

Hermes Institute of International Affairs, Security & Geoeconomy

SOUTHEASTERN EUROPE

AT A GLANCE



SOUTHEAST EUROPE DIRECTORATE

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

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

"HERMES" I.I.A.S.GE

"HERMES" Institute of International Affairs, Security & Geoeconomy ("HERMES" I.I.A.S.GE) is an independent, non – governmental, non – profit organization, consisting of scholars dedicated in the research and analysis of international affairs in regional and global level. The Institute aims at providing objective, scientific, and reliable research analysis through a variety of studies contributing effectively and constructively in the public dialogue and the evolution of scientific knowledge.

Copyright © 2019

"HERMES" Institute for Foreign Affairs, Security & Geoeconomy

All rights reserved

ALBANIA: January 28th - 29th,

relations between the country's Presidency and the Prime Minister's office have been cold for a while, with Meta not decreeing some of the most important bills the socialists have drafted, including the bill for the country's new National Theater building. The Socialist Party of Albania (Partia Socialiste e Shqipërisë - PS) decided to reject the decrees of President Ilir Meta for the laws "For the Notaries" and "For the Cadastre." In the meanwhile a majority of the Economy Commission's PS members rejected on January 29th, 2019 Bahri Shaqiri as the Head of the State Supreme Audit due to lack of the necessary experience for financial inspections, although he has an auditing certification. After Vitore Tusha, Shaqiri is the second rejected candidate. (www.top-channel.tv)

- January 31st, the Parliament voted with 78 votes in favor of the establishment of a parliamentary commission regarding the Directory of Security and Classified Information (DSCI). There will be five members from the majority and four from the opposition, respectively Felaj, Ferhati, Qefalia, Hyseni, Braho; and Alibeaj, Salianji, Gjunkshi, and Luan Rama for the opposition. Alibeaj will Head the Commission and Felaj will be Vice Chair. (www.top-channel.tv)

- February 1st, in a meeting with business companies and entrepreneurs, Democratic Party of Albania (Partia Demokratike e Shqipërisë – PD) Lulzim Basha stated that Albania is in triple financial crisis. "Economy, employment, entrepreneurship, and the well being of Albanians are in the verge of collapse after almost six years under the Premier's Edi Rama rule. Albanians have lost hope; hundreds of thousands have abandoned the country, while other try to

abandon it. The youth is unemployed, hopeless with an education system in ruin. Students are protesting and hundreds of thousands young people find hope only through emigration," Basha said. According to Basha, the ruling majority plans to sign corrupted contracts worth 1.5 billion dollars. "I warn the banking system and financial institutions not to be part of this pyramid, if they do not want to become part of this illegal case," PD leader said. PD Head has announced a full platform for destroying the oligarchic platform of Edi Rama. In the meanwhile, The International Monetary Fund (IMF) has issued a clear warning for the Albanian Government about the high level of public debt claiming that "on the domestic side, public debt is high, while low domestic savings and the absence of large institutional investors amplify dependence on foreign sources of financing. The increasing reliance on PPPs [Public-Private Partnerships] for infrastructure projects has resulted in rising contingent liabilities." According to the IMF, the application of PPPs, could cause damages to the country's (www.albaniandailynews.com, economy. www.albanianfreepress.al)

COUNTRY ASSESSMENT :

Political struggle between the Prime Minister, Edi Rama and President, Ilir Meta is ongoing. Both continue to blockade each other's political initiatives and decisions. Although opposition puts pressure on the Government, it is assessed that the ruling majority is stable and its collapse is rather unlikely due to opposition's weakness for such an "achievement". However, opposition urges citizens to join protests against the Government in an effort to push it for early parliamentary elections. 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. Latest European Parliament assessment on Albania accession negotiations is a rather positive sign underlining concerns over specific issues such as corruption, justice reforms, and implementation of rule of law. The final decision is up to the EU Heads of Governments for opening Albania's accession negotiations in June 2019. Albania monitors Kosovo - Serbia negotiations and definitely has a role as a "mother nation." It is estimated that Albania will fully comply with the EU and U.S "line" for territorial exchanges or border changes between Serbia and Kosovo if it is necessary for a mutual accepted solution. Albania maintains its leading role in the Albanian world providing guarantees and support to Albanian population in the region namely Kosovo, Serbia, Montenegro, and F.Y.R.O.M. In this context, the Albanian Prime Minister and his Government work on promoting Kosovo interests in international community using any forum they have access. Possible border changes may engage Albania in dangerous situations taking into consideration that it has the role of "protector" of Albanians in the region. Security situation stable without major incidents or challenges.

BOSNIA & HERZEGOVINA:

January 28th, Bosnia's Finance Minister Vjekoslav Bevanda said the Croat National Council's (HNS) Declaration rejecting the UN Tribunal's verdicts for joint criminal enterprise

was the right thing to do because it represents a comprehensive mechanism by which Bosnian Croats will try to achieve equality in the country. "Declaration introduces clear guidelines, and everyone should read and analyze it," Bevanda who is a member of the biggest Croat party in the country, the Croatian Democratic Union of Bosnia and Herzegovina (Hrvatska Demokratska Zajednica Bosne i Hercegovine - HDZ BiH), said. "There are people who cannot or do not want to understand that Croats have the right to elect their own political representatives. Constitution stipulates that Croats are a constituent and equal people, and yet some refuse to understand that," Bevanda said. HNS which is an association of several Croat parties in Bosnia passed a declaration on the state of affairs of Croats in Bosnia stating that it aims to restore the dignity of the Croat Defense Council (HVO); the armed force that took part in Bosnia's 1992-95 war. HVO fought a "fair and legitimate" war, defending the territory of Bosnia and Herzegovina populated by Croats, the declaration said. However, the war crimes the Croatia-backed force committed while establishing in 1993 the selfdeclared statelet of Herzeg-Bosna were "not the random acts of a few unruly soldiers," the Judges of the Tribunal in The Hague said when they sentenced six Herceg Bosna leaders to a total of some 110 years in prison. The verdict claimed that the aim was to turn Herceg Bosnia into a part of greater Croatia and that Croatia's leadership took part in the joint criminal enterprise. The declaration openly rejects these verdicts and stipulates that International Criminal Tribunal for the Former Yugoslavia's qualifications were groundless and unjust. Bevanda told Bosnian Croats are not a minority and that there is an orchestrated media campaign against them to

persecute them and to destabilize the country. (www.ba.n1info.com)

- January 29th, there are two issues of crucial importance to Bosnia and Herzegovina at the moment. the Government formation answering the European Commission's (EC) questionnaire, Bosnia's Presidency Chairman Milorad Dodik said following a meeting with European Union's (EU) Head of diplomacy Federica Mogherini in Brussels. "We are running late with the Questionnaire, with procedures, but this was a chance to inform (the EU official) everything was agreed on regarding the answers (to the questionnaire), that the only thing left is translating them and that the work will be done within 20-30 days," Dodik said pointing out there is a consensus in the country on its European road. The three members of Bosnia's State Presidency arrived in Brussels for a two-day visit, which is their first official trip together after taking office in late November last year. Before the departure, the Presidency members expressed hope Bosnia would be granted the EU candidate status soon. Bosnia will try to obtain the EU candidate status by November 1st, 2019 by the time the new European Commission takes office, Dodik said. According to him, the Government formation should not be conditioned with the country's NATO road. Bosnia formally applied for the EU membership in February 2016 and had to provide the answers of 3,242 questions of the EC's Questionnaire within six months. However, it took the country a year to complete the process due to deep political and ethnic divisions. The country received additional questions in June 2018 to clarify the answers provided to EC President in February 2018 and to fill in the information. Due missing political developments and the general election that took

place in October 2018, the process has been on hold which put the country's EU road in a stalemate. Now, the EU integration of Bosnia and Herzegovina is expected to unlock. The EC wants Bosnia to become a candidate member by November 1st, 2019 according to the Presidency member Sefik Dzaferovic. (www.ba.n1info.com)



Visit of the Tripartite Presidency of Bosnia to Brussels

(Photo sourcs: www.predsjednistvobih.ba)

- February 1st, Bosnia's tripartite Presidency will next week discuss the candidacy of Zoran Tegeltija for the position of the Chairman of the country's Head of Government, the Chairman of the Presidency, Milorad Dodik, told the Nezavisne Novine daily. The announcement came after the three Presidency members returned from a visit to Brussels where the EU officials urged them to form a Government as soon as possible as four months have already passed since the general election of October 7th, 2018. "They also expect the Governments to be formed on all state levels, most of all the Council of Ministers. That is also clear to me and to the other two Presidency members," Dodik said. The Council of Ministers is the official name of Bosnia's Government. Dodik pointed out that the Government could have been formed earlier on the state level, as the name of the Chairman of the Council of Ministers is already known. But the Bosniak and the Croat

members objected to Tegeltija taking over the post because he stated he does not want Bosnia to join NATO. Still, there is not much they can do as the post is rotated between Bosniaks, Croats and Serbs and this time, it is the Serb's turn and their only proposal is Tegeltija. Bosnia's Serbs refuse to allow the country to join NATO, arguing that they are following the policy of neighboring Serbia which opted for military neutrality. (www.ba.n1info.com)

COUNTRY ASSESSMENT :

SDA, as it was expected, backed down from its initiative to challenge the name of Republica Srpska sparking outrage among Bosnian Serb parties. Such actions encourage Bosnian Serb leader Milorad Dodik to push for secession; his permanent major goal. However, the Tripartite Presidency visited Brussels expressing its commitment in Bosnia's accession to the EU. With one voice the three leaders (Bosniaks, Serbs, and Croats) said that the EU is the state's strategic goal. Moreover, talks between the three parts for forming a Government are ongoing and critical developments are expected in the coming week. Needless to remind that Bosnia has not a Government since October 7th, 2018 general elections. It seems that 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) are reaching an agreement to cooperate in forming a Government bypassing their different views on main issues. Bosnia's accession process towards NATO is the main disputable issue; Bosnian Serbs insist that the country should remain neutral staying out of NATO while the two other members of the tripartite Presidency set

commitment to NATO accession as a precondition for supporting a Government. Country faces several functional and institutional problems. Consequently political fragility maintains permanent uncertainty and institutional mistrust. Croatia and Serbia keep on intervening in Bosnia's internal affairs destabilizing the state. It is more than impressive that Bosnian Serbs and Croats came very close aiming at achieving their special goals. Of course, both entities 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 F.Y.R.O.M would join the Alliance on June 2019. These two countries (Serbia and Bosnia) are the only "vehicles" for Russia to maintain a narrow influence in Southeastern Europe. 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 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 the country mainly approach through "investments" and/or funding ethnic or religious groups according to their interests.

BULGARIA: January 28th, the question of early parliamentary elections is no longer a matter of if but when, President Roumen Radev told a news conference held to present his self-assessment of his second year in office as Head of state. Radev took office in January 2017 after winning election on a ticket backed by the

opposition Bulgarian Socialist Party. He has been a regular harsh critic of Prime Minister Boiko Borissov's Government, and Radev's January 2019 statements to journalists were no exception, hurling brickbats at the government on a range of issues. Radev dismissed 2018 in Bulgaria as having been a year of illusory stability, growing erosion lawlessness and of democratic achievement. "A year in which the presidential institution was often the last barrier to lobbying legislation and irresponsible political action," he said. Radev said that "led by my belief in the establishment of legality as the foundation of democracy" he had vetoed seven laws. The Parliament had complied with only one of these vetoes, the amendments to the Privatization and Post-Privatization Control Act, "but this saved a huge amount of money for the Bulgarian taxpayer," Radev said. He said that for the same considerations of principle, he had referred five laws to the Constitutional Court. "In two cases, the National Assembly merely extinguished the provisions I opposed. This makes me believe that it makes sense to continue to exercise my powers over unconstitutional legislation," Radev said. According to the President "sadly, Bulgarian democracy has been losing momentum. Freedom of speech is the object of persecution. The latest critical voices in Bulgarian air and prominent professionals are pressured by the instruments of power." Radev said that there was a lack of transparency, accountability and responsibility in decisions by the Government on spending a lot of money through budget reallocations. President called on the Anti-corruption Commission, Prosecutors and the Interior Ministry to investigate "a carefully circumvented perimeter of power, in potential dependencies between politicians, owners of companies that

earn large public procurement, and potential outsiders." (www.balkaneu.com)

- February 1st, following the visit to Bulgaria by Iranian Deputy Foreign Minister Abbas Araghchi, it is important to remember that Iran is not a reliable partner to democracies, the embassy of Israel in Sofia said. "In fact, Iran is ruled by a radical and oppressive regime. Its fundamental Shiite ideology stands in clear contradiction to the values cherished by democracies: individual freedoms and human rights," Israel's embassy to Bulgaria said. "Iran is executing an aggressive, hegemonic policy that constitutes a major threat to world peace and security, including Middle East and Europe," the embassy said. According to the embassy Iran's actions have major impact on the lives of Europeans, Bulgarians including waves of refugees, increased terror, crime and economic damages, cyber warfare; its ballistic program is a far greater threat to Europe. During his visit to Bulgaria, Aragchi held talks at the Foreign Ministry with Minister Ekaterina Zaharieva, who affirmed support for the Iran Nuclear Deal, and expressed high hopes for bilateral dialogue between Bulgaria and Iran. (www.sofiaglobe.com)

- February 1st, Bulgaria's push to join the euro zone is having a beneficial impact on the country, the International Monetary Fund announced. In order to join the ERM-2 mechanism, the two year "waiting room" for the euro zone this summer, Bulgaria has committed to improve financial supervision, anti-money sector laundering and management of state-owned measures companies. "Preparation for joining the ERM-2 is improving governance," said Jaewoo Lee, Head of the IMF's regular mission to Bulgaria. "Completing these commitments and joining ERM-2 and the banking union would further underpin the credibility of policies in addition to many benefits that EU membership has brought," he said. (www.novinite.com)

COUNTRY ASSESSMENT ::

The junior partner of the ruling coalition, United Patriots looks like the vulnerable piece of the Governmental stability; none could predict when a new incident or dispute will break out. Thus, Bulgaria has entered in a period of fragile political stability. The President Radev grabs every opportunity to criticize the Government (and the Prime Minister Borissov) highlighting his different political affiliation (Radev is backed by the opposition Socialists). Opposition BSP tries to push further Borisov and his Government by strengthening its rhetoric and having tabled three motions of no confidence so far. The country strengthened its efforts towards entering the Eurozone achieving a positive decision of the Eurogroup. 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. Security situation stable; no major threats.



CROATIA: January 28th, the US

Ambassador to Croatia, Robert Kohorst, said that he had informed Croatian Prime Minister Andrej Plenkovic of the process of getting approval for the sale of US-made Israeli F-16 Barak jets to Croatia, which, almost year after the deal was reached, definitively fell through earlier this month. Kohorst commented on Croatian President Kolinda Grabar-Kitarovic's statement, made in an interview with N1 on Sunday, that the US had never sent any documents warning about possible problems regarding the sale of Israeli F-16 Barak jets to Croatia, and that only a so-called white paper was sent by the US containing technical instructions for all bids submitted to the Croatian Defense Ministry that referred to the originally US-made aircraft. "I believe what the President was referring to a paper that I gave to the Prime Minister, which outlined the process for getting approval for the F-16. It was not really a white paper, it was not critical about the process, it was more an information piece about how the process worked," Kohorst told N1. In March last year, Croatia had reached a deal with Israel on the procurement of 12 F-16 C/D Barak fighter jets, worth about 477 million dollars. The aircraft, between 25 and 30 years old, were intended to replace the outdated Soviet-made MiG-21 aircraft currently used by the Croatian Air Force. However, the media reported in December that the Trump administration blocked the deal, since the aircraft were originally manufactured by the US company Lockheed Martin, and US insisted that the planes must be stripped of modernized electronics installed by the Israeli Air Force before being transferred to a third party. "I believe we communicated to everyone there is a regular process called third-party transfer, that required US Government approval for the transfer, and

they were aware of how that process worked," Kohorst said adding he did not know if everyone knew all the details, but "they certainly knew the general process." When asked why the process had failed in the end, he said "You know, frankly, I do not know." "The US Government approved the transfer, and then the Israeli and Croatian Government were not able to (reach an agreement) with the terms of that approval." Earlier in January, Israeli delegation had arrived in Croatia to inform the Defense Ministry that it cannot get the US approval for the delivery of the fighter jets, officially declaring the deal dead. Grabar-Kitarovic had told N1 on Sunday that the US had been clear from the very start about the technical requirements for the transfer of F-16 fighter jets, but that nobody could have predicted the problems that arose between the USA and Israel regarding the matter. Kohorst repeated that the US had approved the transfer of jets returned to the original configuration. "No, the US Government gave approval for the transfer, it is just the conditions of that approval were not acceptable to all the parties... it was required that the planes be brought back to the original NATO configuration, which is the type of aircraft that Croatia needs in order to be a NATO partner," the Ambassador said. (www.hr.n1info.com)

- January 30th, the Government adopted a decision to finance the first phase of the floating Liquefied Natural Gas (LNG) terminal project on the island of Krk, which is valued at 234 million euro. Minister of Environmental Protection and Energy Tomislav Coric reiterated once again that the LNG terminal is a strategic investment project. The European Commission has allocated 13.7 million euro in non-returnable funds to the construction of the floating terminal as the LNG terminal project has been added to the European

Commission's list of projects of mutual interest. Ahead of the session Coric responded to opposition criticism against the law on privatization of the INA oil company, which claim that it is damaging to the state. He recalled that the law was written in 2002, during the mandate of the Social Democratic Party of Croatia (Socijaldemokratska Partija Hrvatske - SDP) Government. (www.glashrvatske.hrt.hr)

- January 30th, Croatia's Government has decided to go forward with an oil and gas exploration and exploitation tender in the Dinarides mountain range. Minister of Environmental Protection and Energy Tomislav Coric said the licenses are part of the Government's efforts to strengthen Croatia's energy independence. The tenders will cover four areas, covering 12.134 square kilometers in total, spread over five counties. The licenses will be valid for a period of five years. National Parks are off limits and none of the areas are in close proximity to the coast or the border with Bosnia and Herzegovina. The Agency for Hydrocarbons has been charged with drafting and carrying out the tender. The bids will be evaluated by a commission named by Minister Coric. Following the tender, the Government will grant licenses for exploration and exploitation for a period of 30 years, at the longest. This timeframe includes both the exploration and exploitation periods. The exploration of the Dinarides, which are considered unexplored, is expected to help reverse the declining trend in domestic gas and oil production, government officials said. Coric said the new tenders will resume the activities started in 2016 that aim to find explore new potential oil reserves. He said these activities would be carried out under the highest environmental standards and with the consent of local communities. Coric met recently with local officials in three counties,

pledging that the activities would not interfere with the tourism business in these areas. The Ministry underscored that local Governments will have the greatest direct benefit from oil and gas exploration. Districts in Eastern Slavonia, where licenses were granted in 2016, have received more than 2.3 million euro in fees alone over the past two years, according to the Ministry. A date for the announcement of the tenders has not been set yet. (www.glashrvatske.hrt.hr)

COUNTRY ASSESSMENT :

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. It is assessed that Croatia's strategic goal is to amend "Dayton Peace Agreement" achieving to recognize Bosnian Croats as a third entity in the country. It is more than obvious that Croatia tries to establish a leading role in Western Balkans not only as an EU and NATO member state but also as a rising "local" (Western Balkans) power. One should take into consideration that Croatia shows its military strength and capabilities quite often not only in international, but also in national level sending strong messages to neighboring countries. Apart from that, Croatia pays special attention in energy strategy and security announcing ambitious projects. Although the President is a member of the ruling party, it is estimated that there is some kind of political distance between the President and Government. However, the state enjoys political stability. Border dispute on Piran Bay remains active and Slovenia's initiative to file a lawsuit against Croatia adds a new chapter between the two countries conflict. It is still a question how Croatia will react. The state accelerates its efforts

towards accession in Schengen zone. Croatia implements a policy of Armed Forces' modernization trying to form a reliable and well equipped force according to NATO standards. Failure to complete successfully the purchase of a modern fighter jet maintains a long period of an ineffective and weak Croatian Air Force.



CYPRUS: February 1st, the

Government neither confirmed nor denied fresh reports of plans for a naval station at Mari to permanently service French warships. Government Spokesman Prodromos Prodromou said only that Cyprus already provides facilities to several nations, including France through the use of the Andreas Papandreou airbase. However, he added, announcements on the issue would be made in the near future. Prodromou did confirm that discussions are ongoing between Nicosia and Paris on the possibility of upgrading their bilateral cooperation. The most important thing, the spokesman added, is that "this cooperation among European countries is a European policy." European defense, he said, should cover Cyprus in order to "avert moves which threaten our region as well as Cyprus." Earlier in the day, daily Politis ran a story claiming that France and Cyprus were in talks for the construction of a naval station at Mari to host French warships. Citing its sources, the paper said these plans should be seen in the context of the EU's Permanent Structured Cooperation (PESCO). It also drew on remarks by French president Emmanuel Macron, who at the MED-7 summit this week spoke of Cyprus' "strategic role" in the Mediterranean. Defense Minister Angelides likewise declined to comment directly. Speaking a day earlier to a radio station, former Foreign Minister Ioannis Kasoulides was far more

forthcoming. He appeared to confirm that the Defense Ministry plans to build a naval station at the location of the "Evangelos Florakis" (Mari) naval base. Currently the facility has limited docking capabilities. It cannot accommodate larger vessels like frigates. According to Kasoulides, the idea is for the French to cofinance the mooted naval station. However, he stressed, it would not be a French facility but rather a Cypriot one from which facilities would be provided to the French navy. In October 2016 Nicosia and Paris signed the Franco-Cypriot Strategic Agenda, covering security and defense, as well as economic, educational and cultural cooperation. Officials have been tight-lipped about the details. (www.cyprus-mail.com)

- February 2nd, the Turkish vessel Barbaros will begin explorations in Cyprus' offshore block 9 on Sunday, while explorations in blocks 1, 8 and 12 of Cyprus' Exclusive Economic Zone (EEZ) will take place by end of May 2019. Block 9 was drilled twice by Italy's ENI in 2014 and 2015, coming up empty in both instances. The company said it had not found sufficient commercially exploitable natural gas either in the Onasgoras or Amathusa fields within block 9. According to Yeni Safak Turkish daily, Turkey would also be staging on February 27th, 2019 its biggest naval exercise in and around Cyprus' offshore blocks, CNA reported. The Barbaros has been sailing to the coastal area south of Cyprus for natural gas explorations, and will remain in the area until the end of May in view of explorations licenced by the Turkish Cypriot 'Government', the report added. The Turkish ship will be accompanied by two frigates and two corvettes. According to Yeni Şafak, "due to the stance of the Greek Cypriot leadership which ignores north Cyprus Turkey issued successive NAVTEXs declaring the wider

Mediterranean region for training exercises." NAVTEXs have also been issued for areas spanning EEZ blocks 4, 5, 6, 7, and 1, which has been declared as a joint Turkey-NATO training field. The Barbaros will conduct in February joint naval exercises with the navies of Mediterranean countries joining the Standing NATO Maritime Group (SNMG). The frigates accompanying the Barbaros will also conduct joint exercises with military vessels from the USA, the UK, France, the Netherlands and Italy, which are also stationed in the area. These exercises, Yeni Safak added, will take place on the blocks that the Republic of Cyprus licensed energy companies Total and ENI to begin exploration. Turkey's claims on the island's EEZ partly overlap with Cyprus' blocks 1, 4, 6 and 7. Ankara also supports the north's claims on blocks 1, 2, 3, 8, 9, 12 and 13, including within few kilometers from the Aphrodite gas field in block12. US giants ExxonMobil and Qatar Petroleum last month completed drilling activities in the Delphine target in Cyprus' offshore block 10 but there will be no announcements until after the end of drilling in the block. The Stena Icemax drillship is currently drilling in Glafcos-1, the second location in block 10. Reports over the past few days suggest there would be an announcement on the findings in around two weeks' time. (www.cyprus-mail.com)

- February 3rd, talks on the Cyprus problem must start immediately, President Nicos Anastasiades is expected to tell UN envoy Jane Holl Lute when he meets her later on Sunday, according to Foreign Minister Nicos Christodoulides. Anastasiades met Lute at 6.30 on Sunday afternoon, while a second meeting will be held at the same time on Monday, the palace announced. In an interview with the CyBC on Sunday Christodoulides said he had conveyed the same

message to Turkish Foreign Minister Mevlue Cavusoglu during a recent meeting in Bucharest. Christodoulides also said Lute is expected to have something more specific to say to Anstasiades about the terms of reference for the restart of talks, which is why a second meeting is expected be held on Monday. Democratic Κόμμα DIKO) Party (Δημοκρατικό leader Nicolas Papadopoulos said the problem with solving the Cyprus problem lies with Turkey. On Saturday Government Spokesman Prodromos Prodromou said "We look forward to the meeting with the aim of making progress and possibly concluding the terms of reference. We are ready." Lute is visiting as part of her efforts to facilitate the leaders come up with terms of reference for a new round of negotiations. She met Turkish Cypriot leader Mustafa Akinci at 11am on Sunday. The meeting finished shortly after 12 although no statements were made. Lute was appointed by the UN Secretary General Antonio Guterres in May 2018 to assess if there is grounds for restarting negotiations. She has visited Cyprus three times for this purpose, in July, October and December 2018 in addition to meetings with officials from Greece, Turkey, the UK and the EU. (www.cyprus-mail.com)

COUNTRY ASSESSMENT :

Cyprus works systematically in order to become a major part of the East Mediterranean energy hub. Its natural gas deposits affect not only its economy but also its security. 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 which expressed their interest by joining the latest summit. Drilling activities on behalf of ExxonMobil and Qatar Petroleum in Cyprus Exclusive Economic Zone are close to the end and the announcement of results will determine further steps. Turkish threats and aggression did not stop the Cypriot energy project so far. It is a fact that Cyprus has a significant deficit of military power which is (externally) balanced by regional cooperation. However, the US administration appears ready to abolish the arms embargo against Cyprus allowing it to improve its military capabilities. Involvement of an American company (ExxonMobil) in the drills it is proved "wise" and "smart." Turkey escalates tension in the region by sending its drill ship Barbaros (accompanied with two Turkish frigates and two corvettes) within Cyprus Exclusive Economic Zone (EEZ) while a huge aeronautical exercise has been announced for February 27th, 2019. Taking into consideration that Cyprus lacks of military power and especially aeronautical forces it is expected Greece to be engaged more actively in the region. Conduct of aeronautical exercises in cooperation with other countries (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 earlier than summer 2019. President Anastasiades promotes scenario of a "bizonal, bicommunal 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. Recent close approach between Cyprus and the US provoked Russia's strong reaction which foresees a possible isolation from its influence in the Island. It is not a secret that Russia enjoys or used to enjoy a privileged relationship with Cyprus due to the US distance regarding defense and foreign policy neutrality. It is a question how Cyprus will achieve to balance between the US and Russia interests in the region. 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.



F.Y.R.O.M: January 29th,

F.Y.R.O.M's Parliament rejected a motion of no confidence against the Foreign Minister Nikola Dimitov filed by the opposition. Dimitrov was accused of exercising his office in a reckless, incompetent and against the state's interests. According to the opposition the agreements with Bulgaria and Greece threatened F.Y.R.O.M's interests. Dimitrov addressed the Parliament calling the MPs to focus on state's essential priorities and not spending their time by discussing unworthy issues. "We finally are on our feet. With wise policy, less insults and more unity I think sooner or later, that light will overcome darkness. Let's argue about things that are obviously worthy of arguments; tax policy, situation of economy Let us focus on ourselves, to have priorities and not to be a matter of life or death who will win, and who will not be in power. I think now is the time to take this step," Dimitrov told MPs in the Parliament. (www.novamakedonija.com.mk)

- January 31st, presidential elections are likely to be announced on February 8th, 2019 and the first round will be held on April 21st, 2019 while the second one on May 5th, 2019 the Parliament Speaker Talat Xhaferi announced. If a 40% turnout is not reached in the second round of the elections, it will have to be re-run in 6 months, while the Parliament Speaker would be the acting President of the country. Xhaferi said he is ready for such a responsibility. When asked whether he the Democratic Union might be for Integration's (Demokratska Unija za Integracija -DUI) candidate in the presidential elections, he replied briefly that he is already the Parliament Speaker. Xhaferi claimed that the country right now does not need snap parliamentary elections, because there are ongoing processes that should be completed. Regarding the demands made by the Internal Macedonian Revolutionary Organization - Democratic Party for Macedonian National Unity (Внатрешна македонска револуционерна организација – Демократска партија за македонско национално единство -VMRO-DPMNE) for snap parliamentary elections along with the presidential elections, he said the deadline for introducing a technical Government 100 days before the parliamentary elections, according to the Przino Agreement, has passed. (www.meta.mk)

- February 2nd, NATO Secretary General Jens Stoltenberg announced the Alliance will sign an accession protocol with F.Y.R.O.M on February 6th, 2019. "On February 6 we will write history; NATO Allies will sign the accession protocol with the future Republic of North Macedonia together with FM Dimitrov Nikola," he wrote on social media. (www.unian.info)

COUNTRY ASSESSMENT

F.Y.R.O.M moves step by step in its Euro-atlantic path. After ratification of the Greece - F.Y.R.O.M agreement by the Greek Parliament the country knocks NATO door. F.Y.R.O.M's accession protocol will be signed next week (February 6^{th} , 2019) in an historic moment for the state. Everything goes as the NATO Secretary General has asked from both parts (Greece and F.Y.R.O.M); everything should be finished no later than February 15th, 2019. Presidential elections will be announced scheduled for April 21st, 2019 (first round) and May 5th, 2019 (second round). Ruling coalition makes second thoughts for snap parliamentary elections together with the presidential ones. However, it is assessed that Zaev will avoid early elections aiming at gaining the success of NATO accession in June 2019. Zaev enjoys "the fruits of his effort" being the absolute dominant in state's politics. The historic fact is that Zaev resolved a 27 year long dispute unlocking the doors of the EU and NATO and strengthening stability and security of the state. One should also note that F.Y.R.O.M's Albanian community is satisfied with latest developments strengthening state's cohesion. The U.S and EU enjoy their success since F.Y.R.O.M moves in their paths far from Russia's influence. Needless to say that in a period where border questions are raised again in the Balkans F.Y.R.O.M achieved to strengthen its political stability and growth prospects.

GREECE: January 30th, in the wake of the departure from the Government of junior coalition partner Independent Greeks (Ανεξάρτητοι Έλληνες - ΑΝΕL) earlier this month, leftist Coalition of Radical Left (Συνασπισμός Ριζοσπαστικής Αριστεράς – SYRIZA) is already struggling to push legislation

through Parliament. A vote that had been scheduled for Tuesday night on an Administrative Reform Ministry bill introducing changes to the system of public sector hirings was postponed until Wednesday after the Fovernment failed to secure support over and above SYRIZA's 145 MPs in the 300-seat House. SYRIZA's Giorgos Varemenos, who was presiding speaker on Tuesday evening, put off the vote after he caught on that it was heading for defeat. The bill was finally pushed into law on Wednesday following fierce debate between leftist and conservative lawmakers, and after the Government managed to secure the support of independent MPs Elena Kountoura, who is Tourism Minister (formerly of ANEL), Katerina Papacosta, who is Deputy Citizens' Protection Minister, and Spyros Danellis (formerly of To Potami), and ANEL MPs Vassilis Kokkalis and Thanassis Papachristopoulos. The upheaval in Parliament fueled speculation over whether the above MPs - who also supported the Government in the recent Prespes deal vote and/or confidence vote - should join SYRIZA's parliamentary group. Commenting afterward, Parliament Speaker Nikos Voutsis said that all ballots would henceforth be held by roll call, indicating that independent MPs who supported the Government in a recent confidence vote should be obliged to make clear their positions. (www.ekathimerini.com)

- February 2nd, Prime Minister Alexis Tsipras is due to meet with Turkish President Recep Tayyip Erdogan in Ankara on February 5th, 2019 kicking off a two-day visit to Turkey for which Greek diplomats do not hold particularly high hopes. According to sources, the best-case scenario would be the announcement of a relaunch of exploratory talks or of confidence-building measures between the two sides. It remained

unclear whether Greece's new Defense Minister, former armed forces Chief Evangelos Apostolakis, will respond positively to an invitation for talks by his Turkish counterpart Hulusi Akar. Tsipras, for his part, is expected to visit Ecumenical Patriarch Vartholomaios on the second day of his visit. It remained unclear however whether he would use the opportunity to call for a reopening of the Halki Orthodox seminary. Apart from bilateral relations, Tsipras and Erdogan are expected to discuss exploratory talks on a possible new peace push for Cyprus. According to Kathimerini Greek daily, there is currently more concern about Turkish activity in the Eastern Mediterranean, which has increased in recent weeks, than about the Aegean which did not see upheaval on the anniversary of the Imia crisis for the first time in four years. Another issue expected to be discussed is the case of eight Turkish officers who fled to Greece following a failed Turkish coup in 2016. Last week, Turkey's National Security Council said that Ankara will continue to pursue suspected participants in the coup - including the eight servicemen Greece has refused to extradite. (www.ekathimerini.com)

- February 3rd, the final step to approve the name change of F.Y.R.O.M to "*North Macedonia*" is expected to be taken this week with the country's NATO accession protocol to come to Greece's Parliament on February 5th, 2019 and to be voted on a few days after that. In a message on social media, NATO Secretary General Jens Stoltenberg signaled that NATO countries would sign the protocol on February 6th, 2019. Barring unscheduled motions in Greece's Parliament, the protocol is to be debated at the committee level on Tuesday and Wednesday, before going to the plenary on February 7th, 2019 with a vote expected that evening. As with the Prespes deal

between Athens and Skopje, the Government is expected to secure approval thanks to the support of a handful of independent and opposition MPs. The insistence of F.Y.R.O.M Prime Minister Zoran Zaev referring to his country as "Macedonia" in recent weeks has prompted widespread criticism. However. Greek officials recommended Government have patience, noting that the name change will be formally approved once the NATO accession protocol is ratified. (www.ekathimerini.gr)

COUNTRY ASSESSMENT :

Greek Parliament has to ratify next week F.Y.R.O.M's NATO protocol accession concluding successfully the name deal between the two countries. It is expected a new round of political disputes within the Parliament amid citizens' protests in Greece; mainly in cities of Macedonia district. However, the protocol will be ratified by the Parliament by the votes of the ruling SYRIZA (145 seats) adding 6-8 independent MPs or MPs of To Potami party. Although the Government has received recently a confidence vote it is assessed that faces difficulties in surviving as a minority one. Successful conclusion of the ratification process regarding the name deal open the gates for early parliamentary elections in May 2019. However it cannot be excluded snap elections on March 2019. The country has entered in pre-electoral period; the Government announces social care measures. while opposition announces candidates for the parliamentary elections. A long pre-electoral period may polarize society with unpredictable results. Political turmoil emerged in a period where Greece faces several diplomatic, security, and economic challenges. Internal terrorism is considered as a major

unresolved problem of national security undermining stability of the state. **Tension** between Greece and Turkey has been raised not only in rhetoric level. Turkish fighter jets keep violating Greek airspace, while NAVTEXs reserves part of Greek continental self and Cypriot Exclusive Economic Zone. Turkey escalates tension mainly in Cyprus by its drill ship Barbaros which will start drilling within Cypriot EEZ. None could exclude Greek Navy intervention in a possible incident with Turkish vessels accompanying Barbaros. Greece is taking measures to deter any further escalation by the Turkish side showing determination and readiness to protect national interests. Next period will be critical to see if Turkey keeps maintaining a war of words or it will escalate situation taking in advantage of an accidental or preplanned incident.

KOSOVO: January 30th, the US Ambassador to Kosovo, Philip commenting findings of the Transparency International's new report on perceived levels of public-sector corruption, said ranking of Kosovo should concern every citizen. The Transparency International's (TI) latest annual report on perceived corruption around the world ranked Kosovo below average ratings. According to TI Kosovo had dropped two points since 2017, with rule of law and lack of accountability of public officials remaining key issues for the country, along with threats to journalists investigating corruption and a need for transparency in party financing. Kosnett said the CPI2018 report findings on Kosovo in 2018 were worse than in 2017. "The CPI2018 is out, and perceptions of public sector corruption in Kosovo in 2018 were worse than in 2017. This should concern every

citizen of Kosovo. How can you help demand accountability from your government in 2019?" the US Ambassador wrote on social media. (www.gazetaexpress.com)

- January 30th, sharp disagreements among Kosovo officials over whether the import tax of 100% on goods from Serbia and Bosnia and Herzegovina should be revoked have fresh sparked warnings that the Government could fall and be forced to hold snap elections. Prime Minister Ramush Haradinaj is not budging from his stance that the tax will only be scrapped when Serbia recognizes Kosovo. But the Head of his ruling coalition partner party, the Democratic Party of Kosovo (Partia Demokratike e Kosovës -PDK), Kadri Veseli, has proposed suspending it for 120 days and has warned that the Government could collapse over the issue. Veseli, who is also the Speaker of Parliament, told RTV Dukagjini that although his relationship with Prime Minister Haradinaj remained cordial, "the Prime Minister has started to become too individualistic." Veseli proposed suspension of tax after his meeting with the US Ambassador to Kosovo, Philip Kosnett on Monday. The US has called on Kosovo to consider an "immediate suspension" of the tax, but Haradinaj has made no sign of considering the appeal. Veseli told the TV station that the Government would fall if relations with the country's main ally, the United States, broke down over the issue of the import tax. Earlier on Tuesday, Haradinaj said that even if the snap elections were called, the tax would still remain in force until summer. The Government's majority is slender, with the two sides sharing an almost equal balance of power. The opposition can easily obstruct parliamentary initiatives, mainly because the Government has lost the backing of the principal Serbian party, Lista Srpska, after the

Government imposed the stiff taxes on goods from Serbia. The EU has also told Kosovo to scrap the tax, saying it contravenes Kosovo's membership of the regional free-trade group, CEFTA. Kosovo imposed, and then raised, the import tax after it failed to join the international police body, Interpol, which it credited to Serbian lobbying. (www.balkaninsight.com)

- February 2nd, Prime Minister Ramush Haradinaj has relieved of duties Minister of Agriculture, Nenad Rikalo, who is member of Srpska List, a coalition partner representing Serbs in Kosovo. Haradinaj in a social media post announced that he has relieved Rikalo of duties and thanked him for cooperation during the time he served as Agriculture Minister in his cabinet. "Minister a respected Minister in the Government of the Republic of Kosovo," Haradinaj wrote adding that cooperation with representatives of all communities including Kosovo Serb representatives is unequivocal. Ousting of Rikalo was one of the main requests that Social Democratic Party of Kosovo (Partia Socialdemokrate e Kosovës - PSD), in opposition asked the Government in exchange of their vote for the Budget 2019, which is crucial for continuation of mandate of Haradinaj's Government. Rikalo who is represented in Government with two other Ministers and Deputy Prime Minister, faced serious allegations after assuming his office in September 2017. Rikalo was accused of mistreating his former Albanian neighbors during 1998-1999 war in Koovo. The Special Prosecution of the Republic of Kosovo launched an investigation against Rikalo in September last year, based on the testimony of Dardania neighborhood in Pristina, but ceased the investigation claiming there is no sufficient evidence to file war crime

charges. Rikalo also was accused of misusing funds of the Ministry of Agriculture. (www.gazetaexpress.com)

COUNTRY ASSESSMENT :

Haradinaj's decision to impose 100% tax on Serbian and Bosnian products provoked major problems in Kosovo affecting Governments stability. The international community namely the EU and the U.S put a lot of pressure on the Government to suspend taxes. Although Kosovo still enjoys the EU and U.S support none could avoid recognizing that the state acts beyond European standards violating international agreements such as CEFTA. On the other hand dialogue between Kosovo and Serbia has reached a deadlock trapping mostly Pristina in a endless conflict. Only through normalization of relations with Serbia it will be able to move forward namely to enter the UN, NATO, EU and to achieve a normal status of a state. However, the state's authorities show a tendency of escalating tension with Serbia undermining a peaceful resolution of the case. By imposing 100% tariff on Serbian (and Bosnian products), establishing Kosovo army, executing Special Forces operation in northern Kosovo, arresting Serbs, and requesting special court for Serbs it is created a climate which does not facilitate dialogue and the establishment of confidence between the two parties. It should be also underlined that at the moment Kosovo's political power are divided (or looks like being devided) regarding negotiation process and goals. The Prime Minister Haradinaj and the Government are not in harmony with the President Thaci who is the chief negotiator of the state. There is even a matter of legitimacy within the state regarding who is authorized to represent the country in dialogue with Serbia. The question

of border exchange or simply change continues to divide Kosovo political forces and population. However, it could be estimated that if Kosovo keeps on acting in such way it may be isolated on the table of international negotiations. It seems that the U.S (and the EU) has a leading role in the background pushing for the idea of territorial change (or exchange). Thaci reiterated once again his confidence that dialogue will start again and agreement will be reached. It is assessed that there is somekind background talks between Thaci and Vucic which strengthen Kosovo President's confidence that his country will be recognized by Serbia. It is a fact that Thaci, and the EU wish to isolate Haradinaj intervention in the dialogue process. 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. Establishment of Kosovo Army is also a factor of destabilization since there is always a possibility of Police or military engagement with Serbian forces. 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: February 1st, the provocative actions taken by Tiraspol during January 2019 in the Security Zone, especially in the district with increased security regime, were the central issue at the meeting of the Joint Control Commission on January 31st, 2019 the Bureau for Reintegration has reported. Thus, after disposing the border guard and customs stations at the intersection of some streets separating Bender from Varnita village, and Bender-2 railway station and blocking procedures established by the

military observers of these serious violations, strained tension continued through the issuance on January 25th, 2019 of an alleged decree that calls Varnita village as a locality temporarily under the control of Moldova. Representative of the local administration of Bender said he did not know the reasons for this decision, and is forced to execute it. His statements contradict the text of the alleged "document" in which as "ground" is an address of the local council of Bender of December 20th, 2018 in an attempt to position as a will of local representatives. In the same context, the Moldovan delegation reiterated the earlier proposals (to request case explanations, to organize military patrols in Bender). The Commission members also tackled the issue on the abolition of the Transnistrian "border guard" station on the bank of the Dniestre river between the localities of Cremenciug and Slobozia. Although the Moldovan delegation called for its replacement with a mobile post of joint peacekeeping forces, and the Russian delegation opted for a stationary post of joint peacekeeping forces, the Transnistrian side rejected the proposals. In another context, in connection with the Moldovan delegation's request to ensure the rule of law in the localities in the Security Zone both during the election campaign and on election day, the Transnistrian delegation said that it would express its position later. (www.moldpres.md)

- February 1st, Ambassador Victor Osipov urged mediators and observers within the 5 + 2 format, the Russian Federation in particular, to take the necessary steps in order to prevent a possible escalation in the region that would affect the situation as a whole. In this respect, the Permanent Representative of Moldova to the OSCE said that a state participating in the

negotiation process, contrary to its declarations and commitments, acts in a non-constructive and subversive manner that may affect the negotiation process, internal relations in the Republic of Moldova and, ultimately, the impartial mediator status. Osipov also stressed that a negative impact on the political negotiation process is due to acts issued by Tiraspol exponents regarding the jurisdiction of some localities and to the increase in the number of military exercises conducted by the Operational Group of Russian Troops illegally deployed on the territory of the Republic of together with the Moldova, Transnistrian paramilitary groups. Osipov reiterated willingness of the authorities of Moldova to continue the constructive efforts of peaceful settlement of the Transnistrian conflict for the good of the people on both sides of the Dniester. The position of Moldova in the OSCE Permanent Council was supported by Ukraine, Georgia, Canada, USA, Romania, the EU, and other states. (www.moldova.org)

- February 3rd, High Representative of the EU for Foreign Affairs and Security Policy Federica Mogherini commending on the upcoming Moldovan elections said "We give absolute importance to the organization of free, fair and transparent elections." Mogherini refused to comment on the political situation in Chisinau. (www.moldova.org)

COUNTRY ASSESSMENT ::

Political life is "hostage" of the pro-Russian President Igor Dodon and pro-Western Government rivalry which undermines the institutional function of the country. In the wider framework Moldova is between the Euro-Atlantic structures on the one hand and the Russian influence on the other. Political situation in the

country is alarming and the EU has hardened its policy towards Moldova pushing for more reforms which will strengthen state's transparency, accountability and democratic values. Coming parliamentary scheduled for February 24th, 2019 will be closely monitored by the international community and especially the US and EU as a "democratic stress test." Romanian Presidency of the EU Council is a positive conjuncture for Moldova changing the climate between Moldova and EU. Moreover the US express concerns over a possible Russian interference in the elections. The Government is sliding into dangerous paths which support corruption and organized crime and deep and determined justice reforms are needed. The U.S, EU and IMF express their major concerns. Opposition parties try to establish a single united bloc against the ruling coalition accused of nepotism and corruption. The ongoing crisis between Russia and Ukraine may affect Moldova; First of all Russia maintains military forces in Transnistrian ground and secondly it shares common borders with Ukraine which cannot go unnoticed by international stakeholders. One should keep an eye on current political (and public) trend on reunification with Romania. The "Transnistria case" is always a "running sore" for the country working as a potential factor of destabilization.

*

MONTENEGRO: January 29th,

Albanians in Montenegro are an essential part of the state policies and they actively contribute to better future of the country, estimated the President of the Committee for the International Relations and Displaced People, Andrija Nikolic, at the meeting with Albanian Prime Minister held in Albania, Edi Rama. According to the information provided by the Parliament of Montenegro, the Committee members also met the President of Albania, Ilir Meta, Albania's Parliament Speaker Gramoz Ruci, Minister for Diaspora Pandeli Majko as well as the members of the Committee for Foreign Affairs and subcommittees for diaspora and human rights. During the meetings, both sides concluded that "Montenegro and Albania have fostered their friendly relations, mutual trust and good neighborly relations." (www.cdm.me)

- January 31st, members of the Army of Montenegro (VCG) will be obliged to participate in all legally prescribed activities in international forces abroad. This is stipulated by the Law on the use of VCG units in international forces and the participation of members of civil protection, police and state administration personnel in peacekeeping missions and other activities abroad, which will be considered by the Security and Defense Committee tomorrow. The draft law envisages that, along with VCG units, some of its members may be sent to international forces abroad to exercises and training. "The amendment of the Law allows the Chief of General Staff of the VCG, with the consent of the Minister of Defense, to send units of the Army lower than a platoon, not only for training, but also for exercises abroad," the explanation said. (www.rtcg.me)

- February 1st, the EU is closely monitoring the development of the situation in Montenegro, without the intention to interfere with the work of competent state authorities, said the EU Ambassador and Head of the Delegation to Montenegro Aivo Orav. Orav stated that all issues will be found in the next report of the European Commission. "I would like to emphasize two issues that are important to us at this moment.

First is in regard to the reaction, that is the action of state authorities, and the second is that journalists should be provided with an environment in which they can do their work without harassment from anyone. The EC is working on the preparation of the reports for Montenegro, which should be published in a few months," Orav said. Deputy Prime Minister Milutin Simovic said that there is a clear division of power in Montenegro and that the most important thing for the Government is to maintain its financial stability. He recalled that the problem exists in two banks Atlas and IBM, which account for less than 7% of the overall banking portfolio. (www.rtcg.me)

COUNTRY ASSESSMENT

Although the country enjoys a period "euphoria", major reforms should implemented in order the country to come closer to the EU. The EP assessment is positive praising the state's efforts to implement major reforms, but on the other hand it underlines the problems of the rule of law, media freedom, corruption, money laundering, and organized crime. However, the EP expressly states that Montenegro under certain conditions may be able to access the EU by 2025. The Government promotes state's political and economic stability which creates an almost ideal investment environment. Although the Government takes concrete measures against corruption, organized crime, and money laundering it is assessed that a lot should be done to reach such a level of economic activity; mainly in the field of public administration, public sector corruption, and money laundering. Imprisonment of opposition MPs is a worrying and alarming sign regarding rule of law and democratic values in the country. Montenegro shows activity within

NATO trying to prove that it is an equal partner of the alliance with military capacity according to NATO standards. 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.



ROMANIA: January 29th.

President Klaus Iohannis said that democracy and the rule of law in Romania should be consolidated by an independent justice system, so that the foreign policy becomes performing within the context of the Presidency of the Council of the EU. Iohannis welcomed at Cotroceni Palace, the Heads of diplomatic missions accredited in Bucharest. The President added that domestic political scene is dynamic; all decision-making factors will act unitary so that the mandate of Presidency of the Council of the European Union is successful. "I assure you that, whatever the dynamics of the Romanian politics, all decisionmaking factors will act unitary and effective so that the Presidency of the Council of the European Union is conducted in the best conditions. Carrying it out does not mean that other strategic priorities come on the secondary plane," Iohannis said. (www.romaniajournal.ro)

- January 31st, President Klaus Iohannis has welcomed NATO Secretary General Stoltenberg at Cotroceni Palace. Talks were followed by a joint press conference. "Romania has committed to spend 2% of GDP for defense. (...) For the first time in years, we can approach army endowment from the strategic point of view over medium or long term. We gave a ten-year plan. We have ongoing (...) strategic programs," Iohannis said during the joint press conference. Referring to the issue of corvettes, the

President said it was discussed by the Supreme Defense Council and the answer lies with the Government and the Defense Ministry. "The concrete answer about the auction for corvettes will come probably when the Ministry gets the answer to our notification, as they have uncertainties, but we know what we want as a whole. We have the funds and we will make ends meet," Iohannis said. In turn Stoltenberg said he expects everyone to keep its promise to reach the 2% of GDP expenses for defense. "Romania is very close and this year will reach the 2% level. We see that more and more allies invest in defense; since 2016, the European allies had more contributions by 41 billion dollars for the defense budget. On the basis of the national plans we've received, we expect the amount to increase to 100 billion dollars by the end of next year," Stoltenberg said. NATO Secretary General participated Wednesday evening to an informal summit of the EU Defense Ministers taking place in Bucharest for two days. Earlier, during a joint press conference with Premier Viorica Dancila, Stoltenberg said the allies need to invest in defense in the context of facing a world more and more dangerous and unpredictable. In turn, Dancila mentioned misinformation by fake news, which allegedly represents menace. (www.romaniajournal.ro)

- January 31st, the Bucharest Court of Appeals decided to suspend the decree prolonging the mandate of General Nicolae Ciuca as Chief of Defense Staff. The decision, which is not final, came after the Defense Ministry appealed in Court the decree by which President Klaus Iohannis renewed the mandate of Ciuca despite Defense Ministry suggestion for a new candidate. In the last Supreme Defense Council (CSAT) meeting last year, the Defense Minister came up

with a new proposal. Minister Gabriel Les proposed General Dumitru Scarlat, Romania's Military Representative to NATO and to the EU. Iohannis did not agree with this proposal, invoking reasons of legality, and signed a presidential decree extending by one year the mandate of Ciuca. Les complained that the decree signed by Iohannis has broken current legal provisions. In order for the mandate of Ciuca to be prolonged, the same procedure that is in place in the case of a new appointment should have been followed, the Ministry argued. The Ministry should have made a proposal, approved by the Prime Minister. "In this case, there is no proposal from the Ministry, and no approval from the Prime Minister," the Ministry said. Iohannis criticized Court's decision involving the mandate of Ciuca. "What will a top representative of the Army of an allied country think, if they find out that the Defense Ministry is contesting their own Army Chief in court? Some poorly thought actions, typical of the [Social Democrat Party] PSD," he said. With Ciuca's mandate suspended, one of his Deputies would take over the post. The announcement regarding the Court's decision as NATO Secretary General Stoltenberg paid a visit to Bucharest on January 31st, 2019. (www.romania-insider.com)

COUNTRY ASSESSMENT :

Political struggle between the President Klaus Iohannis and Government has been transformed into an "open battle" leading the political functionality in a deadlock. The President rejects the Government's proposals one after another leading in institutional and constitutional deadlock. Apart from that the state looks divided in major institutional issues such as national defense, justice, and security. Romania took over

the Presidency of the Council of EU facing criticism and non-confidence by the EU member states' high officials. In this context, one should add the direct European Parliament warning for 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). It is assessed that the Romanian Government is reaching a deadlock which could overthrow it only through early elections. On the other hand, it is "unrealistic" a state holding the EU Presidency to face snap elections; It could be detrimental. One should also take into consideration that the ruling coalition has lost majority in the Chamber of deputies which makes things more complex. Iohannis strongly opposes in Government's plans to intervene in judicial system while there are specific signs that the Government works towards controlling state's justice. As a conclusion, the state faces political abnormality in many levels which at the moment 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.

SERBIA: January 28th, if Aleksandar Vucic decides that early parliamentary elections should be held on March 31st, 2019 they must be called between January 30th and February 14th, 2019. That would put the deadline a day ahead of the feast of Sretenje, and Serbia's Statehood Day. If, however, a decision is made to go to the polls in mid-April then elections will have to be called between February 13th – 18th, 2019. If the voting does take place, the campaign, according to this

calculation, should start after Sretenje. It is recalled that the Serbian President has already said a majority in his party favors early elections, but that a decision would be made based on state interests. Vucic at the time linked elections with Pristina's decision to increase by 100% the tax on goods coming from central Serbia. For that reason, analysts think that should Pristina revoke that measure and return to negotiating table, elections will most likely not be held. (www.b92.net)

- January 31st, the Presidency of the opposition Democratic Party (Demokratska Stranka - DS) has decided that the party representatives will leave National Assembly of Serbia and the provincial assembly of Vojvodina. They will also leave the Belgrade and other city and local assemblies. They decided to leave all city assemblies in which the elementary democratic principle and procedures are not respected, the Beta agency was told by that party. The DS Presidency session at which this decision was taken was held on Monday, January 28th, 2019. Members of the DS, as well as several other opposition parties, did not attend a special session of the National Assembly on Monday, where Slovenian President Borut Pahor spoke. Members of DS Balsa Bozovic and Maja Videnovic waited for Pahor at the entrance to the National Assembly, handed him the material and, as the DS said, informed him with the situation in Serbia, where protests have been held for two months, and conveyed to him a clear message of citizens who are looking for justice, democracy and respect for human rights in the streets. (www.b92.net)

- February 2nd, a long column of people attending the tenth anti-government protest in nine weeks in Belgrade called on Serbian President Aleksandar Vucic to resign – as the first solidarity protest took place also in the divided northern Kosovo town of Mitrovica. In Belgrade, protesters attending Saturday evening's "1 of 5 million" event as usual marched past the presidential building, the Parliament and the public RTS. broadcaster, Speakers repeated the movement's main demand - for Vucic's resignation and an end to what they call the usurpation of state institutions and political abuses by his ruling Serbian Progressive Party (Srpska Napredna Stranka - SNS). During their march, protesters stopped at the Presidency building to leave letters in boxes for Vucic, telling him their personal reasons for taking to the streets. They also glued signs and wrapped tape at the entrances to the offices of Serbia's national broadcaster, RTS, and pro-government daily newspaper Politika, calling for more media freedom in the country. Ahead of the protest, several hundred college professors, actors, artists and other public figures expressed their support for the protests in open letters. On Saturday, students at Belgrade University's Faculty of Political Sciences joined a 5.5 kilometer-long walk from the faculty to Students Square in the city centre to join the protest. Besides seeking Vucic's resignation, the protesters demand effective prevention of alleged abuses of the electoral roll and of public resources in election campaigns, proper supervision of the electoral process, including in Kosovo, and criminal sanctions against those that abuse election campaigns. They also want fairer treatment on RTS, and a thorough investigation into the attempted murder of website Zig Info journalist Milan Jovanovic, whose home was torched in the Belgrade suburb of Vrcin on December 12th, 2018. (www.balkaninsight.com)

COUNTRY ASSESSMENT :

Serbia has entered in a period of fragile political stability due to citizens' reactions against governmental practices regarding human rights, media freedom, and elections transparency. People protest in the streets, while opposition starts to take action; DS announced its abstention of the parliamentary sessions. Vucic is thinking of snap elections, but he has to balance a lot of things before his final decision. It is assessed that he will try to avoid early elections but it is likely to be forces to conduct them. Serbia has followed so far a successful diplomatic strategy regarding Kosovo achieving to be appeared in the international community as a reasonable voice seeking a compromise resolution via dialogue. Serbia realizes that time runs in favor of it and knows that Kosovo will become more and more nervous as long as it cannot get Serbia's recognition. On the other hand Serbia strengthens its relations with Russia (and China) seeking stronger support regarding Kosovo case. Security situation is complex and uncertain since Serbia apart from political and diplomatic means has engaged its military and security forces. The Armed Forces are in high readiness alert but Vucic tried to de-escalate situation by stating that war is not a possible solution. However, none could predict Serbia's reaction in a possible accidental or pre-planned (provocation included) incident in Northern Kosovo against local Serbs. One should have in mind that top state officials have said in public that Serbia will protect Kosovo Serbs by any mean including security and military force. It is assessed that a possible Kosovo Police operation in the north or security forces deployment may provoke Serbia's security forces engagement for the protection of Serbian population; however, this scenario is not very likely. At the moment, Serbia looks like acting in accordance with the international law aiming at reducing tension in the region. In other words state's leadership is acting in a "reasonable" and "wise" way avoiding mistakes of the past which have isolated Serbia from the international community. Of course, under these circumstances none could speak for restarting of Belgrade -Pristina dialogue. There are certain analysts who claim that such situation will inevitably lead in Kosovo partition with the north part going to Serbia. Some of them claim that this scenario has already agreed by Vucic and Thaci. Serbian repayment will be Kosovo recognition. expressing neutrality and maintaining equal distance from the U.S.A and Russia it moves in an environment of fragile balance.

SLOVENIA: January 28th, Serbian

President Aleksandar Vucic met with his Slovenian counterpart Borut Pahor in Belgrade to discuss ways to improve bilateral political and economic cooperation, as well as resolution of the Kosovo-Metohija issue. According to Vucic the trade exchange between his country and Slovenia rose from 571 million to 1.3 billion euro in the last ten years, what, as he put it, showed the relations between the countries were significantly better. Pahor said his country is supporting Serbia's ambition to join the EU, adding there are different views on some issues between Ljubljana and Belgrade, but that his visit aimed at cementing the mutual trust and relations in all areas. Asked about the so-called border correction, advocated by Kosovo President Hashim Thaci in the EU-facilitated Belgrade -Pristina dialogue, Pahor said he would not exclude such solution, but that "it must not cause collateral damage to other countries in the

region." Pahor added he does not think that Serbia is in any political crisis due to the antigovernment protests across the country, underlying that he would not interfere into domestic politics. Slovenia is one of the ten most investors Serbia significant in investments with the majority of shares. (www.nlinfo.com)



Slovenian President Borut Pahor with his Serbian counterpart Aleksandar Vucic (www.predsednik.rs)

- January 29th, Prime Minister Marjan Sarec survived an impeachment motion filed by the opposition Slovenian Democratic Party (Slovenska Demokratska Stranka - SDS) Party (Slovenska Slovenian National Nacionalna Stranka - SNS) over delays in the raising of funding for private schools. In a vote, the two parties remained alone in their view Sarec breached the Constitution, while the Prime Minister pledged the required legislative changes were under way. The latest discussion on the issue saw Sarec commitment to implement the 2014 Constitutional Court ruling on equal funding for private and public schools, but the junior coalition Social Democrats and opposition Left (Levica) also remained entrenched in their opposition to any solutions they said undermined public education. (www.sloveniatimes.com)

- February 2nd, Slovenian Foreign Minister Miro Cerar has said that he and Prime Minister Marjan Sarec have been invited to visit Croatia but he believes that one should not hurry with that until Croatia makes a step towards recognizing the international arbitration ruling on the two countries' border dispute. "... We both feel that there is no need to hurry with the visit until the other side shows that it is more willing to respect the rule of law," Cerar said in an interview with the Delo newspaper. Cerar noted that despite that, unofficial communication between the two sides, at meetings in Brussels and elsewhere, is normal. "We communicate normally, but when things are raised to the official level, which has a great symbolical and real meaning, I think that Croatia must realise that it first has to make a step in the right direction," said the Slovenian Minister and former Prime Minister, during whose term Slovenia sued Croatia at the European Court of Justice in Luxembourg. Cerar said that he had tried as Prime Minister to make sure that the excellent cooperation in areas such as tourism, trade and local border cooperation was not affected by political relations that had deteriorated due to the border dispute, but that by not recognizing the arbitration award, Croatia had presented Slovenia with an ultimatum. "I hope that the (Luxembourg) Court will rule that by violating the legally valid arbitration ruling Croatia is also violating EU law," the Slovenian Prime Minister said, noting that Slovenia considered the ruling final and legally binding. The Croatian Parliament unanimously decided in 2015 that Croatia should walk out of international arbitration proceedings with Slovenia after recordings were leaked of secret phone conversations between Slovenian Foreign Ministry official Simona Drenik and Slovenian Judge Jernej Sekolec, in which they discussed a strategy to influence judges deciding on the arbitration dispute. Croatia said at the time that Slovenia had irreparably compromised the arbitration proceedings as well as the subsequent ruling, and that talks should be launched to solve the border dispute bilaterally. (www.n1info.com)

COUNTRY ASSESSMENT ::

Slovenia enjoys a relative political stability. The Government has to address several internal social issues (increase of minimum wage, health care, pensions etc) which may test governmental cohesion. Border dispute with Croatia is still ongoing and former Government of Miro Cerar filed a lawsuit against Croatia over its refusal to implement the border arbitration. Although the Prime Minister Marjan Sarec announced that his Government will follow the same policy in the issue, he showed up with an attitude of compromise by claiming that his country will not stop Croatia's accession in the Schengen zone. The Slovenian Armed Forces face problems mainly in the field of modern equipment and manning. The med-term 2018 - 2023 defense program it could improve situation, but under current political situation it is doubtful if it will be implemented to the end.

TURKEY: February 1st, Turkey condemned the European Parliament's decision to recognize Venezuelan opposition leader Juan Guaido as interim President, Foreign Minister Mevlut Cavusoglu said warning that such foreign interventions could even spark a civil war in the South American country. The Minister said other countries should engage in dialogue instead of taking sides. His remarks came a day after the European Parliament recognized Venezuela's

opposition leader Juan Guaido as the legitimate interim President. President Recep Tayyip Erdogan has stood by his Venezuelan counterpart Nicolas Maduro, calling him last week to express support. Venezuela has been rocked by protests since January 10th, 2019 when President Nicolas Maduro was sworn in for a second term following a vote boycotted by the opposition. Tension climbed when Guaido proclaimed himself the acting president on January 23rd, 2019. "*Nobody should disrespect the will of Venezuelan people*," Cavusoglu said, referring to the elections that brought Maduro into power. He called for dialogue and cooperation to solve the problem in Venezuela. (www.dailysabah.com)

- February 3rd, President Recep Tayyip Erdogan will hold a summit with his Russian counterpart Vladimir Putin in the Black Sea resort town of Sochi on February 14th, 2019. Putin would meet Erdogan together with his Iranian counterpart Hassan Rouhani. The summit is expected to address the situation in Syria, where Russia and Turkey have been trying to create a de-escalation zone. Erdogan and Putin held their first meeting of 2019 on January 23rd in Moscow. The two leaders discussed a political solution to the Syrian crisis, centered on the Astana process, sponsored by the two countries and Iran. The Presidents assured that Turkey and Russia did not have any disagreements about a planned safe zone in northern Syria and were on the same page regarding the Syrian constitutional committee. Noting that steps have been taken with Russia regarding patrols around the northern Syrian town of Manbij, Erdogan announced that a Turkish delegation had returned from Russia for talks on Syria which had resulted "positive developments." "Control over the planned buffer zone in northern Syria must be surrendered to

Turkey. Then we will be able to provide security and everything (necessary for the region)," Erdogan said. Erdogan also touched on the relationship between Turkey's Peoples' Democratic Party (HDP) and the PKK terrorist group. "HDP equals PKK, YPG and PYD," Erdogan said, referring to the PKK's Syrian branches People's Protection Units (YPG) and Democratic Union (PYD). Party (www.dailysabah.com)

- February 3rd, Baghdad and Ankara need to enhance their cooperation against the Kurdistan Workers' Party (PKK) as the terror group's presence in Iraq is not only a security threat for Turkey but also for Iraq, experts said and stressed that there are some steps that Iraq can take to show Turkey genuine support in the fight against terrorism. "The PKK is not only a threat for Turkey but also for Iraq. This is also seen in its latest attack in Dohuk," Bilgay Duman, an expert on Iraq, told Daily Sabah. Duman stressed that the PKK has been controlling nearly 200 villages around the Dohuk region and underlined "The PKK, whose presence in Qandil has been weakening, has been attempting to spread its presence toward cities in Iraq. The recent attack was also part of this." Protesters attacked the Turkish military camp near Dohuk in Iraq's semiautonomous Kurdish region on January 26th, 2019 and burned two tanks and other vehicles. Following the attack, the Turkish Presidency's Communications Director, Fahrettin Altun, said attackers linked with the PKK concealed themselves among civilians and tried to provoke them against the Turkish military. Commenting on the attack, Duman said it is only strengthening Turkey's resoluteness to eradicate terror threats posed against its national security. Iraqi President Barham Salih had paid an official visit to Ankara

on January 3rd, 2019 where he met President Recep Tayyip Erdogan and other high level Turkish officials. During the visit the Presidents of Turkey and Iraq highlighted that the two neighboring countries would enhance efforts for cooperation in every field, particularly considering mutual terror threats and regional developments. Following the civil war in Syria and the rise of DAESH within Syria and Iraq, the PKK benefitted from the power vacuum, Duman pointed out. (www.dailysabah.com)

COUNTRY ASSESSMENT :

Turkey faces several restrictions in freedom of expression and human rights. Elected MPs and journalists are in custody or convicted by the state Courts. Local and international observers claim the country moves towards an authoritarian regime with thousands of citizens being persecuted. Turkish – U.S relations have strongly been harmed forcing Ankara to approach new allies such as Russia. Although Turkey reexamines its relations with the EU in an effort to avoid international and regional isolation, the EU sends messages of terminating the EU - Turkey accession talks. Turkish Armed Forces have been engaged in military operations against Kurds and PKK in Northern Iraq and against YPG Kurds in Syria as well. The U.S reconsiders its unconditional withdrawal from Syria after domestic and international critics. Protection of Syrian Kurds and YPG forces is a priority for the U.S troops which will remain in Syria as long as it is necessary. In this context, dialogue between Turkey and the U.S is ongoing aiming at reaching a common point of understanding. Turkey is waiting for the "green light" for establishing a safe zone in Syria but it is doubtful if it will ever get it. Turkey has been developed into a "regional

power" engaged in military operations in the territory of two other countries, it threatens to start a new operation in Syria, maintains a significant military force in North Cyprus, and threatens a NATO ally - Greece - with an armed conflict. Apart from the use or the threat of use of direct armed violence Turkey participates actively in diplomatic processes in the region (Syria negotiations, Nagorno-Karabakh conflict, Cyprus Qatar crisis etc). question, Thestate demonstrates decisively its leading role in the wider region of the Middle East, Southeast Southeast Mediterranean. Europe, and Announcement of a huge navy drill in the Aegean and Mediterranean Sea may raise tension with Cyprus and Greece. Kurdish question is a major security threat for Turkey affecting stability, peace and even unity of the state. Regarding Turkish interests in East Mediterranean Sea it seems that they are reaching a critical point since Cypriots have already started hydrocarbon drills in their Exclusive Economic Zone via the US energy giant ExxonMobil. Turkey has sent its drill ship Barbaros in the EEZ of Cyprus escalating tension in Eastern Mediterranean. Taking into consideration that a huge aeronautical exercise has been announced by the Turkish Armed Forces in the end of February one should keep an eye on possible incidents in theAegean and Mediterranean Sea.

www.hermesresearch.eu
email: info@hermesresearch.eu
Editor in Chief: Ioannis Karampelas

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

NOTE

Stable situation. No security risk