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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: June 3rd, opposition supporters battled Police for hours on Sunday evening in the Albanian capital, in a display of violence that drew sharp condemnation from the US Embassy. Violence marred the latest opposition protest on Sunday evening in Albania, as the ruling Socialist Party of Albania (Partia Socialiste e Shqipërisë - PS) started its campaign to elect new Mayors and municipal Councils. At their seventh large protest, the opposition parties again called for the removal of Prime Minister Edi Rama and his Socialist-led Government. Most recent opposition protests have ended in violence, with protesters attacking buildings with firecrackers and Molotov bombs, while Police responded with teargas and water cannons. However, the amount of firecrackers used on Sunday was unprecedented, and some were very large. The leader of the main centre-right opposition Democratic Party of Albania (Partia Demokratike e Shqipërisë - PD), Lulzim Basha, announced later that the next protest would take place on June 8th, 2019, and warned of a further escalation. Western countries have become increasingly concerned about the level of political violence and polarization in Albania, and the US embassy in Tirana condemned the violence on Sunday only minutes after it ended. The opposition parties have vowed to boycott the forthcoming local elections and in most municipalities only a single candidate is standing for Mayor. While calling for dialogue, Rama has refused to discuss postponing the elections. The opposition has said it will not allow elections to take place on that date. Observers have warned of a potential showdown as election day approaches,

with the risk of further escalation. (www.balkaninsight.com)

- June 5th, the German daily newspaper “*Bild*” came with an exclusive article accompanied by audio registrations which show how votes are bought in Albania. Under the title “*how mafia manipulates elections in Albania*,” *Bild* shows registrations made by Albanian investigators, showing how votes are bought by clans on behalf of Rama’s party. In one of these conversations Astrit Avdylaj, who the investigators consider the leader of an international drug gang, is heard speaking with the Director of the Shijak Aqueduct, Ivo Doci. Avdylaj asks Doci about the list of employees who are affiliated with the Democratic Party of Albania (Partia Demokratike e Shqipërisë - PD). The purpose is to pressure them with their job in exchange of a vote. In the second registration, Avdylaj, is heard talking to the Mayor of Shijak, Vangjush Dako. Their discussion seems very friendly. In the third registration, Avdylaj is seen talking to Arjan Ndraxhi, the brother of the Socialist MP of Shijak, Ilir Ndraxhi, before he is appointed in Parliament. He asks him to remove a fine that was placed against him. In another registration, Avdylaj is talking with the leader of the Socialist Party of Albania (Partia Socialiste e Shqipërisë - PS) in Shijak, Elton Arbana, with whom he uses a harsh tone and tries to threaten a PD voter. *Bild* brought another phone call between Avdylaj and the Durres Mayor, Vangjush Dako. The question that *Bild* raises is whether this country (Albania) should be allowed to become an EU member. (www.top-channel.com)

- June 9th, Albanian President Ilir Meta announced on Saturday his decision to postpone the June

30th, 2019 local elections, shortly before the launch of the opposition's eighth protest seeking resignation of Socialist Prime Minister Edi Rama and the establishment of a caretaker Government which can facilitate early elections. Meta only announced the cancelation of the decree by which he had announced June 30th, 2019 as a local elections date, explaining that *"on Monday, June 10th, the Institution of the President of the Republic will publicly make known all exhaustive constitutional, legal and reasonable arguments that led to this decision."* In a statement distributed by his office, Meta explains the reasons for his decision, according to which it came as a result of *"deep concern about the critical situation created in the country as a result of each side not reflecting."* *"Free and fair elections are the main Copenhagen criterion and under the current conditions, for the lack of accountability of both sides, we are heading towards one party elections. In this way, any opportunities for opening membership negotiations with the European Union are undermined, the image as a NATO member country is undermined and the OSCE chairmanship for 2020 is attacked,"* Meta wrote. In his statement, the President invites *"all responsible local and international actors to unite constructive contributions to the urgent resettlement of irreplaceable political dialogue and to find a quick solution that serves the European future of Albania."* Speaking from an electoral meeting in Berat, Rama described Meta's decision as wrong and said that the elections will be held on June 30th, 2019. Rama stated that *"I also expected this and it is nothing else but the completion of a circle of a plan made a long time ago for one reason, for the reason*

that what is sought is not election postponement, but this Government's seizure and the burial of justice reform." Meanwhile, from the protest organized in front of the Government's headquarters, Democratic leader Lulzim Basha stated that the decision to cancel the June 30th elections is, according to him, *"the first proof of our united force, but only a small step forward. We will continue this battle to victory."* (www.tiranatimes.com)

COUNTRY ASSESSMENT :

Political situation in Albania is "explosive" after President's decision to postpone local elections scheduled for June 30th, 2019. Political climate became worst after German newspaper "Bild" published conversations between ruling PS officials and mafia members. Taking into consideration that opposition has abandoned Parliament aiming at blocking its works it is easily understood that the country faces a major political instability undermining its function. Under these circumstances it is rather difficult for Albania to open accession negotiations within June or July 2019. Netherlands lead in an initiative for blocking Albania from accession negotiations and visa free for Albanians. Prime Minister Edi Rama plays his last cards seeking to maintain European leaders support; firstly destabilization of Albania may destabilize the wider region and secondly opposition enjoys Russian support and funding. It is assessed that reaching June 30th, 2019 situation will be further polarized including violent incidents between opposition protesters and Police forces or between ruling PS supporters with opposition ones. Although EC Progress Report was positive,

Albanian political crisis will not allow EU to greenlight accession negotiations in summer 2019. Such situation it will further destabilize the country toppling the Government. 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:

June 6th, Bosnia's outgoing Prime Minister Denis Zvizdic told N1 on Thursday that despite the October 2018 election results he will keep serving the position until the country sends its Annual National Program (ANP) to NATO, as it has pledged to do. Bosnia's Government - called the Council of Ministers - has not been formed yet mostly because the Bosniak (Muslim Bosnians) and Croat members of the tripartite Presidency refuse to greenlight the proposed Prime Minister because the candidate is opposed to the country's path towards NATO membership. Bosnia has

previously pursued NATO membership but in recent years Bosnian Serb politicians have changed their mind and the next candidate for the Prime Minister comes from the ruling Serb party, the Alliance of Independent Social Democrats (Savez Nezavisnih Socijaldemokrataor - SNSD), which is strongly opposed to membership in the Alliance. SNSD and its leader, Milorad Dodik, who is also the current Chairman of the Presidency, have accused the main Bosniak party, the Party of Democratic Action (Stranka Demokratske Akcije - SDA), of blocking the forming of the Council of Ministers. "We live in a time of constant deceptions and manipulations which are mostly being put up by those who cause blockages in Bosnia and Herzegovina in order to justify their anti-constitutional and illegal activities. The Government in Bosnia and Herzegovina can be formed very swiftly, within 10 to 15 days, but for that, one very simple thing is necessary - it is called the rule of law and justice," Zvizdic said. "We have those who do not want to implement adopted laws while at the same time accusing others of blocking the forming of the Government. We have a prepared Annual National Program which needs to be sent to Brussels and at the same time we need to name the person who will take over the mandate for the Council of Ministers and the entire process will be completed within several weeks," he said. Zvizdic called on the SNSD to propose law changes which will demand that Bosnia does not go towards NATO membership if the party wants to avoid it. (www.ba.n1info.com)

- June 8th, one of the branch of the Turkish Stream, a natural gas pipeline that runs from Russia to Western Europe via Turkey, will run

from Belgrade to Banja Luka, said the Head of Srbija Gas, Dusan Bajatovic, who spoke at a panel organized in Banja Luka by the Center for Lobbying. Bajatovic said that his company is interested in building that branch and that it would run along the future highway through the north-Bosnian areas of Posavina and Semberija. He added that it would allow the possibility of connecting Bosnia's Federation entity, one of the two semi-autonomous parts of the country, and Croatia to the pipeline, without saying where exactly the connection points would be. Representatives of the Energy Ministry of Republika Srpska (RS); the other administrative region in the country where Banja Luka is located were present at the panel and said they believe the project is realistic. More Russian gas could cause disputes in the Balkans, analysts said, but added that if economy remains in focus and not politics, there would be no problems. The “**Turk Stream**” Serbian section is already under construction and is more than 400 kilometers long. It was designed by the Italian - Serbian consortium “*Sajpem-Serbiagas*” and should be completed by December 18th, 2019. The RS Government has announced the possibility for the establishment of a joint consortium made of their gas company and Serbia Gas. Asked whether Bosnia’s state company BH Gas was consulted, Bajatovic said: “*We are partners.*” (www.ba.n1info.com)

- June 9th, not one of the statements or agreements which the Chairman of Bosnia’s tripartite Presidency, Bosnian Serb leader Milorad Dodik, made or reached during his visit to Russia were agreed on with the other two members of Bosnia’s Presidency and do not represent the official stance of the country, Dodik’s Bosniak

(Muslim Bosnian) colleague, Sefik Dzaferovic, said on Sunday. Speaking to “*Sputnik*” in St. Petersburg, where he was participating in the International Economic Forum, Dodik spoke about providing gas to Bosnia’s Serb-majority semi-autonomous entity of Republika Srpska (RS) and praised Russia’s stance towards Bosnia. But according to Dzaferovic, no agreement of that sort can have any consequences for anyone within Bosnia and Herzegovina as it was not discussed by all three Presidency members. Such decisions can, according to Bosnia’s Constitution, only be made through consensus in the Presidency. The Bosniak Presidency member said that making such an agreement without that consensus may represent a breach of the 1995 Dayton Peace Treaty which ended Bosnia’s war. “*Nobody in Bosnia and Herzegovina should have anything against connecting to international gas lines. However, the issue of gas and connections to international lines is in the exclusive capacity of the state of Bosnia and Herzegovina,*” he said. According to Dzaferovic, a law must first be adopted on the state level and an independent state operator must be established. “*I call upon Dodik and all other political leaders in Bosnia to do this as soon as possible and with it to enable a stable gas supply for Bosnia,*” he added. (www.ba.n1info.com)

COUNTRY ASSESSMENT :

Political instability and uncertainty continues in Bosnia because it has not formed a Government since October 7th, 2018 general elections. 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 to cooperate in forming a Government. It seems that the three parties achieved to bypass their different views on main issues but still cannot overcome Bosnia's accession process towards NATO. Bosnian Serbs insist that the country should remain neutral staying out of NATO, Bosniaks remain committed to NATO accession as a precondition for supporting a Government, while Bosnian Croats appears neutral on the issue wishing to overcome the deadlock. 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. Of course, both entities (Croats and Serbs) take in advantage "Dayton Peace Agreement" weaknesses and malfunctions. 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. Election of ultra nationalist pro-Russian Serb Milorad Dodik in the tripartite Presidency is a strong sign of more nationalistic rhetoric and

more obstacles towards Bosnia's EU and NATO (mostly) integration. Dodik is a person who does not actually believe in B&H viability and is expected to promote (actually, he has already started) his own political agenda. Saudi Arabia, Iran, and Turkey approach the country mainly through "investments" and/or funding ethnic or religious groups according to their interests.



BULGARIA: June 5th, Prime Minister Boyko Borisov and the Minister of Foreign Affairs of the Kingdom of the Netherlands Stef Blok discussed topical issues on the agenda of Europe as well as topics of mutual interest. At the meeting, it was underlined that Bulgaria continues to pursue its objective of being as close as possible to the integration processes in the EU. Borisov pointed out that joining the Schengen area and Eurozone are among the main priorities of Bulgaria and the support of the Netherlands is one of the keys. "This will ensure the full participation of Bulgaria in the joint European efforts to adequately address all the challenges related to the security of the EU's external borders," Borisov said. Blok noted that Bulgaria is successfully protecting Europe's external border. In the course of the talks, Borisov said that preserving the integrity of the Schengen area requires consistent efforts in two key areas; strengthening of control in external borders and improving functioning of the asylum system. Bulgaria's progress on reforms under the Cooperation and Evaluation Mechanism was also noted during the meeting. "We appreciate the good cooperation with the European Commission on this issue and we expect our European partners to appreciate our good results as well as

our determination to continue the process in an irreversible way,” Borisov said, quoted by the Government's press service. (www.novinite.com)

- June 7th, negotiations with US on F-16 fighter jets will continue as the initially proposed higher amount of money can be reduced. This was said by the Minister of Defense Krasimir Karakachanov during parliamentary session. Karakachanov informed the Deputies about the modernization projects of the Bulgarian Armed Forces. In connection with the acquisition of two ships for the Navy, he pointed out that technical proposals have already been opened and that an assessment has yet to be carried out. The logistics support indicator is also eligible for a lower cost. Negotiations for a contract will be completed by the end of the year according to the Minister. The first ship is expected to be delivered by the end of 2020 and the second one by the end of 2024. The total value is 820 million leva (419 million euro), he said. Regarding modernization of Land Forces, Karakachanov explained that July 7th, 2019 is the deadline when the projects for the armored machine should be presented and sent to the companies. He specified that four companies were interested in making an armored machine. (www.novinite.com)

- June 8th, Bulgarian authorities have thwarted a planned terrorist bomb attack in the city of Plovdiv, arresting a boy in his late teens. The boy who had been preparing the bomb attack in central Plovdiv had been recruited by the “*Islamic State*”, Bulgaria’s Deputy Prosecutor General Ivan Geshev told a news conference on June 8th, 2019. According to Geshev, the case involving the child is an individual one and it is not a matter of a network. He described the boy as “*super*

intelligent” who had assembled the materials for the explosive devices using substances publicly available. The youth had claimed to have an interest in chemistry. The youth had been the subject of several months, perhaps a year, of a recruitment process by the “*Islamic State*,” he said. Public broadcaster Bulgarian National Television (BNT), quoting what it said were well-informed sources, said that target of the planned terrorist attack was the centre of Plovdiv. BNT said that the youth was arrested on June 6th, 2019. Bomb components were found during a search, according to the report. The youth had come under the influence of a radical Islamist group in recent months, and Bulgaria’s security services had been alerted by worried relatives, the report said. Bulgarian National Radio (BNR) said that Interior Ministry psychologists were questioning the youth to establish his motives. Citing Interior Ministry sources, BNR said that the youth was from a “*good family*,” was studying at a good school in Plovdiv, and there were no reports of contacts with radical Islamic circles. It is believed that youth had self-radicalized through visiting certain websites, the report said. The youth had been in Court on June 7th, 2019 for a hearing on the issue of his remand in custody, BNR said. An investigation under chapter one of Bulgaria’s Penal Code, in connection with terrorism, is proceeding, the report said. Plovdiv has become an increasingly popular destination in recent years with both domestic and foreign tourists. In summer 2019, with Plovdiv holding the title this year of European Capital of Culture, numerous events also are attracting growing numbers of tourists to the city. Media reports said that the youth had picked the centre of Plovdiv for his

planned bomb attack so as to maximize the number of victims. (www.sofiaglobe.com)

COUNTRY ASSESSMENT :

Junior partner of the ruling coalition, United Patriots remains the vulnerable and unpredictable piece of the inter-governmental stability; none could predict when a new incident or dispute will break out. Thus, Bulgaria has entered in a period of rather stable political situation. President Radev grabs every opportunity to criticize the Government (and the Prime Minister Borissov) highlighting his different political affiliation (Radev is backed by the opposition Socialists). After European elections, opposition BSP appears weakened facing internal problems. The country strengthened its efforts towards entering the Eurozone achieving a positive decision of the Eurogroup. However, the EC made clear that Bulgaria could not enter the Eurozone before 2022. Apart from that the European Parliament adopted a resolution for the accession of Bulgaria (and Romania) in Schengen Zone. However, it is questioned if the European Council will receive a unanimous final decision for Bulgaria under the current migration pressure. Corruption and organized crime remain significant obstacles and should be addressed decisively. Although modernization of Armed Forces is a top priority for Bulgaria and huge armament projects are ongoing (fighter jets, armored vehicles, vessels etc) military operational capability of the state is questioned especially in the Air Force. Bulgarian Armed Forces are far from NATO standards. The latest report on defense situation confirmed the

major problems the Bulgarian Armed Forces are facing. Security situation stable; no major threats.



CROATIA: June 4th, the Bandić Milan 365 - Labour and Solidarity Party (Bandić Milan 365 - Stranka Rada i Solidarnosti - BM 365) of Zagreb Mayor Milan Bandić, which is part of the parliamentary majority, has called on Prime Minister Andrej Plenković to dismiss Education Minister Blazenko Divjak claiming, among other things, that she wasted 8 million Kuna (1 million euro) on teaching aids, including paying double the market value for tablets for schools. Meanwhile, members of the coalition Government held a meeting today at which most voiced their continued support for the Plenković Government. Croatian Social Liberal Party (Hrvatska Socijalno-Liberalna Stranka - HSLS) Chairman Darinko Kosor underlined “HSLS is one of the HDZ's two pre-election coalition partners; all the rest a post-election partners, and we will remain fair towards our partner, if there are extraordinary elections then so be it, if not, we will support this Government until the end.” (www.glashrvatske.hrt.hr)

- June 4th, “Security situation in Croatia is stable and currently there are no indications or visible potentials for its significant destabilization,” reads the annual public report by the Croatian Security Intelligence Agency (SIA). Last year SIA sent around 12,600 various pieces of information to various state bodies. This should provide support for them in adopting effective and timely decisions. However, there are still challenges. There are potential risks from terrorism for Croatia as a member of NATO. SIA noted that there were seven people with Croatian

citizenship on territory controlled by ISIS. At SIA they believe that no type of extremism in Croatia has a significant number of followers, nor initiative potential. Possible threats are located in the unsecure south eastern environment, but also in transit of supporters of Islamic radicalism over the so called Balkan migrant route. SIA also stated that Croatia was the target of a series of so called Advanced Persistent Threat (APT) cyber-attacks. These are highly expert attacks aimed at stealing confidential information or provoking damage in information systems. Considering the fact that Croatia will chair the Council of the EU next year, SIA believes that the risk of increased frequency in APT is growing. In the same manner challenges are growing for protection of Croatia's economic security; mostly energy and the LNG terminal project on the island of Krk. SIA noted that corrupt business practices are doing damage to the economy. Public procurement is being abused and the risk of laundering illegal money is growing with the arrival of capital of unknown origin in Croatia. (www.glashrvatske.hrt.hr)

- June 8th, Fitch Ratings raised Croatia's credit score to investment grade level by one notch to BBB-, with a positive outlook, from BB+. *"Croatia outperformed its budget target for the third year in a row in 2018, with the Government posting a surplus of 0.2% of GDP... despite the materialization of contingent liabilities from troubled shipyard company Uljanik,"* the agency said. *"Fiscal developments have been underpinned by expenditure restraint, increased revenue... lower interest costs and favorable macro conditions,"* it added. *"Croatia's structural features are generally more favorable than 'BBB' peers. GDP per capita is 30% above the 'BBB'*

median and the country scores better than peers in governance indicators and human development, thanks in part to EU membership," said Fitch. *"Coalition government, established in June 2017, has been able to implement its agenda relatively smoothly despite its small majority,"* it added. *"Croatia continues to face important structural challenges that limit medium-term growth to 2%. These include shortcomings in the business environment, a complex public sector framework, weak corporate governance, still high corporate debt and legacy issues in key sectors such as energy and healthcare,"* Fitch said. *"Limited progress has been achieved in tackling these issues in recent years, but there is some scope for improvement as potential prior actions for joining ERM2,"* it added. *"Croatia benefits from low and stable inflation... The banking sector has maintained solid levels of capitalization,"* the agency reported. The positive outlook signals that Fitch could raise Croatia's rating again in a year or two. In March, Standard & Poor's raised Croatia's rating to BBB-/A+, including it in the investment category after more than six years thanks to an improved budget situation and economic recovery. (www.hr.n1info.com)

COUNTRY ASSESSMENT :

Good news for Croatian economy which shows dynamics and achieves upgrading by international economic organizations. At the same time the country enjoys support from EU towards its Eurozone goal. The state enjoys political stability and latest pressure from small coalition partner BM 365 is considered of minor importance. Croatia follows a tough regional

policy with neighboring countries. It is openly intervene in Bosnia's internal affairs, while it maintains open disputes with Slovenia, Serbia, and Bosnia. One should take into consideration that Croatia shows its military strength and capabilities quite often not only in international, but also in national level sending strong messages to neighboring countries. Apart from that, Croatia pays special attention in energy strategy and security announcing ambitious projects. The state accelerates its efforts towards accession in Schengen zone. It 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: June 5th, Cyprus has struck a production-sharing deal for the Aphrodite gas reservoir worth over 9 billion dollars over 18 years with Noble Energy and its partners, it was announced on Wednesday. Energy Minister Giorgos Lakkotrypīs said negotiations have finished with Cyprus getting a good deal under the circumstances that is worth over 9 billion dollars or around 500 million dollars per year over 18 years, depending on the international price of oil. The revenues are based on an average price of oil of 70 dollars per barrel. Speaking after the cabinet meeting on Wednesday, Lakkotrypīs said the parties were now at the stage of discussing the development and production plan. Specific milestones have been set that companies must respect or there would be serious consequences, he added. Talks began last

summer, when the consortium telegraphed that it was not satisfied with the revenue-sharing deal in place. Companies had struck a preliminary agreement to sell the Aphrodite gas – some 4 trillion cubic feet – to a liquefaction facility in Egypt. The consortium's investment would consist of an extraction platform at the site of the well, plus a pipeline running from the reservoir to Egypt's shores. The Minister said the effort is to extract, if not all, most of the reserve in the Aphrodite field so that its exploitation would be viable. Based on the plan, the first gas is expected between 2020 and 2025. The Energy Minister said this would be the biggest infrastructure project ever undertaken in Cyprus, worth some 7.9 billion dollars. (www.cyprus-mail.com)

- June 7th, lifting the US arms embargo on Cyprus would negatively affect peace efforts on the island Turkish Cypriot leader Mustafa Akinci said, according to reports on Friday. Akinci had a meeting on Friday morning with the Deputy Assistant Secretary at the US State Department Bureau of European and Eurasian Affairs, Matthew Palmer who was on the island for contacts. Media in the north reported that Akinci's Spokesman Baris Burcu said in a written statement that Akinci explained to Palmer why the arms embargo should not be lifted. A possible lifting of the arms embargo would negatively affect the peace efforts in Cyprus, Akinci said according to Burcu. He also conveyed to the US official the views of the Turkish Cypriot side on the issue of natural gas. Akinci told Palmer that the Greek Cypriot side is constantly rejecting the Turkish Cypriot proposal to create a joint gas committee while carrying on its unilateral actions on hydrocarbon exploration. This left the Turkish

Cypriot side with no other choice but to take similar actions, he said, according to the statement. According to Burcu, the Turkish Cypriot leader explained in detail to Palmer the reasons for the current impasse in the Cyprus issue. Akinci argued that the reason efforts by the UN Secretary-General's special envoy Jane Holl Lute on preparing the terms of reference for the resumption of talks have not borne fruit yet was because the Greek Cypriot side had backed away from past agreements on political equality. In 1987, the US placed restrictions on the transfer of arms and defensive material to Cyprus in an attempt to encourage reunification efforts and avoid an arms race on the island. The Government has been trying for many years to see the embargo lifted. Palmer was on the island to discuss bilateral relations with President Nicos Anastasiades, among them, a bill tabled by US Senators Bob Menendez and Marco Rubio providing among other things lifting the US arms embargo on Cyprus. (www.cyprus-mail.com)

- June 7st, the Cyprus economy will continue to grow, fiscal performance is solid, but external headwinds are increasing and significant domestic vulnerabilities remain, while key reforms, including justice have been delayed, according to the Post Program Surveillance report on Cyprus released Friday in Brussels. According to the report, despite global economic slowdown, Cyprus posted remarkably strong growth for the third year in a row, reaching 3.9% in 2018. Growth was driven by domestic demand and exports of services, particularly tourism, while inflation remained subdued. Domestic demand is expected to continue to perform strongly in 2019, on the back of rapidly declining unemployment

and moderately rising wages. Nevertheless, growth momentum is forecast to subside, mostly reflecting the less favorable external environment. These challenges are further compounded by key vulnerabilities of the Cypriot economy, notably the still very high levels of non-performing loans as well as private, public and external debt in a context of low productivity growth, and high dependency on foreign capital flows. It recognized that *“last year Cyprus made significant progress in consolidating its banking sector and reducing non-performing loans (NPLs) held by banks, but important challenges remain.”* According to the EC the still-favorable economic conditions provide a window of opportunity to step up the pace of structural reforms to boost potential growth and a key priority is the effective implementation of judicial reform, *“which is essential for the functioning of the economy.”* This involves the establishment *“of new specialized Courts, in particular a commercial Court, clearing the high accumulation of cases, including cases related to NPLs and revising the outdated civil procedure rules.”* But the Commission warns that *“notwithstanding the high political priority attached to judicial reform, progress in its implementation has been slow.”* The implementation of e-justice — a key pillar of the reform — has also been postponed, but the review of the rules of civil procedures is on track. The Commission states that it is also essential to improve the efficiency in the public sector, in particular functioning of the public administration and of local Governments. Furthermore, the business environment needs to be improved, including through the elimination of administrative barriers to investment, the opening

up of the electricity market, and the completion of privatization projects. On the structural reforms the report states that “*the opening up of the energy market and diversification of the energy mix are progressing, but are facing delays, preparations for implementing the healthcare reform are progressing, while there are uncertainties surrounding its fiscal and economic impact and the legal framework to facilitate strategic investments is pending adoption.*” “*The Government’s efforts to explore and utilize hydrocarbons are on-going. Authorities expect explorations in Cyprus’ Exclusive Economic Zone to continue as planned. The agreement for the monetization of the hydrocarbon reserves in Aphrodite field is expected to be concluded in the coming months, but implementation will take several years,*” the report notes. (www.cyprus-mail.com)

COUNTRY ASSESSMENT :

Ongoing crisis in Cyprus may deteriorate in coming days since Turkey sends a second drillship, Yavuz (Fatih is already there) in Cypriot Exclusive Economic Zone (EEZ). Turkish President Recep Tayyip Erdogan did not hesitate to emphasize that frigates accompany Yavuz to protect it for any potential action against it. Production-sharing deal for the Aphrodite gas reservoir worth over 9 billion dollars over 18 years with Noble Energy excluding Turkish Cypriots from any profit it is assessed that it will lead in rapid escalation. Situation in Cyprus is reaching a critical point where there is a major conflict of interests between Cyprus and Turkey (via Turkish Cypriot community). Turkey will never allow exclusive exploitation of island’s

energy resources and it is estimated it will strengthen its presence within Cypriot EEZ. A “hot” incident cannot be excluded. Direct violation of its sovereign rights which aim at establishing “fait accompli” in a maritime area Turkey claims it enjoys full rights to exploit, is a serious evolving situation which should be resolved in terms of crisis management under pressure conditions. It looks like Cyprus (and Greece) did not have a well-prepared resolution plan for such situation although it was an expected and predicted Turkish reaction. Diplomatic support of the US and EU through statements is not enough to deter Turkey from its operational plans. Cyprus should push the EU for specific sanctions against Turkey as a direct measure of pressure. What Cyprus really needs at the moment is the presence of aeronautical forces to protect its interests and sovereignty and this lack of military force is a major gap for exercising its sovereign rights. Latest border incidents in Denia occupied region shows that the Turkish side strengthens its provocations. 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. At the moment, Cyprus is engaged in three different trilateral formations which also include strong features of strategic cooperation and alliance; Cyprus – Egypt – Greece, Cyprus – Israel – Greece, and Cyprus – Jordan – Greece. The last two are highly improved due to the US engagement. At the moment Cyprus is promoting a fourth model of

cooperation between Cyprus, Greece, and Lebanon. In other words, Cyprus is becoming the “leading link” between the Middle East and the Arab world on the one hand and the EU on the other. Cyprus seeks to negotiate and reach agreements with its neighboring countries regarding their EEZ expanding maritime cooperation and energy security. 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. Cyprus improved its bilateral relations with the US, strengthened its defense cooperation with France, UK, and lately develops its defense and security relations with Germany. One could say that Cyprus strengthens defense cooperation with NATO leading countries. The US administration promotes abolishment of the arms embargo against Cyprus allowing it to improve its military capabilities. Conduct of aeronautical exercises in cooperation with other countries (Israel, Egypt etc) sends various messages of defense capability, readiness, and determination. Although the UN Secretary General appears optimistic for a new round of talks between the two communities, it is assessed that talks could not be resumed with vessels violating Cypriot sovereignty. President Anastasiades promotes the scenario of a “bizonal, bicomunal decentralized federation”; an idea which is in principle accepted by the leader of the Turkish Cypriot community and enjoys support from the U.S. However, there are a lot of disputed issues in which both parts should compromise; the most important is considered the decision-making process. As long as part of Cyprus remains under Turkish occupation and Turkish

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



GREECE: June 6th, Greek Defense Minister Evangelos Apostolakis reiterated his concern over Turkey's decision to carry out illegal drilling inside Cyprus' Exclusive Economic Zone (EEZ), and called on the country to refrain from further unilateral actions that violate international law and undermine region's stability. “I am concerned about Turkey's destabilizing role and problematic stance expressed through unfounded allegations that violate our national sovereignty and rights,” he told the 35th Congress of the World Coordination Committee of the Cyprus Struggle (PSEKA). The Minister also hailed the more active US involvement in regional cooperative defense projects, saying it sends a “consistent and clear” message. “Strategic cooperation with the United States, coupled with our commitment to NATO, is a defense priority for us,” he said. (www.ekathimerini.gr)

- June 9th, Greek President Prokopis Pavlopoulos has warned Turkey that Greece will defend its legal right to define its Exclusive Economic Zone (EEZ) and that in this respect it has the “active support” of the European Union, NATO and the United States. Pavlopoulos said that, while Turkey may not have adhered to the 1982 United Nations Convention on the Law of the Sea, because of its claims against Greece and Cyprus, it is bound by that convention's rules. (www.ekathimerini.gr)

- June 9th, Prime Minister Alexis Tsipras will visit President Prokopis Pavlopoulos Monday at 6:30 p.m. to ask him to dissolve Parliament and call a July 7th, 2019 early parliamentary election. After his left-wing party's poor performance in the European Union election two weeks ago, Tsipras said he would request the dissolution of the Greek parliament to trigger a vote for its replacement. A regularly scheduled election is not due until October, when the four-year term of Tsipras' Government ends. (www.ekathimerini.gr)

COUNTRY ASSESSMENT :

Snap parliamentary elections will be called for July 7th, 2019 after ruling SYRIZA was strongly defeated in the European and local elections by opposition conservatives ND. The country has entered into a long pre-electoral period due to European and local election and the coming parliamentary one. ND will focus to achieve a full majority in the coming elections in order to form a stable Government. On the other hand it is a period that Greece faces diplomatic and security challenges mainly by Turkey. Internal terrorism is considered as a major unresolved problem of national security undermining stability of the state. Greek – Turkish relations are deteriorating 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 and Greece's right to militarize East Aegean Sea islands. 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 intensified their activity regarding violation of Greek airspace and issue of NAVTEXs within Greek territorial waters for military exercises (including fires). Strengthening of military cooperation between Greece and the U.S upgrades Greece's strategic role in Eastern Mediterranean and Middle East as a western (US, EU, NATO) forward military base. On the other hand, Greece is concerned that this upgraded relation with the US may reinforce Turkish aggression in the Aegean Sea. Furthermore, 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.



KOSOVO: June 3rd, Vyacheslav Volodin, the Speaker of the Russian Duma, lower house of the Federal Assembly, said in Belgrade on Monday that the “intrusion” of Kosovo's Special Forces into the north aimed at frightening the Serbs, establishing control there by force, adding the Serbs could count on Russian help in future, N1 reported. Volodin said that the UN Security Council Resolution 1244 (on Kosovo after the 1989-1999 war there) should be respected. “The UN should express its stand. Its authority and also peace in the Balkans depend on its determination and concrete moves,” Volodin said in Serbia's Parliament. He criticized

the EU and US behavior and added that *“the absence of clear EU reaction to Pristina’s provocations raises doubt the bloc is capable to mediate in the Belgrade – Pristina dialogue on normalization of relations.”* Volodin said that some states adopted *“a practice of double standards and interfering in other countries’ internal affairs becomes normal. We think that is unacceptable. It is necessary to confront that if we want to preserve our nation, country, its sovereignty and independence,”* Volodin said, mentioning Libya and Iraq as examples. (www.rs.n1info.com)

- June 6th, Kosovo Parliament Speaker, Kadri Veseli, attending today the commemoration activity remembering fallen soldiers of former Kosovo Liberation Army (KLA) from the Mitrovica region, called on Serbia to recognize Kosovo as an independent state. Veseli addressing the commemoration activity said that Serbia was left no other choice but to recognize Kosovo as independent and sovereign country and be held accountable for the genocide committed against civilian population in Kosovo during 1998-1999 war. He said that both these processes are necessary and inevitable. (www.gazetaexpress.com)

- June 7th, Kosovo Prime Minister Ramush Haradinaj told a high-ranking German Parliament delegation that Pristina seeks an agreement with Belgrade which would include mutual recognition. A press release from the Prime Minister’s cabinet said that Haradinaj met with Bundestag Deputy Speaker Johann David Wadehul, Deputy CDU/CSU Parliament Group Chief Christian Schmidt and Peter Beyer. Haradinaj is quoted as telling the delegation about

progress achieved by Kosovo, his Government’s dedication to economic development, strengthening rule of law, reforms and Pristina’s Euro-Atlantic orientation. *“Citizens and institutions of Kosovo are always grateful for Germany’s support to the advancement of all sectors in Kosovo,”* he said and expressed readiness to cooperate in all areas of common interest with focus on the economy, education, healthcare and political cooperation. The press release said that the Bundestag delegation confirmed Germany’s continuing support for political processes, especially the dialogue with Serbia to reach a final agreement which will include mutual recognition in existing borders. Speaking after returning from Germany, Haradinaj said that he did not discuss territorial division with Chancellor Angela Merkel. *“Discussion of that topic was not continued because it no longer exists,”* he said and added that the tariffs on Serbian goods will be revoked when Serbia recognizes Kosovo. (www.rs.n1info.com)

COUNTRY ASSESSMENT :

Kosovo keeps escalating tension with Serbia blocking any chance of dialogue restart. Latest Police operation in the north arresting Serbs (and Albanians), 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 are just a few actions which undermine any possibility of negotiations with Serbia. By keep repeating in every forum that there is nothing else to talk than “Serbia recognizing Kosovo” you simply do not promote

dialogue. Pristina does not hesitate to escalate tension even with an armed conflict. Kosovo President, Hashim Thaci stated that his state could unified with Albania including parts of south Serbia (Presevo, Bujanovac and Medveja). Such statements are not only immature, but also put under risk peace and stability in the region. Thaci openly speaks for border change and more specific violent change. It is strongly recommended that international community, namely the UN, EU and US should terminate decisively such irresponsible ideas. Under these circumstances it is rather difficult to see tangible results in next meeting scheduled for July 2019 in Paris. 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. Path towards the EU and NATO will be long and hard. Kosovo seeks its Army to be operating all over the country pushing NATO towards such direction. The presence of Kosovo Army in the north it is assessed of high security risk which may lead in armed violence. One should take into consideration that the Serb President has already ordered all defense and security stakeholders to take all necessary measures for protecting Serbian population in Kosovo.



MOLDOVA: June 4th, Russian Deputy Prime Minister Dmitry Kozak, President Vladimir Putin's Special Representative for the development of trade and economic relations with Moldova, and Transnistria President Vadim

Krasnoselsky have reached an accord on topical questions of Transnistrian economy functioning, the two officials stated to the local press after their meeting held in Tiraspol on Tuesday. Kozak said the parties had discussed essential questions pertaining to the social sphere, the methodology of the organizational and material assistance, which Russia can render to let Transnistria residents feel comfortable and secure. The Russian delegation, which included also Russia's Deputy Minister of Foreign Affairs and State Secretary Grigory Karasin, First Deputy Minister of Finance Leonid Gornin, the Russian Ambassador to Moldova, Oleg Vasnetsov, Director of the Russian Gazprom Concern's Representation at Moldova Gennady Abashkin, Director General of the Inter RAO-Export Maxim Sergeyev, was warmly welcomed by the Transnistria leadership. Welcoming the Russian guests, Krasnoselsky called Kozak's visit to be very important for Transnistria, stressing that so many urgent problems have accumulated that require to be urgently tackled "at the highest level." "Transnistria's interaction with the Russian Federation has always been a multi-vector one. I would highlight first of all our cooperation in the sphere of peacekeeping. This is very important for us; preservation of the Russian military presence. Me as President and people of Transnistria, we do not separate the Russian peacekeepers from the Operational Group of Russian Forces [OGRV] deployed in Transnistria," Krasnoselsky said. Kozak said that the "Transnistrian Moldovan Republic" has been in a complicated situation due to the unresolved question of its legal status, and the region needs support. In Kozak's words, there are some current problems in the work of the 5+2 negotiating

format that cannot be resolved by virtue of Transnistria's geographical location but can be solved only in the process of negotiations with Chisinau. Touching on the problem of receiving the Russian citizenship by Transnistrians, Kozak said *"We will tackle this question together with our Foreign Ministry, and will achieve a solution. All people who have the right for citizenship must be given a possibility to acquire it. We shall be doing this. The main problem is in indistinct rules and in a wrong interpretation of regulations on acceptance of documents and so forth. This is not a political problem. Russia's political stance is all the rights guaranteed by the law must be realized."* (www.infotag.md)

- June 8th, the Party of Socialists of the Republic of Moldova (Partidul Socialiștilor din Republica Moldova – PSRM) and the right-wing ACUM [Dignity and Truth Platform Party (Partidul Platforma Demnitate și Adevăr - PPDA) and Party of Action and Solidarity (Partidul Acțiune și Solidaritate - PAS)] bloc have signed an agreement on *"de-oligarchization of Moldova."* The signature ceremony took place upon the completion of negotiations between the two parties, which decided to convoke a plenary meeting of the Moldovan Parliament on Saturday. Maya Sandu, the Chairperson of PAS stated to journalists afterwards that the document was signed by all the Socialists and ACUM Deputies (35 + 26 = 61 MPs). *"We have signed it, and convoked a Parliament meeting, during which we will first adopt a Declaration on the captured state of Moldova, and then will begin the parliamentary work; it will start by approving a Government and passing laws in conformity with the people's will,"* Sandu said. The other ACUM

Co-Chair, PPDA leader Andrei Nastase stated that the forum's plenary meeting shall take place by all means despite the fact that Parliament Secretariat employees are boycotting the forum's work; many rooms are not functional, microphones in the main session room are not working, and so forth. Answering journalists' questions about the Constitutional Court's judgment that the Parliament must be dissolved, so it is not eligible to pass decisions, Andrei Nastase called that decision *"an abuse of position."* *"We have the mandate of the Moldovan people. The plenary powers of the incumbent Parliament have not expired yet. We must liberate the captured state institutions, depoliticize the Constitutional Court, and get rid of oligarchs. Today we will form a new Government. And as soon as we appoint a new Minister of Interior, the country will begin returning to a normal life,"* Nastase said. (www.infotag.md)

- June 8th, Moldova President Igor Dodon signed a Presidential Decree on nominating Party of Action and Solidarity (Partidul Acțiune și Solidaritate - PAS) Chairperson Maya Sandu as candidate for Prime Minister of Moldova *"after consultations with parliamentary parties as per the Constitution of the Republic of Moldova."* The Decree comes into effect from the moment of its signature. Within subsequent 15 days, the prime ministerial candidate is supposed to request the Parliament to vote confidence in the candidate's whole Cabinet of Ministers and its Work Program. Earlier the same day, MP Zinaida Greceanii, Chairperson of Party of Socialists of the Republic of Moldova (Partidul Socialiștilor din Republica Moldova – PSRM), has been elected Speaker of the 101 seats Parliament of

Moldova. She was the only candidate nominated for this key post in the parliamentary Republic of Moldova. The necessary quorum for the session was formed thanks to PSRM and ACUM [Dignity and Truth Platform Party (Partidul Platforma Demnitate și Adevăr - PPDA) and Party of Action and Solidarity (Partidul Acțiune și Solidaritate - PAS)] bloc. So, the plenary meeting was attended by 61 MPs – in the absence of the Democratic Party of Moldova (Partidul Democrat din Moldova - PDM), Sor Party (Partidul Șor), and 3 independent MPs. Greceanii received 56 ballots because four ACUM deputies refused to take part in the process, as they stated a few days ago, plus one parliamentarian voted against Greceanii. However, the Constitutional Court examined the complaint filed by PDM on the constitutional review of the legislative acts adopted by the MPs of the 10th legislature, on June 8th, 2019, and declared the election of Zinaida Greceanii as unconstitutional. Also, the Court ruled that all laws (decisions) adopted by MPs of the Parliament of the 10th legislature on and thereafter will be declared unconstitutional. (www.infotag.md)



PAS leader and Prime Minister candidate, Maya Sandu

(Photo source: www.unpasentru.md)

COUNTRY ASSESSMENT :

Moldova faces rapid political developments following visits of US, EU, and Russian top officials. Pro-Russian PSRM and pro-western ACUM bloc reached an agreement to establish a majority Government. However, it is not certain that political stability and normality will be established in the country due to the fact PDM controlling state's institutions refuses to accept the new majority Government and to abandon power. Constitutional Court controlled by PDM has announced that Parliament should have been dissolved by June 8th, 2019 and all decisions including Parliament Speaker election are unconstitutional and invalid. Escalation of tension and violent clashes cannot be ruled out since it is assessed that PDM will not abandon its power smoothly. President Igor Dodon has already addressed citizens speaking for political powers which seek to destabilize the country urging them to avoid it. The new parliamentary majority (PSRM and ACUM) has already started to gain control of major state's institutions by replacing its heads (Security Agency, Anticorruption agency etc). It is interesting to watch the new international orientation of the country since a pro-Russian and pro-western party formed the Government. It looks like a compromise enjoying the green light of Russia and US. President Igor Dodon and PSRM achieved to remain in power avoiding possible judicial investigations and persecutions, while ACUM bloc entered the Government aiming at kicking out PDM and re-start state's function. Moldova is between the Euro-Atlantic structures on the one hand and the Russian influence on the other. Political instability and uncertainty affect

vitality in state's function blocking reforms, harming economy and keeping the country far from European standards. The EU tough policy against Moldova may soften now as a signal of support to the new Government which includes a pro-western party. Such support could be expressed by restarting micro-economic assistance. The ongoing crisis between Russia and Ukraine may affect Moldova; First of all Russia maintains military forces in Transnistrian ground and secondly it shares common borders with Ukraine which cannot be unnoticed by international stakeholders. The "Transnistria case" is always a "running sore" for the country working as a potential factor of destabilization.



MONTENEGRO: June 6th,

Democratic Front (Demokratski front – DF) is soon coming back to the Committee on Further Reform of Electoral and Other Legislation and other parliamentary Committees. According to Dnevne Novine, members of DF will attend the meetings they find to be important for their union. DF has been supporting the formation of the Committee on Reform of Electoral and Other Legislation but they started boycotting after one of their leaders, Mr Nebojsa Medojevic had been arrested. This Committee was formed following the initiative launched by the Democratic Party of Socialists of Montenegro (Demokratska Partija Socijalista - DPS) aimed at the improvement of legislative framework for the elections and building up trust of the public. Chief of the EU Delegation, Aivo Orav, has made sharp criticism centered on the parties that were boycotting the Parliament and this Committee. *"The EU cannot support the boycott as it might bring into question*

the reform which is supposed to be implemented by next elections," Orav said. (www.cdm.me)

- June 7th, broad range radar for the supervision of Montenegrin airspace has been approved by NATO Investment Committee. As representatives of the Ministry of Defense said, this is the most favorable mid-term solution for supervision of Montenegrin air space and it will further improve sovereignty and safety of air traffic in the country. Transport and installation of new radars will begin soon. It is a very complex process and it will take 18-24 months. Then the radar will be put into operational use, said the Director of the Material Resources Directorate in the Ministry of Defense, Alma Ljuljanaj-Jovicevic. NATO Investment Committee accepted on June 4th, 2019 request of Montenegro for assistance in the establishment of air space supervision system. 3D broad range radar was approved and given to Montenegro for an indefinite period of time. According to Ljuljanaj-Jovicevic this is just another benefit of Montenegro's NATO membership contributing in modernization of the Armed Forces and improvement of Montenegrin security forces efficiency. *"3D radar is one of the national priorities of Montenegro. So far many capabilities of this radar and the establishment of functional supervision and control system have been taken into consideration. Ministry of Defense opted for NATO donation as optimal and fastest solution. Turkey, Greece and Portugal already have this radar,"* Ljuljanaj-Jovicevic said. According to military analyst Aleksandar Radic *"Such device is a necessity. Ministry of Defense has been urging for setting up radar on Vrsuta for years. However, that plan has been abandoned. Last year strategic plan stipulated*

that the radar should be acquired and set up on Bjelasica. And it was supposed to be a great expense. In search of more economical solution, NATO was asked to carry out assessment of the needs of Montenegro.” (www.cdm.me)

- June 8th, at the meeting held between representatives of the Chamber of Commerce of Montenegro and the Chamber of Mechanical Engineers within the Engineers Chamber, Director of the Montenegrin Hydrocarbon Administration, Vladan Dubljevic, told oil & gas drilling on two locations in the Montenegrin submarine area, researched by the consortium Eni-Novatek and the company Energean Oil & Gas, would start in early February. The first [oil well] would be 6,500 meters deep and the second one [gas well] – 1,500 meters. “We will know whether we have gas and oil by mid-next year. The Hydrocarbon Administration is expecting the results of research that would show where the oil & gas wells are, while the ship for seismic research will be coming next week,” Dubljevic added. (www.cdm.me)

COUNTRY ASSESSMENT :

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 in 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 in 2025. Political stability is re-establishing again after DF decision to return in parliamentary Committees. Protests against the President and high officials disturbed a period of “euphoria”,

emerging state’s problems such as corruption, link between state’s politics and organized crime, money laundering, media freedom, and nepotism. However, protesters movement has lost dynamics and ruling DPS is more stable. The EP has already stated that Montenegro under certain conditions may be able to access the EU by 2025. It is assessed that the EU and U.S strongly supports the President Djukanovic and the Montenegrin Government despite corruption accusations as being the only loyal partner committed to the Western orientation of the state. In other words the west is closing its eyes in lack of democratic values and rule of law due to geopolitical interests namely Russian influence. The Government promotes state’s political and economic stability which creates an almost ideal investment environment; It is estimated that 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 shows activity within NATO trying to prove that it is an equal partner of the alliance with military capacity according to NATO standards. 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. Installation of air space supervision radar improves operational capabilities of state’s Armed Forces and strengthens NATO presence in the region.



NORTH MACEDONIA: June 3rd, NATO Secretary General Jens Stoltenberg

praised North Macedonia's journey towards European and transatlantic integration during a visit to Skopje on June 3rd, 2019. *"NATO membership will bring greater security and prosperity for all people of North Macedonia,"* he said. At a press conference with Prime Minister Zoran Zaev, Stoltenberg also highlighted that foreign investment in North Macedonia has increased over threefold in the last year, saying *"security is the foundation of prosperity."* Stoltenberg praised the courage and determination shown by both Skopje and Athens to resolve the country's name issue through the historic Prespa Agreement. He said he looked forward to welcoming North Macedonia as the thirtieth member of the Alliance. *"Throughout NATO's history, our open door policy has been a success, strengthening our Alliance and contributing to Euro-Atlantic security. You will soon be part of that success,"* he emphasized. He urged country to continue reforms, including rule of law, security, intelligence, and defense sector. (www.nezavisen.mk)



NATO Secretary General Jens Stoltenberg visit to
Skopje

(Photo source: www.nato.int)

- June 5th, any possible delay of accession negotiations with the EU could put the

Government at risk and put nationalist forces in power again, said Prime Minister Zoran Zaev. He was speaking Wednesday in Brussels to a selected group of foreign journalists as regards the voting in Germany's Bundestag, which largely impacts the setting of a date for EU negotiations. Bundestag should greenlight any decision involving the EU's enlargement. After Berlin approves a decision on June 28th, 2019 the EU ministers could agree on a final date by mid-July at a summit in Brussels. *"The German Bundestag must send a message – if no decision is made this week, most likely there will be a decision by late June. If there is nothing by the end of the month, we will have to wait for the Council of the EU in October, which means the Bundestag will vote in September. There is a risk that we could lose our majority in Parliament, because definitively we have done everything we could,"* the Prime Minister said. This year's European Commission report *"is the best the country has ever had,"* Zaev said. *"Everyone agrees the country should start negotiations. My Government has made vital efforts and took a major political risk in the process implemented for the Prespa Agreement to be adopted, which required a 2/3 majority. Hence the risk, namely the MPs who were promised that their vote in favor of the Prespa Agreement and the constitutional changes would open the doors of the EU, might lose any trust they have in the Government,"* the Prime Minister stressed. Even if Zaev manages to restore his mandate, it is almost certain that snap elections should be called. The whole process threatens to increase political instability, putting at risk the implementation of European reforms. Asked by AFP's correspondent if there is a risk of pro-Russian and nationalist parties coming in power,

Zaev said it would not be ruled out if the EU failed to deliver. The upcoming EU ministerial meetings involve three scenarios – opening of negotiations with both North Macedonia and Albania, the best case scenario; no decision for start of talks, the worst case scenario; and opening of negotiations with North Macedonia first, and with Albania at a later date, Zaev said. According to the Prime Minister, the Netherlands and France are more skeptical regarding the opening of talks with Albania, whereas Germany is concerned that leaving Albania without a date could increase instability in the region, especially in Kosovo, and reignite speculation about land swap. (www.nezavisen.mk)

- June 6th, Internal Macedonian Revolutionary Organization – Democratic Party for Macedonian National Unity (Внатрешна македонска револуционерна организација – Демократска партија за македонско национално единство - VMRO-DPMNE) demands the creation of a technical Government, along the lines of the Przino agreement, and holding early general elections. The request comes as the date to open EU accession talks slips further away from the Zaev regime. Zaev himself indicated he will resign if the European Council refuses to allow North Macedonia to open accession talks in June, which was one of his core promises. But, he left other options open, such as reshuffling his Government, or asking the President Pendarovski for a renewed mandate. The opposition party blames Zaev for selective application of the laws and selective justice, and perpetrating political persecution on the opposition with his control of judiciary. (www.republica.mk)

COUNTRY ASSESSMENT :

Zaev seeks opening of accession negotiations in June or July 2019 fearing that in different case his Government may collapse. He is pushing for a date highlighting that political instability and nationalist forces (namely VMRO-DPMNE) threaten the country. As already “HERMES” has assessed, the EU will offer its support to Zaev by opening accession negotiations in coming summer (June – July 2019) strengthening his political power. Otherwise, snap election is ahead. VMRO-DPMNE declares that is the most powerful political force in the country insisting for early parliamentary elections. In other words, the country’s political stability is in the EU hands. The EC Progress Report was positive, although it has remarks for reforms in order the country to be ready for negotiations talks. Meanwhile, NATO accession process continues rapidly and Jens Stoltenberg underlined during his visit in Skopje that North Macedonia will be the 30st member state of NATO. The country should focus on its economy and major administrative and judicial reforms, fight against corruption and impunity aiming at reaching the EU standards.



ROMANIA: June 6th, the US has deployed the anti-ballistic Terminal High Altitude Area Defense (THAAD) system at the military base of Deveselu in southern Romania. It is the first time that this advanced anti-ballistic missile system has been deployed anywhere in Europe under NATO command. The role of THAAD system is to provide security while the US Army undertakes maintenance of the existing Aegis Ashore Missile Defense System. “THAAD will

remain operational in Romania only while Aegis Ashore maintenance and updates are taking place during the summer,” the US European Command, EUCOM, said. Each of the two intermediary THAAD systems deployed in Romania has eight defensive interceptor missiles. Every missile weighs about 1,000 kilograms and is seven meters long. The systems can intercept both short and medium-range ballistic missiles. *“This site provides a defensive capability to deter future conflicts and to defend ourselves and our NATO allies,”* EUCOM noted. Together with the anti-missile system, about 1,000 US and Romanian soldiers are based in Deveselu, ensuring the security of the eastern flank of NATO. Moscow is hostile to the US deploying new military equipment in the region, and its own military interest in the Black Sea area has increased significantly since it occupied Crimea in 2014, which has shifted the balance of power on the southeast flank of NATO. (www.balkaninsight.com)

- June 7th, President Klaus Iohannis has signed the decrees appointing Ana Birchall as Justice Minister, Roxana Minzatu as European Funds Minister, and Natalia Intotero as Minister for Romanians Abroad. The Head of state has also sent a letter to Prime Minister Viorica Dancila explaining the refusal to appoint Titus Corlatean in the cabinet. Regarding Corlatean, the letter reads that *“analyzing the meeting of legal conditions and the criteria for the candidate to meet the conditions for the position, according to the Constitutional Court jurisprudence, I believe that the proposed person does not enjoy an intact reputation, which is an essential demand for acting as Vice-Premier and for managing the*

complex field of implementing Romania’s strategic partnerships, because during his term as Foreign Minister he faultily managed activities in his field, with the consequence of preventing the right to vote of the Romanians abroad. Consequently, I have decided to decline the appointment of Mr. Titus Corlatean in the position of Vice-Premier for implementing Romania’s strategic partnerships,” the letter reads. (www.romaniajournal.ro)

- June 9th, the Viktor Orban cabinet has launched a new attack on Romania by publishing on an official website of the Government in Budapest a text that accuses the Trianon Treaty of destroying the Hungarian nation, but also a photo of propaganda suggesting that Romania broke away Transylvania from Hungary. The Romanian Foreign Affairs Ministry has reacted with a message on social media *“Romania strongly condemns the evocation of history by Hungarian high officials through references to the map of the Austro-Hungarian Empire before the Treaty of Trianon, which runs counter to the very essence of the EU and its principles, to which Romanian remains firmly committed,”* the message reads. The Governmental website *“About Hungary”* posted a statement by State Secretary Arpad Janos Potapi, accompanied by a map suggesting that the neighboring counties have torn away pieces out of Hungary, including Romania being drawn with one hand on Transylvania. (www.romaniajournal.ro)

COUNTRY ASSESSMENT :

Ruling PSD sends signals that a new era starts for its governance after its former leader Liviu Dragnea was sentenced to 3 ½ years in prison for

corruption. Prime Minister Viorica Dancila seeks to re-establish trust with the EU assuring European top-officials that its Government will abandon any plans to manipulate justice. On the other hand a struggle for party's leadership is expected between its top members. Besides, citizens expressed their dissatisfaction against the Government with their vote in European election. The President Klaus Iohannis signed appointment of three new Ministers but refused to approve appointment of new Vice Prime Minister because he "does not enjoy an intact reputation." The President strongly opposes against Government's plans to intervene in judicial system and it still remains to see if the Government changes its policy regarding this sensitive issue after Dragnea's imprisonment. Romania is running the Presidency of the Council of EU facing criticism and non-confidence by the EU member states' high officials. The state looks divided in major institutional issues such as national defense, justice, and security. In this context, one should add the direct European Commission's warning for imposing a new control mechanism over state's judicial system and reforms (Rule of Law Framework) in order to avoid activating article 7 of the EU Treaty (suspending certain rights of an EU member state when a country is considered at risk of breaching the EU's core values). The state faces political abnormality in many levels which at the moment could be resolved only by early parliamentary elections. Romania according to NATO strategic and operational planning has become an advanced base close to Russia. Its strategic importance and role has been upgraded and high level NATO exercises take place in its territory. Consequently, Russia reacts mainly against the NATO military base in Deveselu

where anti-missile defense systems have been deployed. Temporarily deployment of THAAD system, a modern high-capability system, may raise tension in the region.



SERBIA: June 4th, in the meeting with Zahir Tanin, the UN Mission in Kosovo Chief, Aleksandar Vucic, Serbia's President, accused Pristina of making irrational and unilateral moves and of constantly provoking, showing that its leaders were making the dialogue with Belgrade impossible, the Beta news agency carried a statement from President's office on Tuesday. The statement said Vucic also condemned Kosovo Police Special Unit attack on UN personnel, describing it as "an attempt to compromise the UN Mission in Kosovo," adding "The UN role in Kosovo is of a vital significance for Serbia." Vucic underlined the next UN Security Council session on Kosovo is important because "the international community will be transparently informed about the situation on the ground, about political and security situation, in particular about the position of the Serbs and other non-Albanian population, the rule of law, respect of human rights, protection of cultural and religious heritage and other everyday problems there." (www.rs.n1info.com)

- June 6th, Serbia's citizens will vote in March or April 2020 in the ballot at all levels, except the presidential election, President Aleksandar Vucic said on Thursday, but the opposition warned it would not take part if its demands for free media and fair electoral rules were not met, N1 reported. Despite his Serbian Progressive Party (Srpska Napredna Stranka -SNS) request for an early vote, Vucic decided to call it for spring 2020. Elections

will be held at the republic's, provincial and local levels. Dragan Djilas, one of the leaders of the Alliance for Serbia (Savez za Srbiju - SzS), said Vucic gave up early vote idea since the opposition clearly said it would boycott it. That, according to Djilas, could lead to the election's disputable legitimacy. (www.rs.n1info.com)

- June 8th, people in Belgrade gathered for the 27th time in the city's centre to mark six months of Saturdays' anti-government demonstrations in the capital. Rallies are planned in all other places in Serbia where protesters have been gathering for months, demanding free and fair electoral rules, freedom of speech and media, and the resignation of some country's top officials, including President Aleksandar Vucic. As usual, the protest in Belgrade started with a short address of prominent figures after which the demonstrators went for a walk, passing by main state's institutions and stopping outside the state RTS TV which they blame for biased and untrue reporting and avoiding a proper coverage of the demonstration. Mayor of the only opposition-held town of Sabac Nebojsa Zelenovic said in Belgrade the protesters were not alone any more. "What we have been talking about for six months, what our expert team said is in the European Commission's report for 2019 on Serbia's progress toward the European Union," he said. He reiterated that the opposition would boycott next elections unless their demands were met. Rallies under the same slogan "I in 5 million" were held across Serbia at the same time on Saturday for the first time since they started. Protests were triggered by a beating of an opposition leader in the central town of Krusevac last November. The first held in Belgrade was

titled 'Stop Bloody Shirts' after Bosko Stefanovic suffered a blow in the head with a metal bar and had his shirt soaked with blood. Vucic later said that even if five million gathered he would not cede to their demands, thus giving the protests new name "I in 5 million." (www.rs.n1info.com)

COUNTRY ASSESSMENT :

The country has entered in a period of fragile political stability due to citizens' reactions against governmental practices regarding human rights, media freedom, and elections transparency. Although protesters insist on organizing protests, it seems that opposition reactions lose momentum. President Aleksandar Vucic elections 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. It is assessed that Vucic feels more confident that fully controls political situation in Serbia and there is no need for early elections at the moment. Regarding Belgrade – Pristina dialogue there is nothing to be expected in the near future; the whole process has reached a deadlock. Taking into consideration that both sides harden their rhetoric one should not expect any progress in the new meeting in Paris scheduled for July 2019. Kosovo Police Special Forces "ROSU" in Serbian north Kosovo was an expected operation, but escalated tension with Serbia. Armed Forces were put in full alert but 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 especially after Police or military operations

which hide the possibility of armed violence. None could predict Serbia's reaction in a possible accidental or pre-planned (provocation included) incident in Northern Kosovo against local Serbs. One should have in mind that top state officials have said 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 its Armed Forces are the power of the state.



SLOVENIA: June 3rd, Prime Minister, Marjan Sarec in his message for one year of his Government formation has called on Slovenian members of the Alliance of Liberals and Democrats in Europe (ALDE) to join forces heading into the next general election even though his party was successful independently in the recent EU vote. Democratic Party of Pensioners of Slovenia (Demokratična Stranka Upokojencev Slovenije - DeSUS) leader and Defense Minister, Karl Erjavec appeared positive in Sarec call underlying that a closer cooperation should be decided by the party's congress. Modern Centre Party (Stranka Modernega Centra - SMC) welcomed Sarec initiative claiming that *"it is too early to talk about."* According to SMC's Secretary General, Andrej Klemenc the four parties which belong to the ALDE family sharing common values and goals should develop closer

cooperation *"if they want to avoid excessive fragmentation in the next national elections."* Party of Alenka Bratusek (Stranka Alenke Bratušek - SAB) expressed skepticism in Sarec's proposal claiming that in the last European elections List of Marjan Sarec (Lista Marjana Šarca - LMS) avoided to cooperate with the other parties standing independently. (www.vecer.com)

- June 7th, Presidents of the Three Seas Initiative called on the EU following a summit at Brdo pri Kranju on Thursday to incorporate the initiative's goals in its existing and future policies, with interconnectivity and energy security topping the list of the initiative's priorities. Presenting the declaration after the summit, Slovenia's President Borut Pahor said that the initiative aimed not only to bridge the gaps between participating countries but also in the EU and strengthened transatlantic relations. As a platform at presidential level, the initiative is an opportunity to create an equally strong voice in the EU for the participating countries and strengthens the democratic legitimacy of the EU. To realize the projects, the initiative has established its own fund. While today no concrete figures were revealed about the Three Seas Fund, declared functional yesterday at the business forum accompanying the summit, it was said that the European Investment Bank had promised its support for the fund today. According to a report by German news portal DW, the fund was established only days ago and has a balance of around EUR 500 million with the goal to reach EUR 4-5 billion. Participant Presidents were pleased that the two-day event hosted by Slovenia was attended not only by the outgoing president of the European Commission,

Jean Claude Juncker, but also by German President Frank-Walter Steinmeier, as well as US Secretary of Energy Reick Perry. The latter took part in the presidential panel hosted by Pahor as part of an accompanying business forum yesterday, inviting participants to buy US gas. The Initiative includes 12 EU Member States located between the Adriatic, the Baltic and the Black Seas; Austria, Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, and Slovenia. (www.sta.si)

- June 7th, Slovenia has condemned a map published on an official social media profile of the Hungarian Government that appears to suggest Slovenia and other countries had appropriated Hungarian lands in the aftermath of the 1920 Treaty of Trianon. The Slovenian Ministry of Foreign Affairs condemned the Hungarian claims stressing that such actions “does not encourage the strengthening of the values on which the EU has grown. The EU has emerged to overcome hostility among nations and the tragic burdens of the past.” Earlier this week, the municipal Councilor of the Italian city of Trieste, Lorenzo Giorgi marked Italy’s Republic Day (June 2nd) by publishing on social media an irredentist Italian map including parts of Slovenia, Istria, Dalmatia, Corsica, Provence, and the Canton of Ticino commending “Our Italy.” “Views in the direction of historical revisionism are in conflict with the fundamental principles of Europe, but such actions do not contribute to good neighborly relations and coexistence between nations,” the Slovenian Foreign Ministry commented on the new provocation in Trieste. Prime Minister, Marjan Sarec condemned Italian

and Hungarian provocations saying “*It is a knife in the heart of Slovenia!*” (www.sta.si, www.vecer.com)

COUNTRY ASSESSMENT :

Slovenia enjoys a relative political stability. Although the Government is a minority one seeking compromise for survival, Sarec has been proved of being flexible in Slovenia’s politics so far achieving to balance adequately between different political trends. Left party (Levica) 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. At the moment none of the ruling coalition parties wish snap elections. Following European elections, the Prime Minister Marjan Sarec announced an initiative for joining forces belonging to the ALDE political family. It is obvious that Sarec looks in the future targeting next parliamentary elections aiming at a unified political formation 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). The Three Seas Initiative 2019 summit hosted in Slovenia was successful gathering Presidents of 12 EU member states. However, it is still controversial whether this political platform has any dynamics achieving its ambitious goals. Border dispute between Slovenia and Croatia remains active with low scale skirmishes not excluded periodically. Slovenia implies that the ongoing border dispute may affect its decision regarding Croatia’s membership candidacy in Schengen Zone. The issue of illegal

migrants entering Slovenia mainly from Croatia is high in the agenda lately. The Government deployed military force to support Police tasks. The Slovenian Armed Forces face problems mainly in the field of modern equipment and manning. The annual report on the Armed Forces operational readiness released by the Armed Forces Chief of Staff is disappointing since it assessed that the Armed Forces have limited operational capabilities in war time namely they cannot accomplish their mission. 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: June 7th, President Recep Tayyip Erdogan once again voiced Turkey's determination to protect Turkish Cypriots' rights to oil and gas deposits in the eastern Mediterranean. *“Our Turkish kinsmen in northern Cyprus also have rights according to international law in the same way that (Greek Cyprus) they have rights on all resources in the region, be it oil or something else. We will not allow these rights to be usurped by those who have no business (there),”* Erdogan said. Erdogan's remarks came after the Greek Cypriot administration recently announced that it had renegotiated a deal with international companies on the distribution of revenues from natural gas exploitation from the Aphrodite gas field in the eastern Mediterranean. Nicosia renegotiated a contract with a consortium made up of Dutch-British Shell, Texas-Based Noble Energy and Israel's Delek that paves the way for the exploitation of an offshore field that is estimated to hold 4.1 trillion cubic feet of gas. Greek Cyprus

will earn an estimated 9.3 billion dollars over 18 years under a renegotiated contract with these international companies, according to the Greek Cypriot Energy Minister George Lakkotrypis. Turkey has consistently contested the Greek Cypriot administration's unilateral drilling in the Eastern Mediterranean, saying Turkish Cypriots also have rights to the resources in the area. According to Turkish administration, the unilaterally declared Exclusive Economic Zone (EEZ) of the Greek Cypriot administration violates part of Turkey's shelf, particularly in Blocks 1, 4, 5, 6 and 7. Unilateral exploration deprives the Turkish Cypriot minority of benefiting from the island's natural resources. Turkey has ramped up efforts in the eastern Mediterranean and sent its first drilling vessel, Fatih, to the east of Cyprus until September 3rd, 2019. Turkey's first seismic vessel, the Barbaros Hayrettin Pasa, bought from Norway in 2013, has been doing exploration in the Mediterranean since April 2017. Erdogan said that Turkey's drill ships and exploration vessels, protected by Turkish frigates, are also resuming efforts in the region. (www.dailysabah.com)

- June 7th, the US Pentagon has notified Turkey that it is cancelling its purchase of F-35 fighter jets if the Turkish Government goes ahead with the purchase of a Russia's S-400 missile defense system. Acting US Defense Secretary Patrick Shanahan has sent a letter notifying Turkey that all training of Turkish pilots will also end as of July 31st, 2019 and all Turkish personnel connected to the F-35 program must leave the country by the end of that month. Shanahan's letter explicitly states there will be *“no new F-35 training.”* It said there were 34

students scheduled for F-35 training later this year. *“This training will not occur because we are suspending Turkey from the F-35 program; there are no longer requirements to gain proficiencies on the systems,”* according to an attachment to the letter that is titled *“Unwinding Turkey's Participation in the F-35 Program.”* In his letter, Shanahan also warned Ankara that its deal with Moscow risked undermining its ties to NATO, hurting the Turkish economy and creating over-dependence on Russia. *“You still have the option to change course on the S-400,”* Shanahan wrote. The two NATO allies have sparred publicly for months over Turkey's order for Russia's S-400 air defense system, which Washington says poses a threat to the Lockheed Martin Corp F-35 stealthy fighters, which Turkey also plans to buy. The United States has said Turkey cannot have both, but had avoided taking steps to curtail or halt planned training of Turkish pilots in the program, a reprisal that could be seen as an embarrassment in Turkey. The announcement came as the Head of Russia's state-owned conglomerate Rostec said Moscow would begin delivering the S-400 air defense systems to Turkey. *“Everything is on track with the Turks. I hope that we will begin to deliver in about two months,”* Sergei Chemezov told NTV channel, according to Russian news agencies on Friday. (www.aljazeera.com)

- June 8th, a total of 43 Kurdistan Workers Party (PKK) militants were neutralized in “Operation Claw” since May 27th, 2019 the Turkish National Defense Ministry announced. A total of 74 shelters and 53 mines used by PKK guerillas in the Hakurk region were also destroyed, according to the Ministry. The Turkish Armed Forces

launched “Operation Claw” against PKK group on May 27th, 2019. Authorities often use the word “neutralized” in statements to imply militants in question surrendered or were killed or captured. (www.yenisafak.com)

COUNTRY ASSESSMENT :

Turkish – US relations keep on deteriorating especially after acting US Defense Secretary Patrick Shanahan's letter to Turkish authorities notifying that F-35 pilots training is terminating by July 31st, 2019 and Turkey is suspended from the fighter jet project. With Russia announcing that S-400 deliveries will start in two months, more sanctions against Turkey are expected. However, taking into consideration that Turkey is a pivotal country enjoying geopolitical importance and having one of the largest militaries (the 2nd within NATO) it is hard to assess that the US seek a full rift with its NATO ally. On the contrary, there are still open official and unofficial channels of communication working on a mutual accepted compromise. The US needs Turkey and the opposite. Economic recession does not help the Turkish President to strengthen his position internally undermining his political power. Turkey is heading in a major economic crisis. It seems that economy is the major Turkish problem which may be emerged as the “Achilles' heel” for Erdogan and his political long reign. Revote of municipal elections in Istanbul raises questions for the whole process and transparency of procedure. Free and fair elections are under question in Turkey taking into consideration that Turkish President Recep Tayyip Erdogan and ruling AKP fully controls Justice system and state's institutions. Scheduled

for June 23rd, 2019 elections in Istanbul will be a “stress test” for Turkish democratic principles and values. However, it is proved that loss of Istanbul municipality – the biggest Turkish city and trade hub which was under AKP control last 15 years – was a “bitter defeat” for Erdogan. 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. EC Progress Report on Turkey was disappointing “freezing” any further development regarding its accession process. Turkey strongly reacted in diplomatic and political level claiming that “Turkey belongs to Europe; Turkey is Europe.” Turkish Armed Forces declares its readiness to intervene militarily in Syria, eastern of Euphrates river but the US does not give the “green light” aiming at protecting Syrian Kurds and YPG. Turkey is reinforcing its troops in the Turkish – Syrian borders waiting for the “green light” for establishing a safe zone in Syria but it is doubtful if it will ever get it. There are thoughts of unilateral action within Syria but such a decision may bring Turkish troops against the U.S forces; an unprecedented scenario. Operation “Claw” against PKK in north Iraq continues. 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 escalates tension by sending a 2nd drillship (Yavuz) accompanied by Turkish Navy frigates. Production-sharing deal for the Aphrodite gas reservoir worth over 9 billion dollars over 18 years between Cypriot administration and Noble Energy excluding Turkish Cypriots from any profit it is assessed that it will lead in rapid escalation. Turkey is determined to react even with violence if its interests are harmed. The cost so far, for Turkey, is zero achieving simultaneously to question Cypriot sovereign rights. International reactions (US, EU etc) has limited in a couple of “warm words of support and sympathy” to Cyprus leaving initiative of action to Turkey. In this context, Turkey strengthened its diplomatic efforts to convince international community for its fair rights in the maritime region. 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.


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NOTE

 Stable situation. No security risk

 Rather stable situation. Security risk is monitored

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

 Imminent major incidents regarding stability and security. High security risk

 Evolving or ongoing crisis or violent/armed conflict