



**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 © 2018

“HERMES” Institute for Foreign Affairs, Security & Geoeconomy

All rights reserved





**ALBANIA:** December 6<sup>th</sup>, several hundred students blocked the entrances of the Ministry of Education in Albania's capital in the third day of protests against rises in fees and economic difficulties. The protests have brought Albanian universities to a standstill while the Government struggles to deal with their demands. Organized by “*For the University Movement*” the students demand the cancellation of another fee hike approved by the Government last May. They also request current tuition fees for master degree studies, now as high as 1,500 euros a year, to be cut in half. The protest started at the Department of Urban Planning in Tirana on December 4<sup>th</sup>, 2018 but quickly spread to other departments of the University of Tirana; the biggest one in the country. Students protested also in Elbasan, Durres and Korca, making the movement the widest protest that the country had seen in years. Deputy Education Minister Besa Shahini attempted to negotiate with the students on December 5<sup>th</sup>, 2018 offering to meet their representatives. They rebuffed her request, claiming the negotiators would face pressures if they accepted a meeting. The Prime Minister Edi Rama at first dismissed protesters as failures in their grades, adding that tax money could not cover the cost of cutting the students' fees. However, on December 5<sup>th</sup>, 2018, he appeared to take a step back, claiming that the Minister of Education had in fact called on universities to revise the latest fee hikes. (www.balkaninsight.com)

- December 7<sup>th</sup>, the OSCE member states at the 25th Ministerial Council in Milan agreed that Albania will chair the OSCE in 2020. The Albanian Minister for Europe and Foreign Affairs, Ditmir Bushati, who attended the works,

said that this is the biggest victory of Albania's foreign policy in the framework of multilateral cooperation after Albania's NATO membership. Starting from January 1<sup>st</sup>, 2019, Albania will become part of the OSCE Presidency troika, along with Slovakia, which takes over the Presidency in 2019, and Italy which is closing its chairmanship. (www.osce.org, www.top-channel.tv)

- December 8<sup>th</sup>, the EU Ambassador to Albania, Luigi Soreca claimed that the upcoming week is an important one for both, the Government and the opposition. “During these 90 days of my presence in Albania I have seen progress, ambition to reach the recommendations and see positivity in this regard. We are entering a very important period where agreement on the electoral code and judicial reform are about to proceed. An important week is coming for the Government and opposition. They should do their best for the country and the time is now,” Soreca said. (www.albaniannews.com)

## COUNTRY ASSESSMENT :

*Opposition accuses the Government of having links with organized crime. It raises questions over the power of “Albanian mafia” in the country and its influence in state's politics. Undoubtedly, corruption and organized crime remains the most significant state's problem undermining its strategic goal of opening accession negotiations with the EU. Students and citizens protests push further the Government, while opposition takes situation in advantage aiming at toppling the Government. 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 have taken to promote Kosovo interests in international community using any forum they have access. Possible border changes may engage Albania in dangerous situations taking into consideration that it has the role of “protector” of Albanians in the region. Security situation stable without major incidents or challenges.*



## **BOSNIA & HERZEGOVINA:**

December 4<sup>th</sup>, Bosnia must implement its election results as soon as possible, as well as change its election law, the US State Department top official Matthew Palmer told media. Bosnia has for two years not managed to find a way to change its Election Law, although it was declared unconstitutional in 2016. The issue has been raised by political parties, most notably the ethnic-oriented Croatian Democratic Union of Bosnia and Herzegovina (Hrvatska Demokratska Zajednica Bosne i Hercegovine - HDZ BiH), whose officials have said that without the changes, there are no conditions for forming the

Governments in Bosnia after the October General Election. The US State Department Deputy Assistant Secretary at the Bureau of European and Eurasian Affairs said that those reforms cannot be imposed by the international community, but that they have to be proposed and implemented by Bosnia's officials, as they need to have legitimacy. For this, it is essential that Bosnian politicians find a compromise, he said. *“Tensions are normal in a democratic society. Through them, through negotiations and achieving compromises, policies are born,”* Palmer said, adding that the US will help with this process and support reforms. Although the current Chairman of Bosnia's tripartite Presidency, Bosnian Serb Milorad Dodik, has been blacklisted by the US, Palmer said *“He is still under the US sanctions as him becoming a member of the Presidency of Bosnia and Herzegovina is not one of the criteria for releasing him from the sanctions. Dodik knows what is expected of him for the sanctions to be removed, and we would like to see him going in that direction.”* The US introduced the sanctions against the Bosnian Serb leader because of his activities which breach the 1995 Dayton Peace Agreement, which ended the war in Bosnia, Palmer pointed out. Dodik has to show that he is committed to the territorial integrity of Bosnia and that he does not have secessionist aspirations, he said. ([www.ba.n1info.com](http://www.ba.n1info.com))

- December 5<sup>th</sup>, NATO Foreign Ministers approved the Membership Action Plan (MAP) for Bosnia and Herzegovina, a step forward in the country's relationship with the Alliance. The Ministers were set to discuss among other topics the situation in the Western Balkans at their two-day meeting, including the next steps in developing NATO's relationship with Bosnia, Secretary General Jens Stoltenberg

announced in a press conference earlier this week. *"I expect the Ministers to endorse NATO's readiness to accept Bosnia's first national program,"* he said adding it will be up to Bosnia's authorities whether they will seize the opportunity. NATO agreed to launch the MAP for Bosnia in April 2010 and the country has been struggling to meet the necessary criteria, foremost to carry out the registration of military property, in order to get the green light for launching its first annual national program, final step towards the MAP activation. The MAP is a specially tailored program that stipulates advising, assistance and practical support adjusted to the individual needs of the countries aspiring to join the Alliance. (www.ba.n1info.com)

- December 6<sup>th</sup>, Bosnia's tripartite Presidency Chairman and its Serb member Milorad Dodik said if the flag of the Republika Srpska (RS) entity is not displayed in the rooms of the Presidency, then this institution will not hold any sessions. *"Bosnian flag, which also represents the flag of the Federation of Bosnia and Herzegovina (FB&H) entity, was imposed by the High Representative. This means that I, as Presidency member from the Republika Srpska entity I visit rooms which only have the Bosnian and the FB&H flag, which is unacceptable,"* Dodik said after a meeting with the RS President Zeljka Cvijanovic. Dodik said that the RS' proved its international legal status when Bosnia was recognized as a country consisting of two entities and that *"the time of the High Representative's interpretation of the Dayton Peace Agreement is over."* As for the first Presidency session after the October general election, he said it would have 50 issues on the agenda, one of which is the dismissal of Bosnian Ambassadors. Dodik, who is the leader of the strongest nationalist party in the

RS Alliance of Independent Social Democrats (Savez Nezavisnih Socijaldemokrataor - SNSD), plans to dismiss 16 Ambassadors, especially the Ambassador to Israel. Earlier, Dodik said that, as a Presidency member, he would primarily represent the interests of the Serb entity and that he wanted to introduce a new approach in state authority, one that would include the entities in the decision-making process. The international community's High Representative to Bosnia and Herzegovina, Valentin Inzko, on December 5<sup>th</sup>, 2018 warned that the country's foreign policy, including decisions on its association with alliances such as NATO, cannot be made by the entities but by the state, as clearly defined by the Dayton agreement. (www.ba.n1info.com)

## COUNTRY ASSESSMENT  :

*Country faces several functional and institutional problems. Consequently political fragility maintains permanent uncertainty and institutional mistrust. It is under question if the general election held on October 7<sup>th</sup>, 2018 will bring political stability in the country. It is estimated that formation of Government would be a very difficult issue adding more problems in state's function. Croats strengthens their rhetoric for a third entity in the country; the Croatian entity. Election of ultra nationalist Serb Milorad Dodik in the tripartite Presidency is a strong sign of more nationalistic rhetoric and more obstacles towards Bosnia's EU and NATO integration. Dodik is a person who does not actually believe in B&H viability and is expected to promote (actually, he has already started) his own political agenda. Bosnia has become a field of influence's rivalry; Saudi Arabia, Turkey, and Russia approach the country mainly through*

*“investments” and/or funding ethnic or religious groups according to their interests. Approval of Bosnia’s MAP by NATO aims at facilitating state’s approach with the Alliance; however Dodik’s presence in the tripartite Presidency is a critical obstacle for any further step.*



**BULGARIA:** December 3<sup>rd</sup>, *“Four countries fund the manifestations of radical Islamism in Bulgaria. Target is the Roma population, ghettos in particular,”* the Deputy Prime Minister and Minister of Defense Krasimir Karakachanov said. The recent case, with a Bulgarian citizen arrested and convicted in Austria, is proof of this in his view. Politicians in Bulgaria should stop watching the Roma population as a cheap electorate they buy and whose crimes are neglected, Karakachanov said. According to him, it is precisely the version of the Religious Law that the United Patriots offer will stop the political influence on religious communities. Karakachanov criticized his colleagues from the Citizens for European Development of Bulgaria (Граждани за европейско развитие на България – GERB), who have drafted a similar bill. According to him, however, it serves the interests of the Movement for Rights and Freedoms (Dvizhenie za Prava i Svobodi - DPS) who hope to strengthen their influence over the Muslims in Bulgaria by providing funding. (www.novinite.com)

- December 5<sup>th</sup>, Bulgaria has refrained from joining the Global Pact on Safe, Regulated and Regular Migration, the Government decided. The state will not participate with its official representatives at the Intergovernmental Conference to Adopt the Pact, to be held in Morocco on December 10<sup>th</sup> – 11<sup>th</sup>, 2018. The cabinet also decided to vote on a resolution in the

UN General Assembly to endorse the already adopted pact, the UN Permanent Representative to the UN to vote in absentia. According to the Government's decision at this stage, it believes that non-accession to the Pact fully protects the interests of the country and its citizens. Our country will continue to implement existing human rights obligations already under way and will undertake strengthened national border controls. (www.novinite.com)

- December 7<sup>th</sup>, a possible entry of warships to the Black Sea would inevitably lead to a major crisis, the Bulgarian Prime Minister Boiko Borissov said, commenting on a CNN report that the US has begun preparations to possibly send a US Navy ship as a response to Russia’s seizure of Ukrainian vessels in a confrontation in the Kerch Strait. Speaking to reporters in Parliament, Borissov said that there currently were no warships in the Black Sea. Borissov confirmed an earlier statement by the Defense Minister Krassimir Karakachanov that there currently was no request for foreign ships to enter the Black Sea. *“I have always considered that the Black Sea should be a place for tourism, for gas pipelines, ferries. The entry of ships, the entry of such a mighty Russian ship on the other side, will inevitably lead to a major crisis,”* Borissov said. He said that the best tourist resorts on the Black Sea were in Bulgaria and the situation would directly affect the country. The entry of warships would immediately affect both tourism and the economy of Bulgaria and would hinder future energy projects in the region, he said. A decision on permitting the entry of military forces into Bulgarian territory could be made only by the Cabinet, he concluded. (www.sofiaglobe.com)

**COUNTRY ASSESSMENT**  :



*The junior partner of the ruling coalition, United Patriots looks like the vulnerable piece of the Governmental stability; none could predict when a new incident or dispute will break out. Thus, Bulgaria has entered in a period of fragile political stability. On the other hand, President Radev grabs every opportunity to criticize the Government (and the Prime Minister Borisov) 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. Corruption and organized crime remain significant obstacles and should be addressed decisively. Although modernization of Armed Forces is a top priority for Bulgaria and huge armament projects are ongoing (fighter jets, armored vehicles, vessels etc) military operational capability of the state is questioned especially in the Air Force. Bulgarian Armed Forces are far from NATO standards. Security situation stable; no major threats.*



**CROATIA:** December 3<sup>rd</sup>, the EU 28 unemployment rate was 6.7% in October 2018, unchanged from September, and lowest on record since January 2000. Meanwhile, Croatia saw the largest year-on-year fall in unemployment rate out of all EU countries, Eurostat reported. European Union's October 2018 unemployment rate of 6.7% rate was unchanged from the previous month, but down by 0.7 percentage points from 7.4% in October 2017. This remains the bloc's lowest rate on record since the monthly EU data began to be collected in early 2000. The euro zone (EA19) seasonally-adjusted unemployment

rate was 8.1% in October 2018, also unchanged from the previous month, and down from 8.8% in October 2017. This remains the lowest level in the euro zone since November 2008. In Croatia, unemployment rate among those under 25 was at 23.7%. According to Eurostat, around 34,000 people under 25 were jobless in Croatia in the third quarter of 2018. ([www.hr.n1info.com](http://www.hr.n1info.com))

- December 7<sup>th</sup>, Israeli media reported that the US Secretary of Defense James Mattis has not allowed Israel to sell 12 F-16 combat aircrafts to Croatia. Namely, the US Government must approve the sale of any of its fighter jets that it sold to one country, if they are to be sold to a third one. Israel requested approval but did not get it. The article claims that people close to the Trump administration were angry because Israel modified the jets and thus attracted Croatia to choose their offer instead of the American offer. The Americans claim that Israel does not have the right to sell the aircrafts, especially if the USA also made an offer in response to the tender. Meanwhile, the US Embassy in Croatia has issued a statement stating that the USA strongly supports Croatia in its desire to modernize its Air Force and to be interoperable with allies in NATO. “*For more than a year we have been working with Israel on the details of the proposed F-16 aircraft purchase. During these talks we were consistent and clear regarding technical conditions under which we can approve the sale,*” said the Embassy, adding that they are currently working actively with Israel and Croatia in order to find an acceptable solution that is suitable to Croatia's needs within the given deadline. The news has caused a stir in Croatian political circles. “*From their statement, which I only saw briefly, it is clear that they are very interested in resolving this problem, if it exists to that degree,*” the Prime



Minister Andrej Plenkovic said adding that he does not believe the deal will fall through. Croatian Minister of Defense Damir Krsticevic also displayed a calm composure. *“It is a fact that the Government of the United States of America gave the state of Israel approval to offer the Israeli F-16 to Croatia and we have that document. The second fact is that the state of Israel has taken on the obligation in their offer to deliver a NATO compatible aircraft to Croatia and that the prolonging of its life span will be done with the approval of the original producer, Lockheed Martin. And third, the approval for delivering the planes to Croatia is the responsibility of the state of Israel,”* the Minister said in a statement to the press. ([www.glashrvatske.hrt.hr](http://www.glashrvatske.hrt.hr))

- December 8<sup>th</sup>, the Croatian Prime Minister Andrej Plenkovic said he will not stop demanding that Croats in Bosnia elect their own representatives to the country's tripartite Presidency and called three former international administrators of Bosnia who accused his country of meddling in its internal affairs *“retirees.”* Paddy Ashdown, Christian Schwarz-Schilling and Carl Bildt expressed concern over Croatia's claim that the newly elected Croat member of Bosnia's tripartite Presidency, left-leaning Zeljko Komsic, is not a legitimate representative of the ethnic group because he won thanks to Bosniak votes, while the numerically inferior Croats in Bosnia had voted for another candidate to represent them. The three said that Zagreb's lobbying in Brussels for Bosnia to be forced to change its election law represents meddling in Bosnia's internal affairs. *“Believe me, nobody knows Bosnia and Herzegovina better than we do, nobody is a better friend to Bosnia than we are, nobody is a bigger ally to Bosnia than us, and nobody helped Bosnia*

*more in applying for membership in 2016,”* he stressed. The leader of the Croatian Democratic Union of Bosnia and Herzegovina (Hrvatska Demokratska Zajednica Bosne i Hercegovine - HDZ BiH), Dragan Covic, was favored by Croatia but lost his bid for being re-elected as Bosnian Croat member of Bosnia's Presidency to left-leaning Zeljko Komsic. Both Covic and Zagreb claim Komsic was not a legitimate representative of Bosnian Croats as he won thanks to votes from Bosniaks. *“Having in mind we know it so well and that we signed Dayton, we are obliged to care for Croats in Bosnia, and we are here to give their position a voice,”* he said. *“The fact that those three retirees made statements means that our engagement and our actions were so strong that they felt the urge to say something,”* he said, referring to the three ex High Representatives and to Croatia's lobbying in Brussels. *“Everything we do, we do in good faith,”* he concluded. ([www.hr.n1info.com](http://www.hr.n1info.com))

## COUNTRY ASSESSMENT :

*Croatia follows a tough external policy with neighboring countries. Although it has territorial disputes with Slovenia and Bosnia it does not hesitate to intervene in Bosnia's internal affairs in the name of Croatian entity living there. Consequently, international reactions emerged namely the former Bosnia's High Representatives who directly accused Croatia of intervening in Bosnia's internal affairs. It is more than obvious that Croatia tries to establish a leading role in Western Balkans not only as an EU and NATO member state but also as a rising “local” power. One should take into consideration that Croatia shows its military strength and capabilities quite often not only in international, but also in national level sending strong messages to*

*neighboring countries. Although the President is a member of the ruling party, it is estimated that there is some kind of political distance between the President and Government. However, ruling coalition claims political stability. Border dispute on Piran Bay remains active and Slovenia's initiative to file a lawsuit against Croatia adds a new chapter between the two countries conflict. It is still a question how Croatia will react. Apart from that a new border conflict has emerged with Bosnia & Herzegovina regarding Peljesak Bridge. The state accelerates its efforts towards accession in Schengen zone. Croatia implements a policy of Armed Forces' modernization trying to form a reliable and well equipped force according to NATO standards.*



**CYPRUS:** December 4<sup>th</sup>, Cyprus is expecting the US to participate in the trilateral cooperation between Greece, Cyprus and Israel in the near future, President Nicos Anastasiades said. In his address to the 6<sup>th</sup> Energy Symposium, Anastasiades said that cooperation mechanisms with countries in the region had proved to be very successful with important benefits for the partner countries. As a result, he said, there have been expressions of interest from EU countries for participation and expansion. *"I attach particular importance to the interest shown by the US in participating in the tripartite Greece-Cyprus-Israel, which I expect will soon be confirmed in practice,"* he said. At the same time, he added there is interest from France in participating in the tripartite Greece-Cyprus-Egypt. He also said that the meeting of the seven Mediterranean countries in Nicosia is expected to take place in January 2019 *"highlighting the role that Cyprus can play as a pillar of stability and peace in the region."* At the same time, it sent a message to Turkey that

it should adopt the necessary constructive attitude that is fully in line with international law so as to become itself part of the wider cooperation in the region, Anastasiades said. (www.cyprus-mail.com)

- December 6<sup>th</sup>, Cyprus rejected suggestions there was a military build-up as part of NATO plans in the region as the Russia repeated on December 5<sup>th</sup>, 2018 claim that a delegation of US experts had recently inspected military and strategic places on the island with a view to setting up a forward deployment base. The Russian embassy in Israel released a message in social media claiming *"A delegation of US experts has recently inspected military and strategic sites in Cyprus with a view to setting up a forward deployment base for the US Armed Forces. Washington is actively discussing with Nicosia ways to expand military-technical cooperation."* In a later message, the Embassy added: *"Russia pointed out to Cyprus that efforts to militarize the island and draw it into the US plans for the Middle East will lead to dangerous destabilization. Moscow cannot turn a blind eye to anti-Russia nature of these plans and, should they materialize, will be forced to take action."* It is unclear whether the Russians were protesting pre-emptively, or whether they had specific knowledge of ongoing US activity in Cyprus. The messages followed a threat voiced by Russian Foreign Ministry Spokeswoman Maria Zakharova on December 5<sup>th</sup>, 2018 over what she claimed were talks between Cyprus and the US on expanding military cooperation. So far Nicosia has avoided directly addressing Moscow's specific allegations. The Russian Embassy in Nicosia has kept silent on the matter even though Foreign Minister Nicos Christodoulides called the Russian Ambassador for an explanation shortly after the initial statements, reports said. He later

spoke to his Russian counterpart Sergei Lavrov on the phone. Government Spokesman Prodromos Prodromou said not only was the Government not interested in any military build-up but it was trying to settle the Cyprus problem and get rid of the occupying forces. *“This observation couldn’t refer to the Republic of Cyprus,”* he said. The Spokesman reiterated that Cyprus had agreements with many countries and as part of that it granted facilities for humanitarian reasons. *“There is no question of militarization,”* he added. Prodromou said Cyprus is constantly developing relations with other countries *“as any independent state would do”* with the interests of its citizens and stability and security in the area in mind. *“Security in our region is threatened by other factors, specifically the actions carried out by Turkey all the time,”* the Spokesman said. According to Prodromou, it had been reaffirmed that Cyprus has close, friendly relations with Russia. He also added that Cyprus is a member of the EU and no one could dispute this position and the orientation it involved. However, he said, this did not entail confrontation with any third country like Russia *“with which we have special relations.”* (www.cyprus-mail.com)

- December 9<sup>th</sup>, the rift between Turkish Cypriot leader Mustafa Akinci and Ankara over the nature of a Cyprus settlement has escalated in recent weeks with the two sides exchanging increasingly barbed messages in the media. In a recent interview with the Greek Cypriot daily Politis, Turkish Foreign Minister Mevlut Cavusoglu laid bare his disagreement with Akinci. Describing federation as the Turkish Cypriot leader’s *“personal opinion”* he stated that the Turkish Cypriot ruling coalition and Turkish Cypriot people should also have a say on the issue. Speaking to several Turkish media outlets during

the past week, Akinci, in a clear response to Cavusoglu, insisted that no realistic alternative to a federal solution in Cyprus exists. *“At the end of the day, I am accountable to my community,”* said the Turkish Cypriot leader. *“These people voted for me by 60% to lead this process.”* Since the failure of the Cyprus conference in Crans-Montana in July 2017, there has been an evident divergence between Akinci, who is standing his ground for a federal Cyprus, and Cavusoglu, who has been arguing that other alternatives should also be discussed. Relations between the two men were badly damaged during Cavusoglu’s visit to northern Cyprus last April, when Akinci told him that he would rather resign than table any model of solution other than a federation. Akinci’s public call on Greek Cypriot leader Nicos Anastasiades to start negotiations within the framework outlined by UN Secretary-General Antonio Guterres, shortly after this confrontation with Cavusoglu, served as the death blow to their relations. Akinci wondered *“Is there any other alternative to a federal solution? If there is, I should also know about it. I get the exact opposite message from the Greek Cypriot side... Wasting time by discussing the impossible only maintains the status quo, which is to the disadvantage of Turkish Cypriots.”* Ersin Tatar, the newly elected Head of the main opposition National Unity Party (Ulusal Birlik Partisi - UBP), joined in the discussion and told the media earlier this week that his party is not bound by Akinci, but the policies developed through consultations with Turkey. *“Mr Akinci may be the President. But the Parliament should not be bypassed,”* said Tatar. *“It is obvious that there cannot be a power-sharing agreement in Cyprus. There has to be a new policy,”* he concluded. (www.cyprus-mail.com)

## COUNTRY ASSESSMENT :

*Cyprus expresses in highest level its commitment to continue its energy plans exploiting energy resources in Cypriot Exclusive Economic Zone (EEZ) despite Turkish aggression. Involvement of an American company (ExxonMobil) in the drills it is proved “wise” and “smart”. The US administration expresses its support in Cypriot energy plans through visits of high officials and statements. Announcement of Turkish seismographic research within the Cypriot EEZ (plot 4) could be assessed as spasmodic actions of Turkey against Cyprus (already predicted and expected). At the moment, none could assess the level of escalation Turkey seeks to reach. Taking into consideration that Cyprus lacks of military power and especially aeronautical forces it is expected Greece to be engaged more actively in the region. Conduct of aeronautical exercises in cooperation with other countries sends various messages of defense capability, readiness, and determination. The UN Secretary General appears optimistic for a new round of talks between the two communities. President Anastasiades promotes the scenario of a “bizonal, bicomunal decentralized federation”; an idea which is in principle accepted by the leader of the Turkish Cypriot community and enjoys support from the U.S. However, there are a lot of disputed issues in which both parts should compromise; the most important is considered the decision-making process. It is also assessed that there is somekind of argument between the Turkish Cypriot leader Akinci and the Turkish Government regarding the Cypriot question resolution and the idea of a federal state. Cyprus follows a multilateral external policy which proves efficient so far. However, recent close approach between Cyprus and the US provoked*

*Russia’s strong reaction which foresees a possible isolation from its influence in the Island. It is not a secret that Russia enjoys or used to enjoy a privileged relationship with Cyprus due to the US distance regarding defense and foreign policy neutrality. It is a question how Cyprus will achieve to balance between the US and Russia interests in the region. Situation is complex since Russia strengthened its relation with Turkey, while the US and Turkey, two allies within NATO are deteriorating theirs. The idea of NATO as the guarantor of Cyprus reunification and its security is a new fact which may cause disputes within the Cypriot political life. As long as part of Cyprus remains under Turkish occupation and Turkish troops (equipped with heavy weapons) are deployed in the island, Cyprus faces an existing direct threat against its national security.*



**F.Y.R.O.M:** December 4<sup>th</sup>, after a three day debate, the Parliament adopted the four draft amendments on constitutional change in accordance with the Prespa Agreement between F.Y.R.O.M and Greece. A public debate on the four draft amendments will follow, after which the Government will have to draft final proposals for the amendments and then the Parliament has to approve them. The Prime Minister Zoran Zaev is confident that the process in the Parliament will be successfully completed and that it will enable a rapid accession of F.Y.R.O.M to NATO and the starting of accession negotiations with the EU. “I believe that by the end of January, the Parliament will support the Agreement with Greece, followed by support from Greece and the Protocol for Macedonia’s [F.Y.R.O.M] NATO membership. We believe that Croatia will be one of the first countries to sign the Membership Protocol for NATO and that Macedonia [F.Y.R.O.M] will be

*the 30th NATO member state,”* Zaev said at a meeting with his Croatian counterpart Andrej Plenkovic. ([www.meta.mk](http://www.meta.mk))

- December 7<sup>th</sup>, the Ministry of Justice has announced a draft law on the Special Prosecutor's Office (SPO) which changes the competencies for crimes that may be the subject of this institution in relation to the current legal solution. So far, the Special Prosecutor has been authorized and is competent to investigate and prosecute crimes related to the content of the unauthorized interception of communications carried out between 2008 and 2015. The proposed solution envisages that the SPO will be able to investigate and prosecute crimes committed by the President of F.Y.R.O.M, appointed Ambassadors and other representatives abroad and appointed people by the President, elected or appointed officials in and out of the Parliament, the Government, the Courts, the Public Prosecutor's Office, the Judicial Council, the Council of Public Prosecutors and elected Mayors within the local self-government and the City of Skopje. ([www.meta.mk](http://www.meta.mk))

- December 7<sup>th</sup>, Russian Foreign Minister Sergey Lavrov in an interview with the Greek daily newspaper “Efimerida ton Syntakton” accused the EU and the US of “*constantly intervening*” in the affairs of FYROM. Lavrov accused Brussels and Washington of exercising “*unprecedented pressure*” on the Government and voters of FYROM over September's referendum on the name deal and of going on to “*blackmail and bribe*” lawmakers in Skopje to vote through the constitutional changes demanded by the agreement, even though the referendum “*failed*.” “*Now there are frantic attempts to get the process in the final stretch by early 2019,*” Lavrov said,

claiming that Washington's aim is the “*forced accession of Skopje into NATO*.” Lavrov dismissed expectations that implementation of the agreement would also speed up FYROM's bid to join the EU, saying that “*negotiations in Brussels, as we all know, can take several decades*.” Contrary to claims made by the Russian Foreign Minister regarding the pressures and bribes inflicted on MPs from the opposition, in which, the current Ambassador of the US directly participated, the eight MPs from the Internal Macedonian Revolutionary Organization – Democratic Party for Macedonian National Unity (Внатрешна македонска револуционерна организација – Демократска партија за македонско национално единство - VMRO-DPMNE) backed the start of the constitutional changes, categorically pointing out that they made the decision of their own free will, in accordance to their convictions. ([www.efsyn.gr](http://www.efsyn.gr), [www.meta.mk](http://www.meta.mk))

## COUNTRY ASSESSMENT :

*The Prime Minister Zaev accelerates procedures for constitutional amendments aiming at concluding the whole process successfully. It is expected late January 2019 the whole process will have been finished successfully. Not only F.Y.R.O.M's future is based on this process, but also Zaev's political future. It is more than certain that constitutional change will end successfully not only because Zaev fully controls political balance in the Parliament, but also because international community namely the US and EU strongly supports F.Y.R.O.M's name change. Initiative for political reconciliation is a positive step by Zaev's governance, although there are claims that it's the price for 8 opposition MPs support regarding constitutional*

*amendments and more specifically the name deal with Greece. The European Parliament has sent an encouraging message to F.Y.R.O.M for opening accession negotiations in June 2019. The country has become a field of rivalry between the US and EU on the one side and Russia on the other. After Montenegro, NATO seeks to bring F.Y.R.O.M within the alliance isolating Russian influence in the region. Lavrov openly claims that the US and EU blackmailed and bribed MPs to support the name agreement with Greece. Needless to say that in a period where border questions are raised again in the Balkans, F.Y.R.O.M needs political stability and growth prospects.*



**GREECE:** December 5<sup>th</sup>, Greece needs to embark on structural reforms in order to restore market confidence, conservative opposition leader Kyriakos Mitsotakis, whose New Democracy (Νέα Δημοκρατία – ND) party is leading opinion polls, has told the Financial Times in an interview. *“It’s not just a question of consolidating fiscal policy because, if anything, fiscal policy has been too tight. It is also a question of really believing in implementing structural reforms, making Greece more competitive, changing the overall business climate, bringing in significant amounts of foreign investment but also mobilizing domestic investment,”* Mitsotakis told the FT. If his party wins the next election, Mitsotakis said, he will push forward with two of the country’s biggest projects – together valued at about 11 billion euros – that have stalled on bureaucratic and legal wrangling; developing the former international airport at Elliniko south of Athens and the Skouries gold mine in northern Greece. Canadian mining company Eldorado Gold last year

suspended investment at its mines following a dispute over permits. ([www.ekathimerini.com](http://www.ekathimerini.com))

- December 7<sup>th</sup>, the Prespes name deal between Greece and the Former Yugoslav Republic of Macedonia (F.Y.R.O.M) appeared to face further hurdles after junior coalition partner Panos Kammenos pronounced the agreement dead. Kammenos, the leader of the Independent Greeks (Ανεξάρτητοι Έλληνες - ANEL) and a staunch opponent of the deal, made his remarks in the wake of recent references by F.Y.R.O.M Prime Minister Zoran Zaev to a “Macedonian” identity and language. *“Zaev’s latest comments have put an end to any discussion concerning the survival of the so-called Prespes deal,”* Kammenos said in a post on the party’s website. The comments by the ANEL leader, who is also Greece’s Defense Minister, were seen as a blatant violation of a “moratorium” with Prime Minister Alexis Tsipras, stipulating that the deal will not come between them until it goes to the Greek Parliament for ratification in March 2018. During a heated cabinet meeting in October 2018, Tsipras had said that he would not “tolerate” a situation where the Government does not speak with one voice. However, Kammenos appeared to ignore Tsipras and went on to contradict the Government’s position with regard to F.Y.R.O.M’s induction to NATO, saying it will never join due to its irredentist rhetoric and “propaganda” that recalls 20<sup>th</sup> century dictators. *“Skopje’s irredentist and provocative behavior shows the international community that not only is it unprepared to be a part of international organizations, but also vindicates all those who have insisted from the start on the certainty that they are trapped in the propaganda of [Benito] Mussolini and [Yugoslav leader Josip Broz] Tito,”* he added. In a speech at Skopje University



on Thursday night, Zaev declared, *“We are ‘Macedonians’ who speak the ‘Macedonian’ language and no one can deny it.”* But Kammenos was not alone in his rebuke of F.Y.R.O.M’s rhetoric, as the centrist party To Potami, which has backed the deal, also expressed concern over the *“irredentist nature”* of statements emanating from Skopje. The Government however downplayed concerns that the deal will not make it through Parliament with its spokesperson Dimitris Tzanakopoulos insisting that it has enough lawmakers to back it. Tzanakopoulos also ruled out speculation that ANEL may back a censure motion against the Government if it is brought to Parliament by New Democracy (Νέα Δημοκρατία – ND). Tzanakopoulos said that Kammenos has vowed not to team up with ND or any other party in the Parliament *“to overthrow the Government.”* (www.ekathimerini.com)

- December 8<sup>th</sup>, the Prime Minister Alexis Tsipras and Russian President Vladimir Putin held wide-ranging talks in Moscow, agreeing that a diplomatic spat in the summer had ended and expressing a common interest in energy cooperation. In a joint press conference, Putin said Moscow would consider inviting Greek companies to help deliver Russian gas to European countries. *“We are ready to consider the possibility of inviting Greek companies to join major infrastructure projects for the delivery of Russian gas to Europe via the southern route,”* Putin said. The two leaders also discussed cooperation in other areas of the economy including tourism. The two men indicated that a dispute this summer, which led Athens to expel Russian diplomats suspected of trying to undermine the F.Y.R.O.M name deal, belongs to the past. Putin described the allegations that led to

the ejection of the Russian diplomats, and the subsequent dismissal of Greek envoys from Russia, as *“rubbish, nonsense.”* *“I hope this page has really been turned,”* he said. *“The case is closed, we are looking ahead,”* Tsipras agreed. The Greek Premier expressed his concern over Turkey’s purchase of S-400 surface-to-air missile systems from Russia in a deal that has unnerved Washington and Turkey’s NATO allies. *“I expressed our concern in relation to Turkey’s new defense program,”* he said. As for the Prespes name deal, Tsipras defended it as a *“fair basis”* for solving a chronic problem and keeping nationalist forces at bay. (www.ekathimerini.gr)



Meeting of Russian President Vladimir Putin with the Greek Prime Minister Alexis Tsipras  
(Photo source: www.kremlin.ru)

## COUNTRY ASSESSMENT ■ :

*Ruling coalition of SYRIZA – ANEL intensifies its efforts to reverse political atmosphere since the country enters gradually in a long pre-electoral period. Tsipras and Kammenos try to gain political time planning to relief society with social care measures. Taking into consideration that measures will start to be voted next month it is assessed that early election may be called in May 2019 together with local and European election. Ruling coalition believes that it is enough time so people to enjoy relief measures reversing political*



climate. Of course there is always the alternative scenario of parliamentary election in autumn 2019 when actually mandate of current Government expires. The ruling coalition tries to put in the political agenda issues which will turn the interest of public opinion from daily life and governmental failures. Constitutional reform is a typical example, while the prime Minister's initiative to seek an agreement with the Church separating it from the state may have controversial results. One should take into consideration that Greek Church is extremely powerful with high influence in Greek society. Greece and Russia re-established communication channel after recent incidents with deportation of Russian diplomats. Tsipras and Putin agreed that such incidents belong to the past. However, Greek – Russian relations are complicated including several geopolitical aspects. Name agreement with F.Y.R.O.M is under question after provocative statements of the Prime Minister Zaev who openly raised the issue of "Macedonian" language in Greece and expressed irredentist ideas of "Macedonia of the Aegean." However, it is assessed that if constitutional change will adopted in F.Y.R.O.M, then Greek Parliament will ratify the agreement. It is said that certain Greek circles promote the idea of an additional annex in the agreement in order to secure it from nationalist and irredentist rhetoric of F.Y.R.O.M politicians. Greece (and Cyprus) has entered in a risky period of tension with Turkey. Several Turkish NAVTEX in the Aegean Sea for aeronautical exercises included fires establish conditions of tension and possible crisis. Coming days will be critical to see if Turkey keeps maintaining a war of words or it will escalate situation.



**KOSOVO:** December 3<sup>rd</sup>, Speaker Kadri Veseli announced that on December 14<sup>th</sup>, 2018 MPs will vote a package of laws enabling transition of the Kosovo Security Force (KSF) into Army of Kosovo. Veseli in a social media post said that on December 14<sup>th</sup>, 2018 MPs are expected to pass three draft laws on transition of the KSF into Army. "On December 14<sup>th</sup>, 2018 we will have officially the Army of Kosovo. This is the day the Parliament of Kosovo will vote the draft laws transforming the KSF into an Army. Congratulations to all," Veseli wrote. In October 2018 the Parliament of Kosovo has approved in principle the package of laws giving more power to current KSF civilian force, and bypassing the constitutional amendments required to change it into a regular army. A constitutional obligation for that would require a "double majority" – meaning the support of two-thirds of all 120 MPs and two-thirds of the 20 ethnic non-Albanian MPs. Kosovo Serb MPs, who hold 10 of the 20 seats in Parliament reserved for non-Albanian communities, have blocked such initiatives and strongly opposed the creation of Kosovo Army. (www.gazetaexpress.com)

- December 3<sup>rd</sup>, the Kosovo Prime Minister Ramush Haradinaj said the 100% tax on all goods imported from Serbia and Bosnia will not be removed until these two countries recognize Kosovo's independence. He also said that the EU is not guaranteeing that visa liberalization for Kosovo will happen this year. Haradinaj addressing media after meeting the European Commissioner for Neighborhood Policy and Enlargement Negotiations, Johannes Hahn, said that there is no crisis after introduction of the customs tariffs as alleged by Kosovo Serbs, adding that decision does not affect local Serbs

and promised help in case of potential crisis. *“If the Government of Kosovo gets information on scarcity of vital goods, we are ready to offer supply. There will be no lack of medicaments in hospitals and healthcare centers,”* he said. *“The Kosovo Government’s decision will be respected and this decision can be revoked only if Serbia recognizes Kosovo’s independence. We are ready to work for a comprehensive agreement with Serbia to discuss war reparations, missing people, the rights of Serbian community in Kosovo. One of the topics would be also free trade between Kosovo and Serbia,”* Haradinaj concluded. According to Haradinaj, the tax is valid only for imports from Serbia and Bosnia. He admitted that Commissioner Hahn asked him to revoke the decision on customs tariffs, but he said that Kosovo has not imposed any tax on the EU. Talking about visa liberalization, Haradinaj said that there is still hope the EU Council will include on its agenda the discussion on waving visas for Kosovo citizens. *“The EU is skeptical. They are offering too many justifications,”* said Haradinaj, noting that he has lost no hope that the EU Council in its next meeting expected to be held in coming days will include on its agenda the discussion on waving visas for Kosovo citizens. (www.gazetaexpress.com)

- December 7<sup>th</sup>, the newly appointed US Ambassador to Kosovo, Philip Kosnett, said his Government is not pushing for a shift to the border or an exchange of territory between Kosovo and Serbia. *“I think some people have the misunderstanding that the United States has been pressing for a shift to the border or an exchange of territory. As my superiors in Washington have tried to make clear; what we are interested in is an agreement that is negotiated in good faith by the two sides,”* Kosnett said in an interview with

the public broadcaster, RTK. *“The United State does not have any preconceptions about what a comprehensive dialogue agreement might entail. It might be that the two sides decide – honestly in good faith – to make an adjustment to the border. They may very well decide not to, and believe me, I understand the depth of concern, the historical reasons why adjusting the border is very complicated,”* he said. *“And again, I want to emphasize, my Government is not pushing for that. We do not necessarily see that as a key to the dialogue. I think that a great deal of discussion of the Dialogue has focused on that. I think discussion of the border is only one aspect of the wide range of discussion that has to take place between the two countries. It has also has to touch on economic cooperation, security, culture, education, justice, very much justice – the wide range of issues that the two Governments need to speak about, and it is important not to fixate on only one aspect of the problem,”* Kosnett stated. The US Ambassador said that they have tried to make clear that the US has no preconceptions. *“We are not saying that certain issues should not be discussed and we are not saying that certain outcomes are required. Serbia and Kosovo are the negotiating partners. These are two sovereign, independent nations. We are always going to support Kosovo. By supporting Kosovo, I do not mean that we are going to blindly agree to any idea that comes out of the Government in Pristina,”* he added. *“But, we are going to support Kosovo in the effort to establish peace, prosperity, justice in the country and in the region. We do not see those goals as contradictory to a broader goal – wanting the same things for other countries in the region. I think it is important to emphasize that we are standing by to support the parties to come to a sustainable, mutually beneficial conclusion, but*

*we are not writing the script,” Ambassador Kosnett stated. (www.gazetaexpress.com)*

## **COUNTRY ASSESSMENT :**

*Kosovo has reached a critical point where only through normalization of relations with Serbia it will be able to move forward namely to enter the UN, NATO, EU and to achieve a normal status of a state. However, the state's authorities show a tendency of escalating tension with Serbia undermining a peaceful resolution of the case. By imposing 100% tariff on Serbian (and Bosnian products), establishing Kosovo army, executing Special Forces operation in northern Kosovo, and arresting Serbs it is created a climate which does not facilitate dialogue and the establishment of confidence between the two parties. It should be also underlined that at the moment Kosovo's political power are divided regarding negotiation process and goals. The Prime Minister Haradinaj and the Government are not in harmony with the President Thaci who is the chief negotiator of the state (or at least he decided that he is). There is even a matter of legitimacy within the state regarding who is authorized to represent the country in dialogue with Serbia. 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). 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 is ready to announce on December 14<sup>th</sup>, 2018 the*

*establishment of its army; an issue which may provoke rapid reaction by the Serbian side including military and Police power. One should take into consideration that the Serb President has already ordered all defense and security stakeholders to take all necessary measures for protecting Serbian population in Kosovo.*



## **MOLDOVA: December 6<sup>th</sup>,**

According to the Parliament Speaker Andrian Candu Russia is systematically involved in the internal affairs of Moldova and Ukraine, and in order to destabilize the situation, it resorts to cyber attacks, as well as providing financial support to Moldovan “proletarian parties.” Candu made these statements during his working visit in the US. According to Candu, Moscow’s involvement in the internal affairs of Moldova and Ukraine is increasingly evident, especially since the elections will take place in the two countries early next year. “One of Russia’s weapons is the media. Through mass media, Moscow is doing propaganda. Another method used is Moldova’s dependency on Russian gas. Moscow is also involved in the region that is not controlled by the Government of Chisinau. I mean to the Transnistrian region, a busy territory where Russian troops are stationed,” Candu declared. He believes that in order to meet these challenges, unity is needed. “Moldova, Ukraine and Georgia have to join forces and work together against these challenges. Equally important is the support that these three countries enjoy from the United States and the North Atlantic Alliance,” said Candu. The official added that the US should remain as involved in the region as possible. “If we are to talk about the support we are expecting from the US, we want to create a new energy infrastructure and find

*solutions to deal with hybrid threats,”* Candu said. (www.moldova.org)

- December 7<sup>th</sup>, the Minister of Foreign Affairs and European Integration, Tudor Ulianoschi, at the OSCE's annual ministerial meeting, which took place today in Milan, Italy said that Moldova pleads consistently for the complete and unconditional withdrawal of Russian troops from its territory and for the transformation of the current peacekeeping operation into a civilian mission with an international mandate. Ulianoschi mentioned that these and other measures are necessary for building confidence and positive climate for the final settlement of the Transnistrian conflict. In this context, Tudor Ulianoschi invoked the UN General Assembly resolution *“On the complete and unconditional withdrawal of foreign military forces from the territory of the Republic of Moldova,”* drawing in particular attention to the serious humanitarian and ecological hazards of the stocks of the Cobasna ammunition. The Head of the Moldovan diplomacy thanked the 57 participating states for their support in the adoption of the declaration on the “5 + 2” negotiation process in order *“to help finding a peaceful, comprehensive and durable resolution, based on respect for the sovereignty and territorial integrity of the Republic of Moldova within its internationally recognized borders, with a special status for Transnistria.”* *“The recent Russian-Ukrainian naval incident in the Kerch Strait demonstrates once more how fragile peace and security are in this geographical area in which my country is located,”* contended Ulianoschi (www.moldova.org)

- December 9<sup>th</sup>, a couple of days ago, Dignity and Truth Platform Party (Partidul Platforma

Demnitate și Adevăr - PPDA) leader Andrei Nastase declared that the Liberal Democratic Party of Moldova (Partidul Liberal Democrat din Moldova - PLDM) and the Liberal Party (Partidul Liberal - PL) should not participate in the parliamentary elections in February 2019. Instead, some of the exponents of the two formations could be found on the Block List “ACUM” and in some constituencies. Moreover, Nastase asserted that his party and Party of Action and Solidarity (Partidul Acțiune și Solidaritate - PAS) will not negotiate anything with PLDM and PL representatives, as the electoral bloc will not “expand” under any circumstances. Despite the statements of Andrei Nastase, PLDM Vice-President Ion Terguta announced on social media page that his party will join the ACUM resistance movement. *“PLDM has accepted the offer of ACUM. There will be fire,”* Terguta wrote. It seems that decision was taken at the meeting of the PLDM National Political Council. Thus, the PLDM will participate in the elections on February 24<sup>th</sup>, 2018 in the composition of the ACUM block, which includes the PAS and DTPP parties. (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 elections*

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



**MONTENEGRO:** December 3<sup>rd</sup>, Montenegrin economy is moving towards a good direction, but that should not be the reason for euphoria. However, comparing with the period two years ago, the situation is much better, said economic analyst and professor at the Faculty of Management, Dr Vasilije Kostic. *“In order to give a reasonable grade of Markovic’s Government for these two years, we should bear in mind where it started and what economic indicators were like back then-high debt and high budget deficit, high unemployment rate, poor public finances...Public debt has increased and I believe it will keep on increasing. Budget deficit is still high but with tendencies to go down, unemployment decreased by 4%. Public finances are in consolidation phase, and this process will take a while. Tax income is increasing, FDI increased by 50%,*

*which is very important,” Kostic said. Another key question is the improvement of the business environment. “It shouldn’t be the case that we got worse regarding this matter. We must not allow ourselves to move backwards in many domains, even less important than this one. But the worst thing is that our competent authorities are not aware enough of the need for constant improvement of business environment,” Kostic said. Kostic thinks that, in the future, Government should seriously deal with social stratification and inequality since it can be a barrier to economic progress. (www.cdm.me)*

- December 3<sup>rd</sup>, Financial Stability Council of the Central Bank held a meeting concluding that the financial system of Montenegro is relatively stable with the presence of risks of moderate intensity. *“Indicators of stability and quality of business in banking, insurance and capital markets have positive tendencies. Total assets of banks amounted 4.41 billion euro at the end of the third quarter of 2018, and recorded growth of 2.4% at the quarter level.”* Total loans grew by 2% and deposits grew by 3.3%. Information on the financial stability for the third quarter of the year as well as the current questions that fall within the competence of the Council was considered at today’s session. *“It has been noticed that the continuity of positive quarter rates of GDP growth in the Eurozone continued. Domestic macroeconomic environment indicators also show positive movements. The highest growth was recorded in the industry sector. Retail trade, tourist arrivals, and construction works sector also recorded an increase.”* Certain fiscal indicators also recorded positive trends. On the basis of the impact analysis of all mentioned factors on the conditions of the overall economic stability, with special focus on the stability of the



financial system, the Council concluded that the Montenegrin financial system is relatively stable with the moderate risks. (www.cdm.me)

## COUNTRY ASSESSMENT :

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



## ROMANIA: December 5<sup>th</sup>,

Romanian police detained a Turkish journalist, Kamil Demirkaya and brought him before the Court of Appeal in Bucharest, where he faces extradition to Turkey on the basis of a warrant issued by Ankara authorities. The extradition request is related to accusations of terrorism and affiliations with President Recep Tayyip Erdogan's arch-enemy, the exiled cleric Fethullah Gulen. After hearings it was decided that a verdict will be issued, according to Demirkaya's family. Demirkaya was editor-in-chief of Zaman Bulgaria media outlet between 2003 and 2011. He returned to Turkey but moved to Bucharest with his family in 2016. He holds only a temporary residence permit in Romania. In November, he filed for the extension of the permit and the documents are being processed by the Romanian authorities. He has no criminal record and has not committed any crime in Turkey according to documents which can be viewed on the Turkish Ministry of Justice website. Romanian MEP Cristian Preda has warned that if Romania extradites the Turkish journalist, it will “lose all credibility in Brussels. Demirkaye runs the Zaman newspaper's Bucharest office, which criticizes the Erdogan regime. Nothing is more honest,” Preda wrote on social media. He said the Romanian authorities should respect the international commitments they had made not to extradite citizens to countries where human rights are in danger, and Turkey is one such country. During a visit by Romania's Prime Minister, Viorica Dancila, to Turkey in mid-October, Erdogan thanked Romania for the help it had provided to Ankara in dealing with the aftermath of the failed coup in July 2016, which Erdogan holds Gulen responsible for. (www.romania-indider.com)

- December 6<sup>th</sup>, opposition parties attempted to dismiss the President and Vice-President of the Chamber of Deputies (Liviu Dragnea and Florin Iordache), after the ruling coalition of the Social Democratic Party (Partidul Social Democrat - PSD) and the Alliance of Liberals and Democrats (Alianța Liberalilor și Democraților - ALDE) reportedly lost the majority as four of its MPs shifted to the political vehicle of former Prime Minister Victor Ponta. It is still rather unclear if the opposition succeeded or not in its attempt to dismiss the two from their posts as Florin Iordache, who led the Chamber's plenary meeting on December 5<sup>th</sup>, 2018 used every trick to block a vote on this proposal, according to local Mediafax. The Head of liberal deputies Raluca Turcanu (PNL, opposition) claimed that the proposal was registered on the list of topics to be later debated and only the final vote was needed in order for the decision to take effect. And since the ruling coalition lost majority, Dragnea's dismissal is only a matter of time, she implied. Debates on procedures are needed in order to establish whether the dismissal procedures should go ahead with the final vote. But the pressure against the ruling coalition is visibly rising and PSD sees itself at risk for the first time since it formed the ruling coalition in early 2017. Under these circumstances, MP Dan Barna (Save Romania Union, opposition) stressed that the non-confidence motion to be filed by the opposition next week becomes critical for the further political developments. (www.romania-indider.com)

- December 9<sup>th</sup>, after Prime Minister Viorica Dancila has announced at the beginning of the Government sitting that she had notified the Constitutional Court of Romania (CCR) in order to solve "the deadlock" created by the President

Klaus Iohannis by postponing to appoint the new Ministers of Transports and Regional Development proposed by the ruling coalition, President Iohannis convened a press conference at Cotroceni Palace, slamming the Premier and the ruling party for their actions. The Head of state argued that "*Romania has no Prime Minister.*" He also said that Dancila "*does not understand how the state works*" and that Social Democratic Party (Partidul Social Democrat - PSD) "*does not know how to do politics anymore*" under Dragnea's leadership. "*I see that PSD has lost the ability to politically act under this Dragnea. PSD is governing wrongly, I have repeatedly underlined that. PSD is legislating very, very badly and this is not a statement made for I don't like PSD. The Constitutional Court has agreed with me in over 25 of the cases and declared laws partially or entirely unconstitutional. Over 25 unconstitutional laws in one year,*" Iohannis said. Asked who is running the Government, if Dancila doesn't, the President replied "*This Government is led by offender Dragnea through agents.*" Iohannis concluded that his denial to appoint the new ministers is not blocking the Government's activity, as Dancila, Dragnea and other PSD leaders had claimed. The Vice-President of the Chamber of Deputies, Florin Iordache (PSD) considers that President Iohannis has exceeded his constitutional role on the reshuffle issue, while proving once again that it is a political fight. Iordache said that PSD will analyze the situation and take a decision. PSD senator Serban Nicolae went further saying it is even "a medical problem" in President Iohannis' case and the situation in the country is more and more serious. "He is marked only by the despair that the PSD-ALDE Government is the one that, on behalf of Romania, is taking over the rotating presidency of



the EU Council and he would do anything to block,” Nicolae argued. (www.romaniajournal.ro)

## COUNTRY ASSESSMENT :

*Political struggle between the President Klaus Iohannis and Government has been transformed into an “open battle”. The President rejects the Government’s plans for amnesty and pardon laws, while he strongly criticizes statements and actions by governmental officials. Iohannis directly asked for toppling the Government calling them “an accident of the Romanian democracy.” Opposition announced that beginning of December (December 10<sup>th</sup>, 2018) it will file a motion of no-confidence against the Government. One should also take into consideration that the ruling coalition has lost majority in the Chamber of deputies which makes things more complex. Apart from that the EU released reports strongly criticizing the Government over rule of law and justice. Romania has entered in political turmoil which may lead in rapid political developments. It is assessed that opposition move for toppling the Government may be successful and early election could be announced. 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. Romania according to NATO strategic and operational planning has become an advanced base close to Russia. Its strategic importance and role has been upgraded and high level NATO exercises take place in its territory. Current crisis between Russia and Ukraine may affect Romania’s security situation as a forward NATO base.*



**SERBIA:** December 5<sup>th</sup>, the

Ambassadors of EU member states (COREPER) have formally confirmed a decision for Serbia to open next week two new chapters in its EU accession talks. EU diplomatic sources in Brussels said the Ambassadors had, unanimously and without debate, backed decision by the EU working group on enlargement (COELA) to open Chapter 17 (Economic and Monetary Policy) and Chapter 18 (Statistics) with Serbia. These chapters will be opened on December 10<sup>th</sup>, 2018 in Brussels, during the intergovernmental EU-Serbia conference. With these two, Serbia will have 16 open chapters out of 35, with two provisionally closed. (www.b92.net)

- December 5<sup>th</sup>, Commenting on the announced formation of an army in Kosovo, the Prime Minister Ana Brnabic said that she hoped Serbia would not have to use its army. Brnabic added - addressing journalists during a news conference at the seat of the Serbian government in Belgrade – “that is one of the options.” “I hope that we will never have to use our army, but at the moment it is one of the options on the table, because we cannot watch a new ethnic cleansing (of Serbs) and new storms (an apparent reference to Croatia’s Operation Storm) - although (Prime Minister of Albania) Edi Rama is calling for these,” she told journalists. The Prime Minister said she would “ask all European leaders what they would do if they were in her place.” She reiterated that her Government’s priority is education and digitization, and that it is in “a schizophrenic situation - whether someone will, contrary to everything normal, all the agreements, and even their own acts, create an army, and on December 15<sup>th</sup> move to subjugate people only because they are Serbs.” Brnabic

remarked that since the time Aleksandar Vucic became Prime Minister, Serbia has been investing in raising its defense capacities, because they had been devastated. *“When someone knows you have a strong army, then they have to sit down and talk to you,”* said Brnabic. The Prime Minister, however, did not wish to comment on media reports that Americans are sending weapons to Kosovo (via Albania) - pointing out that this is *“a serious issue”* and that she hopes that there will be *“a sufficient amount of reason on the part of the United States to know what is good for their partners in Pristina.”* (www.b92.net)

- December 6<sup>th</sup>, the Serbian President thanked NATO Secretary General Jens Stoltenberg in a telephone conversation for his statement that *“this was no time”* to form an army of Kosovo and that Kosovo's intent to transform its security forces into an army was coming *“at the wrong time.”* Vucic expressed his concern about Kosovo's intent to form an army and the dangers that this step carries for the survival of the Serb people in Kosovo and the security of Serbia, as well as peace and stability in the region. As announced, two interlocutors agreed to stay in permanent and direct contact, and that the Serbian Army will re-establish daily contacts with KFOR forces in Kosovo, in order to exchange information and monitor the development of the situation. Vucic informed the NATO Secretary General about the problems that Serbia and especially the Serbian people in Kosovo face due to the irrational move by Pristina to impose a 100% tax on goods from central Serbia, contrary to agreements reached. Stoltenberg expressed his gratitude to Vucic for the excellent organization of the emergency relief exercise, which with 900 participants, was the biggest exercise of its kind to date, held in October 2018 in Serbia. He also

emphasized how much he appreciates Serbia's contribution to peace and stability in the region. (www.b92.net)

## COUNTRY ASSESSMENT :

*Security situation is becoming complex and uncertain due to Kosovo actions against not only Serbia, but Northern Kosovo as well. Although state's officials ask from Kosovo Serbs peaceful reactions and protests, it seems that the Serbian Government puts on condition of increased readiness all state's security and defense forces. Serbia receives Kosovo actions such as announcement of the establishment of Kosovo Army, decision for 100% tariff on Serbian goods, and special police unit operation in the north as hostile ones and is getting prepared for worse scenarios included escalation of tension. The Prime Minister Brnabic openly stated that military force “is an option”. Serbia seeks support from Russia and China (two UN Security Council members) describing situation as the “worst in last ten years. It is assessed that a possible Kosovo Police or military operation in the north may provoke Serbia's security forces engagement for the protection of Serbian population. At the moment, Serbia looks like acting in accordance with the international law aiming at reducing tension in the region. In other words state's leadership is acting in a “reasonable” and “wise” way avoiding mistakes of the past which have isolated Serbia from the international community. Of course, under these circumstances none could speak for restarting of Belgrade – Pristina dialogue. There are certain analysts who claim that such situation will inevitably lead in Kosovo partition with the north part going to Serbia. Some of them claim that this scenario has already agreed by Vucic and Thaci.*

*Serbian repayment will be Kosovo recognition. By expressing neutrality and maintaining equal distance from the U.S.A and Russia it moves in an environment of fragile balance. Russia is getting involved in Kosovo case by supporting actively Serbian stance.*



**SLOVENIA:** December 6<sup>th</sup>,

Interior Minister Bostjan Poklukar welcomed on Brussels the EU Council's partial agreement on the reform of FRONTEX, the European guard, which includes a stronger mandate in the returns of migrants and cooperation with third countries. Poklukar said on the sidelines of the Justice and Home Affairs Council session that Slovenia supported the stronger mandate and cooperation with countries beyond those directly neighboring with the EU. It is however, reserved about the remaining points of the proposal, which also seeks to establish a European Border and Coast Guard standing corps of 10,000 operational staff with executive power until 2020. Slovenia is in principle in favor of a gradual formation of a standing corps; it is however reserved about the 10,000 people the Minister said. The Minister moreover expressed Slovenia's interest to have its missions sent to Western Balkan countries. (www.sta.si)

- December 6<sup>th</sup>, on the day of the Spanish Constitution, the highest Catalan political representative, the President of the Catalan Government Quim Torra visited Slovenia where he found something important *"friendship and solidarity for Catalonia."* Torra met with the President of Slovenia Borut Pahor, the State Secretary at the Ministry of Justice, Dominika Svarc Pipan, and the Ljubljana Mayor Zoran Jankovic. Finally he participated in a public

debate with the first Slovenian President Milan Kucan and Slovenian MEP Ivo Vajgl. While the Office of the President emphasized that it was an informal meeting, the State Secretary of the Ministry of Justice explained that she cannot separate the official from unofficial part. In May this year, Quim Torra succeeded Carles Puigdemont, who is still in exile in Belgium, as President of Catalonia. In Spain, nine Catalan political prisoners are behind bars, among which four have begun a hunger strike last week. Social activists and politicians have been in detention for more than a year since they held a referendum on independence of Catalonia on October 1<sup>st</sup>, 2018. According to Torra there is a 80% consensus in Catalonia that a free and democratic referendum on independence should be held to counter violence and that people want to live in a republic and not in a kingdom. *"We expect violence from the Spanish authorities, and we are concerned about the EU reaction, which did not strive to respect human and civil rights,"* said Torra. Ivo Vajgl and Milan Kucan also warned of this in a joint statement. They urged the Spanish Government to adopt the dialogue and fundamental values of democratic societies. They called everyone to *"follow a political solution to the Catalan crisis and to the fate of political prisoners and all Catalan politicians who withdrew to other countries before the repression of the Spanish authorities."* The Catalan President expressed his gratitude towards the Slovenian National Assembly for paying attention to the Catalan problem. (www.vecer.com)

- December 8<sup>th</sup>, the left-wing coalition partner the Left (Levica) presented a parliamentary initiative calling on the Government to withdraw from the purchase of 4x4 armored cars. The Government is going to spend 15.69 million euro (without VAT)

for purchasing 38 armored vehicles Oshkosh 4x4 from the US Corporation Oshkosh Defense. The Defense Minister Karl Erjavec announced that the purchase was completely transparent, as it is a deal that was concluded between the Slovenian and US Governments. *“These vehicles are tested, according to the experts of the Slovenian Armed Forces, and are used by the US Army. It is the latest generation and the most modern armored vehicles in its category,”* Erjavec claimed. The Left partner may react in every Government’s attempt of purchasing military equipment. The Left has already made that clear during the coalition negotiations. The party decided to support the coalition, but without entering the Government and one main reason it was its disagreement in defense matters. The Left is strongly opposed to the establishment of two medium-range battalion groups, which has been the goal of Slovenia since 2004. According to the Left there are other priorities such as social and educational development, health care rather than defense expenditures. Furthermore, the Left Party is opposed in the med-term defense program 2018 – 2023 approved on April 2018 by the former Government of Miro Cerar. The program envisages the purchase of tactical cargo vehicles with ballistic protection, modernization of the central military training facility at Pocek near Postojna, purchase of communication and information systems, missile systems, and cyber security equipment. According to a rough estimate, the establishment of the final operational capabilities of the two medium-range battalion groups would cost up to 1.5 billion euro over the next eight to ten years. But this does not only mean the purchase of equipment, because capacity building requires much more than the purchase of equipment. Achieving capacity means increasing costs with military training and

exercises, purchasing and maintaining equipment, and other infrastructure. ([www.vecer.com](http://www.vecer.com))

## COUNTRY ASSESSMENT :

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



**TURKEY:** December 5<sup>th</sup>, Foreign Minister Mevlut Cavusoglu said that Turkey sees no problems in its F-35 procurement despite initiatives in the U.S Congress since President Recep Tayyip Erdogan and his U.S. counterpart Donald Trump discussed the issue in G20 summit in Argentina. Cavusoglu's remarks came at a press conference in Belgian capital Brussels, where the Foreign Minister attended the NATO Foreign Ministers' meeting. *“Trump himself brought up the issue and told Erdogan he didn't want any problems in the sale. There have been some initiatives in Congress but this is a very comprehensive project. We currently don't see any problems about the project,”* Cavusoglu said. The two leaders met on the sidelines of the summit to discuss a number of bilateral and regional issues. The U.S. Senate has demanded

the sales of the jets to Turkey be blocked unless Trump certifies that Turkey is not threatening NATO, purchasing defense equipment from Russia or detaining U.S. citizens. NATO member Turkey signed a deal with Russia to procure S-400 air defense missile systems amid grave threats on its southern border. The deal raised objections from the U.S. on grounds that it violates the alliance and Western sanctions against Russia over the crisis in eastern Ukraine and Crimea. (www.dailysabah.com)

- December 7<sup>th</sup>, the main opposition Republican People's Party (Cumhuriyet Halk Partisi - CHP) hinted that they may cooperate with other opposition parties along with the right-wing Good Party (İP) for the March 31<sup>st</sup>, 2018 local elections amid long negotiations to carve out election strategies. *“Not only the İP, but everyone outside of the People's Alliance and those who are excluded by this alliance are welcomed to be our alliance partners,”* Ozgur Ozel, group Vice Chairman of the party told reporters, signaling possible cooperation with other opposition parties. Pointing out that they are striving to attract votes of all citizens, Ozel underscored that they will ally with the hearts of the people on ballots by fielding candidates who can serve everyone equally. The Central Executive Board (MYK) and party assembly of the CHP also gathered amid the ongoing alliance talks with the İP. Following the meetings, the party announced 212 mayoral candidates for the upcoming elections, including mayoral candidates for 18 metropolitan and province municipalities. Incumbent metropolitan mayors will be nominated in Aydın, Eskisehir, Hatay, Mugla and Tekirdag provinces. Sinop was the only provincial municipality where the party opted to nominate a new name. Out of the 212 municipalities, 54 were

won by the CHP in 2014 local elections. While the ruling Justice and Development Party (Adalet ve Kalkınma Partisi – AKP) largely renewed its candidates ahead of the elections, the CHP maintained most of its incumbent mayors, announcing new names in only 13 municipalities. The CHP previously announced its 252 mayoral candidates for some election districts, including 10 provincial municipalities; however, candidates for many metropolitan cities have yet to be determined due to the long negotiations of alliances. In relation to the alliance talks, Ozel stated that negotiations are still ongoing and there may be some extraordinary situations which will be announced at the end of the talks. CHP Chairman Kemal Kılıcdaroglu and İP Chairwoman Meral Aksener and party delegations have been meeting for some time now signaling the continuation of the bloc formed for the June 24<sup>th</sup>, 2018 elections against the People's Alliance of the ruling AK P and the Nationalist Movement Party (Milliyetçi Hareket Partisi - MHP). However, talks have been stalled for some time now due to Kılıcdaroglu's visits abroad and alleged problems in the alliance. (www.dailysabah.com)

- December 8<sup>th</sup>, Turkish Defense Minister Hulusi Akar renewed Ankara's demand from the U.S. to cut ties with the Syrian Kurdish People's Protection Units (YPG). Akar met the U.S envoy for Syria James Jeffrey in the capital Ankara putting once again the issue “The U.S. should cut ties with YPG which is no different from the PKK and the U.S. should also call off its plan to set up observation points in northern Syria,” Akar told Jeffrey. The statement said the two dignitaries discussed regional issues -- including recent developments in Syria's Manbij and Idlib – and bilateral relations. Akar pointed out that giving

weapons and ammunition to the terrorist YPG via trucks and airplanes does not fit with the understanding of alliance with the U.S. “We will never allow a terror corridor in the south of our country,” the Minister added. The U.S. has claimed the YPG is an “ally” in the fight against DAESH, over Turkey’s objections that it cannot be used one terrorist group to fight another. Turkey has repeatedly cited evidence that the YPG is no different from the PKK. According to Turkey the YPG is the Syrian offshoot of the PKK, a terrorist group recognized by Turkey, the U.S., and EU, which in its 30-year terror campaign has taken some 40,000 lives. However, the U.S and EU have not listed YPG in terrorist groups. (www.yenisafak.com)

## COUNTRY ASSESSMENT :

*Turkey faces several restrictions in freedom of expression and human rights. Elected MPs and journalists are in custody or convicted by the state Courts. Local and international observers claim the country moves towards an authoritarian regime with thousands of citizens being persecuted. Turkish – U.S relations have strongly been harmed forcing Ankara to approach new allies such as Russia. Although Turkey re-examines its relations with the EU in an effort to avoid international and regional isolation, the EU sends messages of terminating the EU – Turkey accession talks. Turkish Armed Forces have been engaged in military operations against Kurds and PKK in Northern Iraq and in Syria as well. The state tries to show a leading role regarding Syria’s “next day” claiming that developments in neighboring country are related to its national security mainly because of the Kurds. Kurdish question is a major security threat for Turkey affecting stability, peace and even unity of the*

*state. Regarding Turkish interests in East Mediterranean Sea it seems that they are reaching a critical point since Cypriots have already started hydrocarbon drills in their Exclusive Economic Zone via the US energy giant ExxonMobil. Is Turkey ready to move from rhetoric to action? It is rather difficult to see a direct harassment against the drill ship (which is monitored by 4 U.S vessels), but none could exclude a “hot” incident in the Aegean Sea. The Turkish President and high state’s officials express Turkey’s determination to protect its interests no matter what. It seems that strengthened multilateral cooperation between Greece, Israel, Cyprus and Greece, Cyprus, and Egypt raises its concerns of regional isolation in a region (Eastern Mediterranean Sea) where Turkey considers it as a preferential field of action.*

www.hermesresearch.eu

email: info@hermesresearch.eu

Editor in Chief: Ioannis Karampelas

## 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

