor Dodon. After the meeting, Dodon wrote on a social network that *“the Russian side has proposed launching the process of using the ammunition located in the depot near village Colbasna in Transnistrian region.”* The Head of state has said that the Russian side is willing to provide the necessary equipment on it. The initiative would be analyzed in discussions in group “5+2.” The

visit of the Russian official to Chisinau takes place in the context in which Prime Minister, Maia Sandu, has described it as a private, and not an official one, due to the lack of notification of the executive by the Ministry of Defense (MA) and of not making the necessary steps. Thus, Maia Sandu has stated that during the visit, there could be signed no official agreements. (www.moldpres.md)



President Igor Dodon during his meeting with Russian Defense Minister Sergey Shoygu
(Photo source: www.presedinte.md)

COUNTRY ASSESSMENT :

Political stability has re-established in the country, while state's institutions have started becoming functional again by the appointment of new Directors. The new ruling coalition enjoys full control of Moldova establishing its power and removing everything reminds the previous power of PDM. Cooperation between PSRM and ACUM block continues without problems, and a new agreement between the two parties is about to be signed. It should be noted that Russia closely follows political developments in Moldova and it will not allow any overcome of its "red lines" such as Moldova's integration in NATO or EU. Moldova is considered as a pivotal country for

Russian national security. However, Sandu openly promotes state's western orientation, while her visits have special political symbolism; she visited so far Brussels (the EU "capital"), Kiev, Vilnius and is going to visit Washington. It should be underlined that the country should pay special focus on fighting corruption, money laundering, and organized crime which are a scourge for Moldova. The ongoing crisis between Russia and Ukraine may affect Moldova, especially after Prime Minister Maia Sandu's clear intention to strengthen cooperation with Ukraine. It should be underlined that Russia maintains military forces in Transnistrian ground and secondly Moldova shares common borders with Ukraine which cannot be unnoticed by international stakeholders. The "Transnistria case" is always a "running sore" for the country working as a potential factor of destabilization.



MONTENEGRO: August 19th, authorities in Montenegro have announced charges against the organizers of two recent concerts over their use of Albanian and Serbian national flags, fuelling debate over the rights of ethnic minorities. The Ministry of Culture reported last week, the Serbian Church organizers of a charity concert to raise money for the reconstruction of religious sites in the former Serbian province of Kosovo. The Ministry complained that the concert on August 13th, 2019 organized by the Church Municipality of Herceg Novi, featured Serbian national flags and played an abridged version of the Montenegrin national anthem as well as the popular Serbian folk song Tamo Daleko. Then on Saturday, the Ministry announced charges against the organizers of a

traditional concert on the banks of the Cijevna River, near the predominantly Albanian town of Tuzi southeast of the capital Podgorica, over the use of the Albanian national flag. While Montenegro does not forbid national minorities from displaying their own national symbols, it requires that they also display the Montenegrin national flag alongside them or face fines of between 100 and 500 euro. A group of Albanian tourists was fined 230 euro for waving an Albanian flag in the coastal city of Budva last year. *“The highlighting of other countries’ symbols, the desecration of the official anthem of Montenegro with the inevitable political and nationalist messages, are just part of the basis for charges,”* the Ministry said on Thursday last week following the Church charity concert in Herceg Novi. In its statement on Saturday, the Ministry said *“Cultural manifestations must not be a front for nationalism, nor for violations of laws clearly defined in Montenegro’s legal regulations.”* With some 630,000 people, Montenegro is a multi-ethnic state unusual in having no one community that makes up over half of its population. About 45% is identified as Montenegrin, about 29% as Serbs and 5% are Albanians. The Albanian Forum Coalition, which is part of Montenegro’s ruling Government and which took in power in Tuzi this year after authorities restored its status as a municipality, said the flag displayed was the *“flag of all Albanians, not a foreign state.”* The Forum’s Genci Nimanbegu, Deputy Speaker of the Montenegrin Parliament, said the Ministry’s decision is discriminatory. *“The Ministry of Culture must know that Albanians are native in their territories and that they have a Constitutional right to use national symbols,”* he told the public broadcaster. Reacting to the

charges over the Herceg Novi concert, Serbia’s Foreign Minister, Ivica Dacic, told Radio Television Serbia *“We have no closer people than the Montenegrin people, but it takes two to love. I do not know what is wrong with a humanitarian concert for Serbs in Kosovo and Metohija. I do not know what is wrong with Serbian songs. There are so many Montenegrin songs in Serbia, and no one has reacted.”* (www.balkaninsight.com)

- August 20th, joint patrols of the Army of Montenegro and Police responsible for one part of state’s border, in the area of Border Crossing Bozaj, is a real example of how the two institutions can work together in order to ensure the safety and security of all Montenegro’s citizens and territories, Minister of Defense Predrag Boskovic said. He and the Interior Minister Mevludin Nuhodzic visited mixed patrols of the Army and Police, working to secure and protect national borders with Albania. *“Today, Minister Nuhodzic and I visited this area, and not just this one part of our border, but a complete area from the border with Kosovo to the border with Albania. We were assured that it was the Army and the Police that worked together on full security and the maximum possible ban on illegal crossing of our border,”* Boskovic emphasized. Speaking of engaging the Police and the Army at the state border of illegal migration and cross-border crime, Nuhodzic announced that mixed patrols prevented about 2,000 people from entering Montenegro illegally from August to December 2018. (www.rtcg.me)

- August 21st, Nebojsa Medojevic has said recently that a wall dividing Montenegro, Kosovo and Albania should be erected; a statement that

has drawn harsh criticism. Medojevic said today that it would be one of the ways to deal with “smuggling gangs.” However, Medojevic seems to have forgotten that this statement was quite inappropriate, since Albanian Police have been patrolling in Montenegro in accordance with the agreement reached between the two countries. Representatives of Police Department said that Montenegrin Border Police is undertaking activities relating to maintenance, repair, and renewal of border signs. There were no actions in connection to crime, smuggling or mafia. Medojevic claimed that his statement was misinterpreted releasing a new statement “Paranoid reaction of various structures in Montenegro concerning my statement comes as no surprise. I said that military units should be taken back to the border with the so called Kosovo and Albania and that a protection wall should be built, for the purposes of country’s security. My statement clearly indicates that it might be one of possible solutions to dealing with smuggling gangs in Montenegro and the so called Kosovo and Albania. This wall should not be built because of Albanian or Montenegrin people, but it should be built to protect us from Montenegrin and Albanian mafia which have turned the border into El Dorado for drug smuggling, cigarette smuggling, weapons smuggling, chemical and biological weapons smuggling, illegal migrants and everything that can be cashed on the black market. That wall would be protection from mafia not protection from people. I have no doubts that Albanian mafia assists many political parties and politicians in Montenegro. I primarily mean DPS, but also Albanian political parties and Albanian politicians. Honest and ordinary Albanian people are not blind. They are aware of how Albanian

politicians cooperating with DPS become millionaires overnight. Security services in Montenegro hold relevant data on activities of Keljmendi, Luka, Osmani brothers and their connections to Thaci, Haradinaj, Rama...Montenegro, so called Kosovo and Albania are key points of that Balkan drug route. Security services from around the world regard this region as danger for EU and the USA safety. Therefore, Democratic Front advocates for efficient measures aimed at stopping smuggling activities and protecting vital national interests. This regime’s policy offers our young people crime and drugs, instead of education and jobs. Bringing the military units back to the border, modernization and application of contemporary video and satellite technologies and construction of protection wall will be an obstacle to mafia. Honest people, citizens, entrepreneurs and farmers will be safer and will be crossing the border which is controlled by state, not mafia.” (www.cdm.me)

COUNTRY ASSESSMENT :

Political fragility remains in Montenegro, but one could assess that ruling DPS is the powerful stakeholder which controls domestic politics. Although EC Progress Report is assessed as a positive one, it raises specific concerns over media freedom, corruption and organized crime. Report is elaborating on specific cases signaling detailed research. Montenegro enters into a crucial crossroad regarding its EU future and specific reforms and actions should be implemented if it remains committed in its goal to access the EU by 2025. The Government promotes state’s political and economic stability

which creates an almost ideal investment environment; However, the state needs more concrete reforms in the field of justice, rule of law, fight against corruption, money laundering, and organized crime, public administration transparency and accountability in order to become a stable and attractive investment environment. Montenegro new defense strategy focuses, among other, in fulfilling its NATO obligations and in this context the country's Armed Forces seek to establish the necessary military forces for its operations. Moreover, it tries to modernize and strengthen its operational capabilities and in this context it raised its defense budget aiming at purchasing new assets such as armored vehicles.



NORTH MACEDONIA: August 22nd, the Chief Special Public Prosecutor Katica Janeva, who could be heard in recordings released by “La Verita” telling a suspected businessman that “*everything is going to be OK*” is now one of the three suspects in the extortion case, commonly referred to as the “*Racket*” case. Janeva has been ordered a 30 day detention by the Criminal Court in Skopje on charges of abuse of office to pursue a private gain. She was taken to the Shutka prison late on Wednesday. Bojan Jovanovski and Zoki Kicheec, the first two suspected extortionists, have been in detention for over a month. The Chief Special Prosecutor was detained Wednesday afternoon at her home in Skopje, which was searched by Police. Her home in Gevgelija and her office were also searched on order issued by Prosecutors. Many items, mainly furniture, were confiscated from her home in Skopje and her office computer was also seized

by authorities. Shortly after news broke of Janeva’s arrest, State Public Prosecutor Ljubomir Joveski and the Head of the Public Prosecution for Organized Crime and Corruption, Vilma Ruskovska held a news conference. Based on evidence collected so far, Joveski said, there are grounds to expand the investigation into Janeva’s role in the affair. “*She is suspected of abuse of office to pursue a private gain, believed to be in amount of 290,000 denars (about 4,705 euro) by using her influence in a proceeding against a suspect in the ‘Empire’ case,*” he said. Reading a statement on the latest developments in relation to the “*Racket*” case, Government Spokesman Muamet Hoxha said it was being confirmed that no one is above the law. “*The Government urges a thorough and independent investigation, as swift as possible, to reveal all details in the case. It will in no way allow the case to be misused to hinder the country’s Euro-Atlantic integration efforts,*” he noted. Holding a news conference on the heels of Janeva’s arrest, Internal Macedonian Revolutionary Organization – Democratic Party for Macedonian National Unity (Внатрешна македонска револуционерна организација – Демократска партија за македонско национално единство - VMRO-DPMNE) Spokesman Dimche Arsovski accused the Public Prosecutor’s Office of having no intention to fully resolve the “*Racket*” case. “*Janeva is nothing more than a link in the chain of organized crime and corruption... The Public Prosecutor’s Office has had the evidence, including video footage, for four months that clearly show the involvement in extortion not only of the two perpetrators, but also of those who had orchestrated the political-prosecution-media octopus,*” he told the news conference. (www.nezavisen.mk)

- August 23rd, Prime Minister and President of Social Democratic Union of Macedonia (Socijaldemokratski Sojuz na Makedonija – SDSM), Zoran Zaev confirmed that he will nominate Nina Angelovska, co-owner and director of “Grouper” for Finance Minister. *“Nina Angleovska is one of the founders of ‘Grouper.mk’, winner of the ‘Forbes’ award, having a PhD from Saints Cyril and Methodius University of Skopje (UKIM). I believe in her eight-year experience as a founder of such a prominent company in modern technologies, definitely recognized not only at home but throughout the region and beyond, sending the message that it is really worthwhile to remain home and not leave Macedonia [North Macedonia],”* Zaev said. He added that he will submit proposals to Parliament for Elizabeta Naumovska as Deputy-Minister of Education and Science and for the dismissal of Deputy Economy Minister Kire Naumov who will become the Director of the *“Macedonian Bank for Support and Development,”* while Kire Kolemisevski will replace him as Deputy Minister of Economy. For Deputy Minister of the new Ministry for Political Systems and Relations with the Communities he will nominate Nexhat Mehmedovic. According to Zaev, he wanted to give a chance to a member of the Bosniak community to join the Government. The SDSM Central Board chose five Vice Presidents of the party, Mila Carovska, Minister of Labor and Social Policy, Kosta Petrov, Oliver Spasovski, current Minister of Interior, MP Muhamed Zeqiri, Damjan Manchevski, current Minister for Information Society and Administration. (www.meta.mk)

August 24th, Prime Minister Zoran Zaev has announced a lawsuit against the “Infomax” journalist who published the first page of the record of Orce Kamcev’s testimony on the “Racket” case. Not only that but, in a social media post, Foreign Minister Nikola Dimitrov made open threats to the “Republika” news portal over the reporting on “Infomax’s” writings. *“I demand ‘Republika’ to immediately withdraw the notorious lie that I am involved in in the ‘Racket’ case and apologize for the disgusting insinuation in the text whose title alone has nothing to do with the allegations inside. Otherwise, I will sue for the first time in my life. I am not going to let propaganda to defile me in a case that I have absolutely nothing to do with,”* Dimitrov said. Finally, Defense Minister Radmila Shekerinska announced that she will sue “Republika” for lies written about her. The “Macedonian Association of Journalists” (MAN) urged its members not to succumb to pressure and threats, and not to withdraw texts related to the “Racket” affair. Any publication of texts related to this affair is public interest protection where only the work of state functionaries is described. (www.mia.mk, www.republika.mk)

COUNTRY ASSESSMENT :

North Macedonia’s politics are shaken by a series of corruption and extortion scandals which undermines not only country’s political stability, but also its European perspective. Fancy names such as “Extortion”, “Empire”, “Racket”, “Titanic” are nothing more than scandals involving politicians, businessmen, criminals, and judicial servants demonstrating that corruption, absence of rule of law and non transparency

dominate in state's function. According to media reports, the "Extortion" scandal touches the Prime Minister Zoran Zaev creating conditions for the Government's collapse and snap elections. Prime Minister and top Ministers have threatened media with law suits about what they write for the scandals. It is a worrying sign of media freedom, which also shows that the Government is in a difficult situation. "Criminalization" of state's politics leads now in "criminalization" of media. Besides, there are several European voices calling North Macedonia to focus on judicial reforms, rule of law, and fight against corruption in order to achieve a positive result in coming October regarding the opening of accession talks with the EU. Major EU countries such as France appear concerned over a positive signal under these circumstances. It looks quite difficult for Zaev and his Government to survive until October 2019; most probably he will be forced to call early elections. Zaev has strongly promoted his plan for a well-governed state where rule of law and a functional justice system would dominate. He actually based his pre-electoral campaign against VMRO-DPMNE on such rhetoric. Consequently, it is rather contradictory to watch ruling SDSM politicians and state's servants to be involved in scandals and illegal activities.



ROMANIA: August 20th, the Romanian Ministry of Foreign Affairs informed, in a statement that following the latest developments regarding migrants in the Mediterranean, Romania was recently contacted by the European Commission (EC), which coordinates efforts to identify solutions to save the lives of migrants. The Romanian authorities

responded favorably regarding the relocation of 10 people from Malta. *"The Romanian authorities have decided to respond favorably, together with several Member States, on the possibility of accepting a limited number of migrants, to be relocated (in our case 10 people from Malta). It is a decision that shows Romania's availability to contribute to the solidarity effort in such situations, involving vulnerable people who need protection. This response does not put any pressure on the Romanian asylum system,"* the statement, quoted by Agerpres, said. According to the source, there have been similar situations this year, and Romania participated in three such calls made by the EC, respectively two in Italy, for a number of 10 people and one from Malta, for a number of five people in need of protection, which ended with the arrival, so far, of 11 people in Romania. (www.romania-insider.com)

- August 21st, the Presidents of Romania and the USA, Klaus Iohannis and Donald Trump, adopted in Washington a joint statement regarding the strengthening of relations between the two states and their bilateral relations in the future. The two Heads of state adopted the declaration following their second meeting at the White House, on August 20th, 2019. Declaration focuses on topics such as energy security, military cooperation, the anti-corruption fight, trade, and the Visa Waiver Program. Declaration says that the two countries seek to strengthen the *"defense and deterrence posture on NATO's Eastern Flank, including the Black Sea, which is of strategic importance for transatlantic security."* Moreover, the US and Romania *"seek to avoid the security risks that accompany Chinese investment in 5G telecommunications networks."* As for the energy

security, the *“United States and Romania recognize that energy security is national security,”* the statement reads. *“We underscore our opposition to Nord Stream 2 and other projects that make our Allies and partners dependent on energy from Russia.”* The two countries believe that the natural gas resources in Romania have the potential to enhance Europe’s energy security, and thus the U.S. and Romania *“will consider how best to improve the energy investment climate in Romania in ways that benefit both countries.”* Declaration also refers to the anti-corruption fight in Romania, saying that the two countries’ *“excellent law enforcement and anti-corruption partnership is firmly based on a mutual commitment to the rule of law and an independent judiciary.”* As for the Visa Waiver Program, a hot topic for the Romanian side, the statement says that the US *“reiterates its support for Romania’s efforts to become eligible for entry into the Visa Waiver Program in accordance with the requirements of United States law.”* (www.romania-insider.com)



Romanian President Klaus Iohannis with his US counterpart Donald Trump

(Photo source: www.ro.usembassy.gov)

- August 22nd, Prime Minister Viorica Dancila, the Social Democratic Party (Partidul Social

Democrat - PSD) Chairwoman and her ruling partner, the Alliance of Liberals and Democrats (Alianța Liberalilor și Democraților - ALDE) leader Calin Popescu Tariceanu have met in Bucharest yesterday to discuss the ruling coalition’s fate, amid ALDE’s warning to quit the Government over dissension on legislative and executive issues. Although it has repeatedly threatened to quit the ruling coalition if their demands are not accepted, ALDE is not taking that step yet. PSD has announced agreement on rejecting the draft bill on amnesty and pardon. On the other hand, ALDE announced in its own press release that no consensus had been reached on the Government restructuring as they had required. A new discussion is due next week on this topic. Tariceanu’s party will decide upon an exit from the Government in September. *“ALDE has proposed Prime Minister Viorica Dancila since the previous ruling coalition meetings to identify and prepare some measures to ensure a good governance. In ALDE’s view, a good governance involves a reform across state institutions, a new ruling program, as well as a restructured Government team mainly based on competence,”* reads the ALDE’s press release. In an interview to Mediafax last week, Tariceanu accused the current Government of *“functioning by default”* and that he will not be part of *“an impotent Government.”* (www.romaniajournal.ro)

COUNTRY ASSESSMENT ■ :

A minor intergovernmental crisis has ended for the moment after Prime Minister and PSD leader, Viorica Dancila was met with ALDE’s leader Calin Popescu Tariceanu and resolved the problem. Actually they did not resolve their

dispute, but ALDE decided that it will not withdraw its support towards the Government, although it is not satisfied with its cooperation with PSD. Tariceanu said that his party will decide on September if it will withdraw from the ruling coalition. Consequently, ruling PSD does not feel stable in power. During the visit of Romanian President Klaus Iohannis to his US counterpart Donald Trump it was confirmed that Romania is fully committed to the western "vehicle" and is considered by the US as a reliable and valuable ally in the so called NATO's "eastern flank." The country enjoys advanced upgrade in US and NATO strategic plans due to its geographical position located close to Russia. Consequently, Russia reacts in this close military cooperation between the two countries perceiving it as a threat against its national security. Romania keeps strengthening its Armed Forces seeking to achieve NATO standards.



SERBIA: August 21st, the US Secretary of State, Mike Pompeo, during the meeting with the President of Serbia, encouraged Serbia to focus on its strategic goal, EU membership. As it is said in State Department's statement, Pompeo said that Serbia needs to focus on renewing dialogue with Prishtina. Pompeo and Vucic talked about their shared vision of stable, safe and prosperous western Balkans, as well as continued support to Serbia on its way towards EU. "Secretary of State, Pompeo, encouraged Serbia to focus on achieving that strategic goal by speeding up reforms, as well as renewing negotiations with Kosovo about reaching a comprehensive agreement on normalization of relations, which leads to mutual recognition," it is

said in the State Department's statement. Pompeo reminded that both sides need to avoid provocations that are interfering with the process of normalization and need to engage in spirit of compromise and flexibility, which are necessary for achieving the deal and for using the potentials of both countries. Pompeo also highlighted the good relationship between USA and Serbia. (www.b92.net)

- August 22nd, Serbian President Aleksandar Vucic told the Voice of America that Serbia cannot recognize Kosovo in the current circumstances. He said the Belgrade - Pristina dialogue needs to be continued to reach a compromise solution. "We can talk about everything only if it is about a compromise. They will never get my signature to give the Albanians everything and Serbia nothing. At this moment I am the President of Serbia, you can find someone else who will accept that without a compromise, following ultimatums only," he said. Vucic said that he expects very serious pressure on Belgrade over Kosovo. "It will not be easy but we will fight. We have to realize that our dreams have nothing to do with reality," he said, adding that he does not want to jeopardize Serbian - US relations and warning that any conflict or humiliation is a disaster for Serbia. Vucic said that Belgrade cannot change Washington's decision to recognize Kosovo as independent but denied that this means that Serbia should do the same. "It means that we have to fight and that we understand America's view. They recognized Kosovo, that is their policy and it will not change. What we want is to fight for our interests, get as much as we can for our people in Kosovo and the same for Serbia," he said. Speaking after

meetings with the US State Secretary Mike Pompeo and his Deputy Assistant Mathew Palmer, Vucic said that he was told that Washington has called Pristina to revoke tariffs on Serbian goods as soon as they were imposed, adding that tariffs run counter to what America is based on – a free market, free flow of goods, capital and services. *“Can America exert greater pressure (on Kosovo)? I am convinced that it can. Will that be the case; I think everyone is waiting for the elections,”* the Serbian President said. According to Vucic, pressure to start a fundamental dialogue should be expected in December after the new Government is formed in Pristina. Vucic said that Washington’s position differs from the position of the Europeans on demarcation, specifying that the Americans said they are not thrilled by the idea because they recognized Kosovo in its current borders and want to see mutual recognition. (www.rs.n1info.com)

- August 23rd, none of the opposition organizations that took part in Friday’s meeting said it would run in the next year’s general and local elections under the existing conditions, N1 reported. The meeting’s topics were the current political situation in the country and decision on boycotting the election due in March or April 2020. Dragan Djilas, leader of the Party of Freedom and Justice (Stranka Slobode i Pravde - SSP), told reporters after the meeting that some parties had already opted for the boycott, that others would decide in the next 10-20 days, while some said they would wait until the elections were called. *“However, none of the parties is ready to take part in such elections,”* Djilas said, adding the opposition leaders were aware that the decision to boycott was difficult and that there

would be pressures. He added that every party would decide for itself about the boycott. Zoran Zivkovic, former Prime Minister and now leader of the New Party (Nova Stranka), said his party did not decide yet, adding it should first be clear what could be gained through boycott. He recalled the elections in Albania boycotted by the opposition but that no one challenged their legitimacy despite a low turnout. Srdjan Markovic, one of “1 in 5 million” anti-government protests’ organizers, said *“the united opposition is President Aleksandar Vucic’s ‘Achilles Heel,’ and that his regime could not be changed by old methods.”* He said the protests’ organizers would call on all opposition organizations on September 1st, 2019 to boycott the elections. (www.rs.n1info.com)

COUNTRY ASSESSMENT :

Although the country has entered in a period of fragile political stability due to opposition reactions against governmental practices regarding human rights, media freedom, and elections transparency, the President Alexandar Vucic remains stable controlling domestic politics. He announced that elections (parliamentary and local) will be held on March or April 2020. Opposition said that if its requests will not be fulfilled, elections will be boycotted. Opposition leaders met last week discussing possible boycott of coming elections, but it was confirmed that there are several approaches and stances which do not guarantee that a united opposition is a likely option. Regarding Belgrade – Pristina dialogue there is nothing to be expected in the near future; the whole process has reached a deadlock. It is announced that next

Belgrade – Pristina meeting will be held on September, but it is more than doubtful if it will be held since early parliamentary elections are expected in Kosovo on September 2019. Armed Forces remain in operational readiness without any deployment of units across Serbia – Kosovo border. Serbia strengthens its relations with Russia (and China) seeking stronger support regarding Kosovo case. Security situation is complex and uncertain. None could predict Serbia's reaction in a possible accidental or pre-planned (provocation including) incident in Northern Kosovo against local Serbs. One should have in mind that top state officials have said repeatedly in public that Serbia will protect Kosovo Serbs by any mean including security and military force. At the moment, Serbia looks like acting in accordance with the international law aiming at reducing tension in the region. In other words state's leadership is acting in a "reasonable" and "wise" way avoiding mistakes of the past which have isolated Serbia from the international community. Serbia pays special attention in improving operational capabilities of its Armed Forces declaring towards all sides that they are the power of the state. In this context, it keeps acquiring weapons mainly from Russia.



SLOVENIA: August 20th, Major General Alenka Ermenc, Chief of the Slovenian Armed Forces (SAF) General Staff, said that not all the shortcomings which had been piling up for the past 28 years could be eliminated in a year's time, as she met the press on Tuesday to present the situation at the Slovenian Armed Forces (SAF). Although funds for the SAF have been

rising again in recent years - since 2015, when the bottom line was reached with 263 million euro, they still do not reach pre-crisis levels. This year, spending will rise to 412 million euro, which is still a few tens of millions less than in 2010 and earlier. Funding for the military is expected to reach 416 million euro in 2020 and 452 million euro in 2021. In addition to financial, SAF has considerable staffing problems. Wages in the military are uncompetitive comparing with the labor market forcing especially young people to avoid of choosing to serve their homeland, at a time of economic growth. According to the most recent SAF data, there is a staffing deficit of 1,341 members, of which 848 are permanent staff members and 493 contract reserve members. In mid-August, the SAF numbered 6,406 permanent members and 707 contract reserve members. After all, Ermenc concluded that once again in its annual preparedness assessment, the SAF are sufficient for peacekeeping and insufficient in the event of war. (www.vecer.si)

- August 22nd, Slovenia has started erecting another 40 kilometers of fence along the border with Croatia, commercial broadcaster POP TV reported on Wednesday. Works are currently underway on a 4 kilometer segment between the villages of Zilje and Zunici, southeast of Crnomelj. In July, the contractor, Serbia-based Legi-SGS, was chosen for the job by the Public Administration Ministry, but the department did not reveal where the additional 40 kilometers of fencing would be erected, saying the locations had been specified in a confidential document. It did say, however, that additional fence would be erected in places where this is required to prevent illegal migration and protect locals and their

assets. In some places, the new fence is needed because the old one is damaged. Once the 4.8 million euro project is complete, expected in a few weeks' time, more than 200 kilometers of Slovenia's 670-kilometer border with Croatia will be fenced in. (www.sta.si)

- August 22nd, Prime Minister Marjan Sarec visited Slovenia's sole nuclear power plant in Krsko on Thursday, calling for “investing all our efforts to build a second reactor” to replace the current one beyond 2043. “We need to invest all our efforts in this and set out to build a second reactor because in the future we will need ever more electric power, in particular if we want to be a development-oriented country,” Sarec said during his visit to the Krsko Nuclear Power Plant (NEK).



Nuclear Power Plant NEK's Control room
(www.nek.si)

“With the power station's management we have established that Slovenia is definitely a nuclear country considering that NEK generates a significant portion of our electricity, and we would soon feel its loss,” the Prime Minister added. The existing reactor is slated for closure in 2043, by roughly which time the Sostanj coal-fired power station TES will have ceased to operate, so Sarec believes Slovenia needs to

decide what energy policy it will pursue. “If we do not want wind farms or thermal plants and other sources of energy, we will soon find that there is nowhere we can get energy from,” said Sarec, calling for more effort to attain energy self-sufficiency. A decision on potential construction of a new reactor should be taken as soon as possible because it would take at least a decade from the time the decision is taken to when the reactor is built. The Prime Minister has not yet tested coalition support for a second nuclear reactor and would not speculate whether other countries could be involved in its construction and financing. “I will make the effort so that Slovenia remains independent energy-wise,” he said. Owned jointly by Slovenia and Croatia, the plant began operating at full capacity in August 1982, launching commercial operation in January 1983. (www.sta.si)

COUNTRY ASSESSMENT ■ :

Although Slovenia enjoys a relative political stability, the minority Government of Marjan Sarec has entered in a period of fragile balance due to the Left party announcement that it will reassess its support towards the ruling coalition. Left party is the key factor for Government's stability and viability by supporting it in the Parliament. Without the Left's support the Government would be toppled and early elections should be called. Under these circumstances Prime Minister Marjan Sarec does not exclude a confidence vote together with the 2020 – 2021 budget adoption by the Parliament. Sarec seeks to bear his partners responsibilities towards the Government's support and either to stabilize his ruling coalition or to call early elections. At the

moment it is assessed that none of the ruling coalition parties wish snap elections. Besides, opposition NSi expressed its will to support the minority Government offering an alternative to Sarec Government. It is assessed that minority ruling coalition is stable with limited possibilities of an unexpected event. Sarec has been proved of being flexible in Slovenia's politics so far achieving to balance adequately between different political trends. Looking in the future and next parliamentary elections he seeks to unify political forces belong to the ALDE family against SDS which keeps on being the most powerful political force in the country. The Government has to address several internal social issues (increase of minimum wage, health care, pensions etc). Border dispute between Slovenia and Croatia remains active with low scale skirmishes not excluded periodically. Unofficial announcement by the EC that Croatia has fulfilled the Schengen Zone criteria and it would be accepted during the coming autumn has put a dilemma in Slovenian foreign policy towards its relations with Croatia. Is Slovenia going to block Croatia's entrance in the Schengen area or it will vote for it? It is assessed that September will be a month of intense contacts between Slovenia and Croatia, while the EU is expected to push Slovenia to facilitate Croatia's accession to the Schengen zone. It should be underlined that relations between Croatia and Slovenia are in low level and an "underworld war" is ongoing (at political, diplomatic and intelligence context). The issue of illegal migrants entering Slovenia mainly from Croatia is high in the agenda lately. The Government deployed military force to support Police tasks. Furthermore, the Government decided to activate auxiliary Police

for helping regular Police. The Slovenian Armed Forces face problems mainly in the field of modern equipment and manning. The annual report on the Armed Forces operational readiness released by the Armed Forces Chief of Staff is disappointing since it assessed that the Armed Forces have limited operational capabilities in war time namely they cannot accomplish their mission. Major General Alenka Ermenc, Chief of the Slovenian Armed Forces (SAF) General Staff announced last week that situation remains unchanged and only by increase of funding could be improved. The med-term 2018 – 2023 defense program it could improve situation, but under current political situation it is doubtful if it will be implemented to the end.



TURKEY: August 19th, the Turkish Government has removed three Mayors from office over alleged links to a Kurdish armed group as authorities arrested more than 400 people amid a deepening crackdown on a pro-Kurdish party. The Mayors of Diyarbakir, Mardin and Van provinces in eastern Turkey - all members of the People's Democratic Party (Halkların Demokratik Partisi - HDP) elected in March - were suspended on Monday. The Ministry of the Interior said it had active cases against them for "spreading propaganda" or being members of a "terrorist" organization. Al Jazeera's Sinem Koseoglu, reporting from Istanbul, said the Mayors have also been accused of diverting money and resources from their municipalities to support the outlawed Kurdistan Workers' Party (PKK) agenda. President Recep Tayyip Erdogan has repeatedly claimed that the HDP has ties to the PKK, which has fought a

bloody armed campaign against the Turkish state for much of the past 35 years. The Ministry of the Interior said the Mayors' duties would be taken over by their provincial Governors, who are appointed by the central Government. Diyarbakir Mayor Selcuk Mizrakli told reporters outside the municipal building that the move “*disregards the will of people.*” HDP denies any links to the PKK but has tried to broker peace talks between the fighters and the government. Hundreds of its members and around 40 of its Mayors are currently in detention. The former HDP Head, Selahattin Demirtas, has been in prison since November 2016 - a case that has been criticized by the European Court of Human Rights. Turkish Police also carried out raids across 29 provinces on Monday, including Diyarbakir, Mardin and Van, detaining at least 418 suspects over alleged PKK ties, the Interior Ministry said. The sacked Mayors had won with large majorities in the elections held in March. HDP said in a statement that the decision was “*clearly a hostile move*” against the Kurds and called for solidarity between all “*democratic forces.*” (www.aljazeera.com)

- August 20th, Turkish President Recep Tayyip Erdogan reiterated Saturday Turkey's determination to defend its rights in Eastern Mediterranean while addressing a large crowd of people in Yusufeli district of the northeastern province of Artvin. Criticizing Western states' opposition to Turkey's move in the region, Erdogan said “*We will defend Turkey's rights in Eastern Mediterranean to the full extent despite Western threats.*” Turkey has consistently contested the Greek Cypriot administration's unilateral drilling in the Eastern Mediterranean,

asserting that the “*Turkish Republic of Northern Cyprus (TRNC)*” also has rights to the resources in the area. Since spring this year, Ankara has sent two drilling vessels -- Fatih and most recently Yavuz - to the Eastern Mediterranean, asserting the right of Turkey and the “*TRNC*” to the resources of the region. Athens and Greek Cypriots have opposed the move, threatening to arrest the ships' crews and enlisting EU leaders to join their criticism. (www.dailysabah.com)

- August 24th, National Defense Minister Hulusi Akar announced Saturday that the Turkey - U.S. Joint Operations Center (JOC) to establish and manage a safe zone in northeast Syria had officially commenced operations at full capacity. Although neither side has revealed details about the Center, such as the size of the zone nor the command structure of the forces operating there, Akar said “*The command of center is by one US General and one Turkish General.*” The Minister said the first joint helicopter flight would be conducted later in the day and that implementations on field as part of the first phase of the safe zone plan had already started. Turkish drones carried out surveillance work in the safe zone area last week as preparation for the helicopter flight. “*We have started destroying terrorist positions and targets,*” Akar added. He also reiterated that Turkey would use its right of self defense to the full extent in case of an attack on Turkish observatory posts or its presence in Idlib. Following long-running discussions, Turkey and the US agreed Thursday on starting the first phase of the safe zone plan in northern Syria. Akar and his US counterpart Mark Esper discussed the issue in a phone call. According to a statement by the National Defense Ministry, the

defense Chiefs also agreed on holding a meeting in Ankara as soon as possible between Turkish and U.S. military delegations to further coordinate the process. With the establishment of a safe zone in northern Syria, Turkey hopes to resettle a portion of displaced Syrians currently living in the country and get rid of the PKK and its Syrian affiliate, the People's Protection Units (YPG) terrorists, in the region. On August 7th, 2019 Turkish and US military officials agreed to set up a safe zone and develop a peace corridor running from the Euphrates River to the Iraqi border to facilitate the return of displaced Syrians currently living in Turkey to their home country and provide security for Turkish border settlements and military outposts. They also agreed to establish a JOC. The agreement envisages the setting up of measures necessary to address Turkey's security concerns. (www.dailysabah.com)

COUNTRY ASSESSMENT :

First phase of the safe zone agreement between Turkey and the US agreed to be launched, while it was announced that a Joint Operations Center (JOC) is fully operational. However, we have to see what the first phase includes and how it will be implemented. Turkey keeps repeating that any delay in safe zone establishment will force it to launch a military operation east of Euphrates in order to eliminate the Kurdish threat. It could be assessed that Turkey is satisfied since it accomplished its initial goal; to force the US to announce the safe zone establishment recognizing Turkish concerns for its national security. Turkey is a pivotal country enjoying geopolitical importance and having one of the largest

militaries (the 2nd within NATO. Due to its geopolitical and geostrategical aspects Turkey has the ability to achieve its national goals and protect its interests either by diplomatic means or by the threat of use or use of force. The US obviously does not seek a full rift with its NATO ally. On the contrary, there are still open official and unofficial channels of communication working on improving bilateral relations. Undoubtedly, the US needs Turkey and the opposite, especially in a period where Middle East is in turbulence. Nevertheless, the American administration exercise pressure to its ally through a couple of sensitive issues such as expulsion of the F-35 fighter jet project, support of Kurdish Syrian YPG (and avoidance of establishing a safe zone within Syrian territory), and support of Cypriot activities in East Mediterranean. Latest Progress Report on Turkey was disappointing “freezing” any further development regarding its accession process. Turkey is heading in a major economic crisis and the new Central Bank Governor takes initiatives to maintain state’s liquidity “alive” in order to avoid an unpleasant situation. Turkey faces several restrictions in freedom of expression and human rights. Elected MPs and journalists are in custody or convicted by the state Courts. Local and international observers claim the country moves towards an authoritarian regime with thousands of citizens being persecuted. 3 Kurdish Mayors were suspended from their duties and arrested by Police facing serious charges, while Police arrested 418 more Kurds accusing them for ties with PKK. Turkish Armed Forces military intervention in Syria, eastern of Euphrates river has been removed at the moment due to the Turkey – US agreement on establishing a safe






zone. The state demonstrates decisively its leading role in the wider region of the Middle East, Southeast Europe, and East Mediterranean implementing its doctrine for a diligent capability development effort to be able to fight two multi-front, inter-state armed conflicts while being able to simultaneously carry on large-scale counterterrorism operations at home and beyond borders. Kurdish question is a major security threat for Turkey affecting stability, peace and even unity of the state. In Eastern Mediterranean Turkey continues its drilling operations with two ships (Fatih and Yavuz) maintaining a tense situation. It achieved to establish an almost permanent presence within Cypriot Exclusive Economic Zone (EEZ) without any real cost. It is assessed that Turkish actions seek to incorporate the hydrocarbon exploitation issue as part of the talks between the Cypriot state and the Turkish Cypriot community for resolving the Cypriot question. The cost so far, for Turkey, is zero achieving simultaneously to question Cypriot sovereign rights. EU declaration for imposing sanctions against Turkey seems not enough to force Turkey to back down. It is assessed that Turkey is fully determined to escalate tension in the region including armed violence (if it is necessary) aiming at securing its interests. Taking into consideration that Cyprus and Greece act in coordination and the latter guarantees defense and security of Cyprus it cannot be excluded an accidental or pre-planned “hot incident” in Cyprus or the Aegean Sea (not likely scenario during summer).

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NOTE

-  Stable situation. No security risk.
-  Rather stable situation. Security risk is monitored.
-  Major concerns over stability and security. Significant security risk in specific regions. Low tension incidents.
-  Imminent major incidents regarding stability and security. Violent incidents or armed violence in specific regions. Ongoing tension or crisis. High security risk.
-  Evolving or ongoing crisis including major armed violence or violent/armed conflict. Civil, inter-state or non –state actors war.