



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

**SOUTHEASTERN EUROPE**

**AT A GLANCE**



**SOUTHEAST EUROPE DIRECTORATE**

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

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

#### **“HERMES” I.I.A.S.GE**

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**ALBANIA:** March 30<sup>th</sup>, the Albanian President Ilir Meta turned back to Parliament the so-called “*Special anti-KCK Package*” as a further tentative to fight against terrorism, mafia and organized crime, that according to Prime Minister Edi Rama will destroy the foundations of crime nests. The Head of state has seven arguments against the law that according to him exceeds the constitutional powers of the Council of Ministers and violates the Albanian Constitution. (www.albaniandailynews.com)

- March 31<sup>st</sup>, Inquiry Committee for the dismissal of the Albanian President, Ilir Meta met via teleconference despite the emergency situation due to COVID-19. During the meeting the minutes of the February 28<sup>th</sup>, 2020 session was adopted. Apart from that, it was discussed the possibility of postponing the terms of action of this Committee due to COVID-19 emergency situation. The Committee was initiated by the ruling majority due to the President’s decision to cancel the June 30<sup>th</sup>, 2019 local elections, because of the clash between opposition and majority. Meta postponed the elections claiming that he tried to save the country from a civil confrontation. However, the ruling majority claims that the President violated the constitutional order. (www.albaniandailynews.com)

- March 31<sup>st</sup>, EU Ambassador Luigi Soreca had an online conversation with Democratic Party of Albania (Partia Demokratike e Shqipërisë – PD) head Lulzim Basha over last week’s European Council decision to open accession negotiations with Albania. “*A fruitful conversation today with Lulzim Basha on accession talks following last week’s European Council decision. We*

*recognized the importance of the reforms made by Albania to get the green light and agreed that they should continue in view of the first Intergovernmental Conference. This effort of the whole society will need cooperation and monitoring of the opposition,”* Soreca stated. “*We also touched on EU assistance to Albania in ongoing battle with COVID-19 and reconstruction efforts after the November 26th earthquake,”* the EU Ambassador said. For his part, Basha thanked Soreca and the EU for expression of the positive will with the decision for opening of accession negotiations after fulfillment of 15 conditions. “*The Democratic Party and opposition will do everything in their capacity to contribute to this vital process for Albania and the Albanians. We are grateful to EU for Assistance in Combating COVID-19. We are in dire need of medical equipment and financial support for people and the economy to overcome this crisis,”* he said. (www.en.ata.gov.al)

## **COUNTRY ASSESSMENT**   :

*Restriction measures continue in Albania, while political developments are ongoing. The Government is satisfied with the EU decision to approve the opening of accession negotiations with Albania but under certain conditions. Unlike North Macedonia, the European Council set certain conditions and reforms to Albania for the start of the accession talks. Corruption, accountability and transparency in public administration, fight against organized crime and protection of national minorities are the issues that Albania should work for improvement before talks. Struggle between the Prime Minister, Edi Rama and the President, Ilir Meta continues affecting state’s political stability. Meta keeps on*

*reacting against governmental law drafts using his constitutional powers to block them. Political and institutional crisis remains active. The Government has a significant responsibility that the country is still without an independent and functional justice system and is incompetent to provide the basic constitutional rights to its citizens. They are not able to address the state's top Courts, the Constitutional and High Court. Apart from that there are serious concerns over judicial independence in the country since the "vetting process" has become more or less a measure of pressure against judges. Media freedom is questioned in the country, while Rama himself does not hesitate to attack them. Corruption, smuggling (weapons, drugs, people etc), money laundering and link between organized crime and politics are dominating in the country.*



## **BOSNIA & HERZEGOVINA:**

March 31<sup>st</sup>, a Court in Bosnia and Herzegovina has terminated restrictions on the movement of Turkish citizen Fatih Keskin, previously imposed by the Service for Foreigners' Affairs following his arrest and subsequent release in December last year, the court told Balkan Investigative Reporting Network (BIRN) BiH. Wanted in Turkey, Keskin was arrested on December 3<sup>rd</sup>, 2019 and transferred to the migrant detention center of the Service for Foreigners' Affairs after the Service revoked his residence permit. The Court of Bosnia and Herzegovina ordered his release on December 16<sup>th</sup>, 2020 but the Service for Foreigners' Affairs – acting on an intelligence service assessment that he posed a threat to national security – required Keskin to report to its Bihac office in northwestern Bosnia three times a

week and restricted his movements to the area between Bihac and the capital, Sarajevo. The Court of Bosnia and Herzegovina ordered the restrictions lifted. *"Lower-instance decisions by administrative bodies have been annulled, and all the prohibitive measures imposed on him have been terminated. Previous decisions by administrative bodies have been annulled and they are not in force anymore,"* Keskin's lawyer, Ahmet Efendic, told BIRN. Efendic said he could not rule out new measures being imposed given the Intelligence and Security Agency, OSA, had not changed its assessment. *"It is still in force,"* he said. *"The position of the Service for Foreigners' Affairs is that, as long as the assessment is in force, they would have to impose prohibitive measures,"* he underlined. Keskin is an employee of Una-Sana College in Bihac, part of the Richmond Park Group in Sarajevo. Richmond is the legal successor to Bosna Sema educational institutions, which has been linked to the exiled Turkish cleric accused of orchestrating a failed coup against Turkish President Recep Tayyip Erdogan in 2016. The US-based cleric, Fethullah Gulen, denies any role in the abortive coup, but schools linked to him around the world have come under intense pressure from Ankara. Efendic said the law firm where he works represents four other Turkish nationals who also had their residence permits revoked following a visit to Sarajevo by Erdogan in July 2019 but faced no prohibitive measures on their movements. The decisions to revoke residence have each been overturned. The Service for Foreigners' Affairs did not reply to a request from BIRN BiH to confirm how many proceedings are in process against Turkish citizens and whether any have been concluded. (www.balkaninsight.com)

- March 31<sup>st</sup>, Chairwoman of the Coordination Committee Stabilization of the Economy and Mitigating the Consequences of the Coronavirus Pandemic and Federal Minister of Environment and Tourism, Edita Dapo announced on Tuesday that the Government of the Federation of Bosnia and Herzegovina will work on a budget revision in order to secure about 250 million BAM (128 million euro) to help mitigate the consequences of the COVID-19 pandemic, Fena news agency reported. Dapo said that the Government is aware that a pandemic that has engulfed the entire world will have an impact on the global economy and therefore on BiH economy as well, which is why a number of remedy activities have already been initiated. *“We are a small economy and we are left to ourselves, and since the Central Bank of BiH does not have an option to intervene by injecting money, we also need the support of international institutions, and by ‘tightening the belt’ in terms of revizioning the budget, we will cut all costs that are not necessary for this year,”* Dapo explained. She stressed the need for swift, responsible and transparent action and the adoption of measures to safeguard economic liquidity and jobs. Among the measures already taken are the stopping of the rise in the prices of basic food items, the Banking Agency was asked for a moratorium on loans, and the Council of Ministers was sent an initiative to amend the law and allow to move towards the end of the month the payment of contributions. *“We are aware that we have to find a decisive way to help the economy and preserve jobs, create a modality to help every individual, worker and business entities, and some of the measures will be possible only through changes in legislation,”* she added. Also, we are considering adopting a *“lex specialis”* related to coronavirus, and activities are

underway to set up a Guarantee Fund to issue guarantees to commercial banks. A Stabilization Fund will be set up, for which the funds would be secured through a budget rebalance since the intention is to reduce all costs wherever possible, and the budget revision should, according to Dapo, be considered in mid-April. The other part of the funds should be secured through the International Monetary Fund (IMF), she said, and negotiations in this regard have already started and it is expected that the funds from the European Commission could be operational in May. She urged the employers not to lay off workers, announcing that modalities would be found to preserve liquidity and that everything would be done to ensure the regular payment of pensions and veterans’ benefits. (www.sarajevotimes.com)

- April 2<sup>nd</sup>, the Head of Bosnia’s Islamic Community said on Thursday that Bosnians should not be angry with the United Arab Emirates (UAE) because they sent aid to neighboring Croatia, Serbia and Montenegro but not to Bosnia and that this is most likely a consequence of a misunderstanding between different policies. *“What must not happen is that any kind of animosity toward our brothers in the Emirates, or any other people, starts spreading among citizens of Bosnia and Herzegovina, especially among Bosniaks [Muslim Bosnians],”* Husein Kavazovic said. *“We believe that this is a consequence of misunderstanding regarding policies and that this crisis is the best chance to overcome that situation,”* he told the MINA news agency, adding that *“policies are policies and they must not be allowed to damage good relations between peoples.”* The Grand Mufti made the statement in response to numerous

questions he received from members of the Islamic Community recently. Bosnia should rely more on its own resources and citizens should not interpret this as a bad message from the UAE, he said, stressing that many Government and Non-Government Organizations from there have supported Bosnia in the past and continue to do so. He also said that there were announcements saying that help will be coming from humanitarian organizations from the UAE which the Islamic Community contacted. The religious leader argued that Bosnia has enough friends in the world who offered their help during the crisis, adding that “*heroes, as well as friends, are recognized during tribulations.*” (www.ba.n1info.com)

## COUNTRY ASSESSMENT :

*State officials pay special attention to the financial support Bosnia is needed to address the economic repercussions of the pandemic. Bosnia is a small and poor country and international financial aid is necessary for its survival. Bosnia is supported by the Muslim world and economic aid has been arrived or is expected by Islamic countries or organizations. Bosnia continues to suffer from political and institutional crisis. Tension may be escalated anytime. As long as Bosnia is not a full member of the Euro-Atlantic structures, namely the EU and NATO, Russia will try to exercise influence promoting its strategic interests in the region. In general, current political crisis confirms that the Dayton peace agreement is a problematic one and it is time to be amended. One could claim that “Bosnia is a captured state due to Dayton peace agreement.” It should be underlined that Serbia and Croatia play a crucial role in current crisis enjoying the*

*power of influencing situation. Taking this into consideration, situation is sensitive threatening not only Bosnia’s peace and stability but of the whole region. Political instability, poor economic performances, entities’ rivalries, and problematic framework of state’s structure (due to Dayton Accord) have left Bosnia far behind other Western Balkan countries towards the EU. Furthermore, nationalistic rhetoric and actions from the three entities creates certain conditions of mutual mistrust and work as a factor of potential destabilization. Neighboring Croatia and Serbia keep on intervening in Bosnia’s internal affairs, while Muslim countries such as Turkey, Saudi Arabia, Qatar, and Iran maintain a permanent presence through financial donations and investments.*



**BULGARIA:** March 31<sup>st</sup>, the latest budgetary changes adopted by the Bulgarian Government are based on the worst case scenario for the development of the COVID-19 crisis, the Minister of Finance Vladislav Goranov said. “*We have developed three different scenarios, but we assume the most negative one, in order to guarantee the functioning of all public systems until the end of 2020,*” Goranov said. According to the most-negative expectations and forecasts, GDP will decrease with 3% and unemployment will see a 2% increase. I continue to believe that conservative planning and good fiscal policy provide the best response options, Goranov claimed. Bulgaria may amend the state budget again in September if necessary, the Minister added, BNR reported. The state treasury may lose 1.2 billion euro from unpaid Value Added Tax, excise duties, corporate tax, social security contributions and taxes. Moreover, the

state must finance the three-month extraordinary measure to pay the Bulgarian employers to keep their staff. These are only preliminary estimates Goranov pointed out and added that it will all depend on how long the restrictions will continue, because all measures influence factors such as end consumption and investments. The uncertainty about the future makes people limit consumption. According to the best case scenario, economic growth in 2020 will amount to 0.7%. According to the intermediate option, there will be zero economic growth this year. All budgetary amendments proposed by the cabinet will be discussed at an extraordinary sitting of the Bulgarian National Assembly. (www.novinite.com)

- April 3<sup>rd</sup>, acting on the recommendation of the Cabinet, the Head of state and Commander-in-Chief President Roumen Radev has appointed Vice Admiral Emil Eftimov as Chief of Defense, with the rank of Admiral. Evtimov (58) succeeds General Andrei Botsev, who died on February 27<sup>th</sup>, 2020 at the age of 60. Until now, Evtimov was one of two Deputy Chiefs of Defense, a post he held from 2016. Born in Varna, he attended the Mathematics High School and the Naval Academy in the city, going on to further education at, among others, the Naval Academy in St. Petersburg, the US Naval War College in Newport, Rhode Island, the Senior Officers Course at NATO School Oberammergau, Germany and the Flag Officers and Ambassadors Course, Nato Defense College, Rome, Italy. His military career began in 1984 with service on frigates and patrol ships. After several other posts, he served as officer commanding Varna Naval Base from 2009 to 2011. From 2011 to 2013, he was Deputy Director of Cooperation and Regional Security

Division, International Military Staff, NATO HQ, Brussels, and from 2013 to 2016, was Director of Cooperation and Regional Security Division, International Military Staff, Nato HQ, Brussels. Having begun as a Second Lieutenant in 1984, he was promoted to Rear Admiral in 2013 and Vice Admiral in 2016. Fluent in English and Russian, he is married with two children. (www.sofiaglobe.com)



Bulgaria's Chief of Defense, Admiral Emil Eftimov

(Photo source: www.mod.bg)

- April 4<sup>th</sup>, reacting to the Government's proposal to extend the national emergency by another month, President Rumen Radev said in a statement Friday that the Government should tell people what the effect has been of the first month in a state of emergency and reiterated that return to normal life the soonest possible should be a national objective. *"We should set ourselves a clear national objective; that we must return to a relatively normal life, production and free movement of people and goods in the quickest possible controlled and safe manner,"* Radev said. The Government seeks to prolong to May 13<sup>th</sup>, 2020 the state of emergency declared on March 13<sup>th</sup>, 2020. Radev said the Government owes the public convincing information about the effect of the first month of the state of emergency.



Governance decisions should be made on the basis of reliable comprehensive data. While the lockdown slows the infection rate, it has paralyzed society and triggered an unprecedented social and economic crisis, said the Head of State. *“Penury is not an escape from the virus. Hunger may soon overcome fear and the consequences may be more destructive than the coronavirus itself,”* the President said, the BTA reported. The healthcare system, together with the other socially important systems, should opt for a more flexible strategy for fighting the coronavirus and should considerably expand the scope of testing. The focus on the coronavirus should not hamper access to healthcare for people with chronic conditions and emergency cases, which puts at risk the life of thousands of Bulgarians, according to Radev. The President stressed that some measures envisaged in the state of emergency law and the subsequent Council of Ministers' decrees are viewed by the public and businesses as insufficient or even as ill-considered. People need help, not an offer of a loan. The economic measures will not help out the key segment - small and medium-sized businesses, and the “60/40” formula is practically infeasible, according to Radev. Certain provisions of the law, which was adopted hastily and amid chaos, block the economic life and should be revised urgently, the President said. Radev noted that the Government is resorting to a loan of up to 10 billion leva before tapping the budget reserves and rethinking its priorities. Reacting to the President's statement, Prime Minister Boyko Borissov told reporters in the southern town of Smolyan *“If the President believes the state of emergency [in Bulgaria] is different to what is being done worldwide, he can veto it, then I will pull GERB out of Parliament [so the veto can go*

*through] and leave people without a lockdown to perish.”* Social isolation is the only recognized practice amid the COVID-19 pandemic, said Borissov. The European Commission approved the “60/40” formula for support for business and hundreds of Bulgarian companies have already applied, he said in response to the President's criticism. Borissov, Deputy Prime Minister Tomislav Donchev and Major General Ventsislav Moutafchiiski, Head of the national coronavirus task force, visited AREXIM ENGINEERING based in Smolyan. The company has started making goggles and face shields for the front-line health workers and other specialists. Its output could reach 200,000 items per month. (www.novinite.com)

## COUNTRY ASSESSMENT ■ :

*Political dispute between the President, Rumen Radev and the Prime Minister, Boyko Borissov continues; this time the new field of rivalry is the state of emergency of Bulgaria and its extension. The President believes that further extension until May 13<sup>th</sup>, 2020 is not necessary threatening economic stability of the country. On the other hand, Borissov is determined to extend the state of emergency threatening to use radical political means to achieve it. In any case, a political rivalry between the two top state officials amid a pandemic is not the best situation for tackling the problem. Migration problem due to uncontrolled refugee and migrant flows from Turkey is closely monitored by Bulgarian authorities but currently there is no pressure in Bulgarian borders. Corruption and organized crime remain significant obstacles for the country's development and should be addressed decisively. The country pays special attention to energy security developing several projects.*

*Modernization of Armed Forces is a top priority for Bulgaria and huge armament projects are ongoing (fighter jets, armored vehicles, vessels etc). However, military operational capability of the state is questioned especially in the Air Force. Bulgarian Armed Forces are far from NATO standards.*



**CROATIA:** April 1<sup>st</sup>, the Croatian National Bank (HNB) once again intervened on the foreign exchange market on Tuesday with the aim of maintaining exchange rate stability by selling commercial banks just over 618 million euro at the middle exchange rate of 7.6 kuna. This is the fifth intervention and the single largest so far by the Central Bank in an effort to maintain exchange rate stability and ease the pressure caused by the depreciation of the Croatian kuna. The Central Bank earlier intervened on the exchange market on March 9<sup>th</sup>, 2020 followed by further interventions throughout the month, selling a total of 1.63 billion euro to commercial banks. Tuesday's intervention, meanwhile, saw the total amount increase to almost 2.25 billion euro. On the last day of the month, March 31<sup>st</sup>, 2020 the euro to kuna middle exchange rate was slightly more than 7.6, which is just over 2% more than it was at the beginning of the month. ([www.glashrvatske.hrt.hr](http://www.glashrvatske.hrt.hr))

- April 1<sup>st</sup>, Petrinja Mayor, Darinko Dumbovic said on Wednesday that he was “*unhappy*” with a decision by the Environment Ministry and Sisak-Moslavina County on repurposing former army barracks in Cerkezovac in the town of Dvor into the site for a center for radioactive waste management. Dumbovic recalled that the fund for financing the decommissioning of Krsko Nuclear Power Plant and the disposal of its radioactive

waste had stated on Tuesday that it had received the approval from the Energy and Environment Ministry for the use of former Cerkezovac barracks for establishment of a Radioactive Waste Disposal Center. The Mayor considers the announcement of such decision amidst the coronavirus pandemic, consequences of the earthquake in Zagreb, and growing fears, to be an act of “*utter hypocrisy*.” He branded Prefect Ivo Zinic and Environment Minister Tomislav Coric “*as undertakers and a natural disaster for Sisak-Moslavina County*.” Bosnia and Herzegovina's Foreign Trade Minister Stasa Kosarac previously expressed his disagreement with the decision due to the proximity of the barracks to Bosnia's border and claimed that the construction of the center in the border region would jeopardize 250,000 people and the Una River. The Zagreb-based Fund says in its press release that during the implementation of the project it will permanently cooperate with the local community and the general public as well as with stakeholders across the border that is nearby municipalities in Bosnia and Herzegovina. ([www.hr.n1info.com](http://www.hr.n1info.com))

- April 2<sup>nd</sup>, Prime Minister Andrej Plenkovic confirmed at Thursday's Government session that, due to the struggle to curb the coronavirus pandemic, his Cabinet decided to put off the procurement of multi-purpose fighter aircraft for the time being. “*At the moment this is the only logical and correct decision*,” Plenkovic said. Croatia will formally notify all the countries that are participating in the tender process of its decision to postpone the process of purchase of fighter aircraft. The Government also decided on the postponement of the 2020 Croatian International Military Airshow that was due to take place at the Zemunik airbase near Zadar on

May 30<sup>th</sup>, 2020. Earlier on Thursday, Defense Minister Damir Krsticevic informed reporters that his Ministry would put off the procurement of multi-purpose combat aircraft to demonstrate solidarity and to save money during the coronavirus crisis. Krsticevic said that talks regarding the procurement of combat jets would pick back up once the pandemic was over and the economic situation improved. The Minister added that deep financial analyses were underway that would look for further savings in the defense department. ([www.glashrvatske.hrt.hr](http://www.glashrvatske.hrt.hr))

## COUNTRY ASSESSMENT ■ :

*COVID-19 pandemic is back down slowly in Croatia, but the economic repercussions of the precautionary measures seems to be disappointing. The Croatian Central Bank intervenes to stabilize Kuna to euro. Moreover, it was announced that Croatia is giving up its plans for the purchase of 12 second hand F-16 fighter jets due to economic pressures. It seems that an economic crisis is at the beginning. Croatia currently holds the EU Presidency in a rather difficult period for the cohesion and stability of the organization. Croatia – Slovenia border dispute remains active and it should be noticed that Croatia needs Slovenia’s support regarding its accession in the Schengen Zone and OECD. Croatia implements a hard-line foreign policy with its neighboring countries maintaining open disputes with Bosnia, Slovenia, and Serbia. Top officials do not hesitate to openly interfere in Bosnian domestic affairs in the name of Bosnian Croats. Storing of nuclear wastes in a region near to the Bosnian borders may become a source of harsh dispute not only with the neighboring Bosnia (which strongly reacts in such plans) but*

*also with local community. Croatia implements a policy of Armed Forces’ modernization trying to form a reliable and well equipped force according to NATO standards. However, the current COVID-19 pandemic may affect the ambitious modernization plans due the economic repercussions in the country. Croatian Air Force is far from NATO standards and actually the country lacks an operational air power.*



**CYPRUS:** April 5<sup>th</sup>, President Nicos Anastasiades will preside over a meeting of the Ministerial Committee on coronavirus on Monday to assess the results of the measures taken, Government Spokesman Kyriacos Kousios said on Sunday. Kousios refrained from saying whether more measures would be announced as has been the case for the last few Mondays. “Situation will be assessed, the President will be briefed, he will give instructions and then the Cabinet will convene,” Kousios told the Cyprus News Agency. The Cabinet will convene on Wednesday. ([www.cyprus-mail.com](http://www.cyprus-mail.com))

- April 1<sup>st</sup>, 21 members of the Cypriot Police completed their mission in Greece where they have been sent for supporting the Greek security forces in guarding the Greek – Turkish land border due to illegal migration flows. During a phone talk the Greek Minister of Citizen’s Protection, Mihalis Chrisohoidis informed the Cypriot Minister of Justice and Public Order, Georgios Savvidis the mission was completed successfully. Cypriot Police officers will return back to Cyprus in next few days. ([www.sigmalive.com](http://www.sigmalive.com))

- April 4<sup>th</sup>, the announcement by Fitch rating agency ranking Cyprus’ long-term rating as stable

highlights the Government's responsible management both of the economy and the public finances under the present adverse conditions, the Ministry of Finance said on Saturday. Fitch maintained Cyprus' long-term credit rating to BBB- changing the outlook to stable from positive. *"Fitch rating agency's announcement maintaining the Republic of Cyprus credit rating under these adverse conditions, even with stable outlook, shows that the Government's responsible management of the economy and of the public finances remains the key to safeguarding macroeconomic stability,"* the Ministry said. *"In these particularly difficult conditions in the global economy and international markets due to the coronavirus pandemic and the economic challenges we are called on to face the Finance Ministry remains focused on maintaining the Cypriot economy's credibility to the maximum extent and on maintaining jobs and supporting the economy,"* the ministry added. Fitch revised Cyprus' outlook from positive to stable, saying it expected a GDP contraction of more than 2% in 2020, reflecting the material negative impact of the health crisis on the global economy. However, risks to this baseline forecast are tilted firmly to the downside, as it assumes that the coronavirus can be contained in the second half of the year, leading to a relatively strong economic recovery in 2021. In the event of a second wave of infections and the widespread resumption of lockdown measures, economic outturns would be significantly weaker for 2020 and 2021, Fitch said. The recession and the economic policy response to the COVID-19 pandemic will result in a sizeable deterioration of the budget balance this year. The Government has already announced fiscal support measures, direct spending targeting vulnerable groups and tax reductions. While

details had not been finalized by April 1<sup>st</sup>, 2020 Fitch expects the fiscal easing, including extra healthcare expenditure, lower social security contributions and subsidies for job protection, to lead to a budget deficit around 1% of GDP in 2020 compared with the 2.8% of GDP budget surplus in 2019. Authorities are also discussing potential provision of guarantees to the banking sector to provide loans to the real economy. Fitch expects the Cypriot economy's demonstrated flexibility, illustrated for example by the fall in unemployment to close to pre-crisis level to drive the recovery after the severe short-term shock. The GDP growth forecast is highly uncertain in 2021, but afterwards it is expected that the GDP growth will gradually converge to 2 per cent medium term growth potential, unchanged since the last rating review. (www.cyprus-mail.com)

## **COUNTRY ASSESSMENT** :

*In Cyprus there is no news except about COVID-19. It seems that all state's activity has been stopped including governmental one. Currently, Turkish provocations within the Cypriot territorial waters have been significantly reduced, but Turkey maintains its threats against Cyprus' sovereignty. Turkey has achieved its initial goals so far by establishing its presence within the Cypriot Exclusive Economic Zone (EEZ) claiming the Turkish Cypriot community rights. The Turkish goal is to deter international energy giants from investing in Cypriot fields and starting research activities. It maintains a significant military force on the island (Army Corps seize) and it reinforce it with modern systems such as UAVs. It is certain that Turkey will not accept "fait accompli" in a region considered as part of its strategic interests. As*

*long as part of Cyprus remains under Turkish occupation and Turkish troops (equipped with heavy weapons) are deployed in the island, Cyprus faces an existing direct threat against its national security and sovereignty.*



**GREECE:** March 30<sup>th</sup>, Greece is reportedly in a heightened state of vigilance at all levels, so that in the coming period of its forced introversion to tackle the COVID-19 pandemic the conditions are not created that would allow Ankara to spring any surprises. Concerns over Turkey's next moves have mounted in recent months given its overall aggressive stance in the Aegean, the Eastern Mediterranean and on the migration issue. An indication of Ankara's mindset is its insistence that its decision to evacuate migrants from the Evros land border on Friday was only a temporary measure aimed solely at limiting the spread of the coronavirus. Greece is also wary of Turkey's erratic responses due to internal pressure faced by President Recep Tayyip Erdogan over his Government's handling of the fronts it has opened from Syria to Libya. Moreover, at the same time, Ankara continues its research activities within Cyprus' territorial waters while reserving areas for military drills and submarines in the area between Kastellorizo, Rhodes and southern Crete until early April. From April 15<sup>th</sup> onward, Athens is considering all possibilities, including the next step from Ankara, namely the dispatch of a research ship to the sea area south of Crete. Meanwhile, according to reliable sources, the Turkish cargo ship that was heading to Libya but changed course last week after it was spotted by a French vessel operating in the area as part of NATO's Sea Guardian operation to prevent violations of the

arms embargo on the North African country was carrying parts for MIM-23 "Hawk" anti-aircraft missile systems. The missile systems had been damaged or destroyed in raids conducted by the forces of rebel leader General Khalifa Haftar on airports controlled by the Tripoli-based Government led by Fayeze al-Sarraj, whom Ankara backs. ([www.ekathimerini.com](http://www.ekathimerini.com))

- April 3<sup>rd</sup>, Greek Foreign Minister Nikos Dendias said on Friday Turkey had used migrants' desperation for political purposes, while calling for a continuation of NATO's migrant mission in the Aegean. "*Turkey was obviously exposed to international public opinion,*" Dendias told state broadcaster ERT over the recent migrant standoff along the Evros border. "*There is no doubt that these migrant flows were totally orchestrated and reinforced by the Turkish side,*" Dendias said. "*Human pain was exploited [for political purposes]; this is the truth and this is not acceptable in 21<sup>st</sup> century society. I hope that this will become clear to the Turkish side,*" he said. Speaking of NATO's contribution to efforts to stem illegal trafficking and illegal migration in the Aegean Sea, the Greek Foreign Minister said that it was "*very significant*" for Greece that the Alliance continued its operation, even for the purpose of "*monitoring situation.*" NATO has contributed through intelligence, surveillance and reconnaissance, also in cooperation with the EU's border management agency FRONTEX. ([www.ekathimerini.com](http://www.ekathimerini.com))

- April 4<sup>th</sup>, the Hellenic Navy has in recent days identified and is monitoring the movements of about six cargo ships off the Turkish coast, concerned they are preparing to transport illegal migrants to the Greek islands. Athens fears a possible repeat of the incident on March 16<sup>th</sup>,

2020 when a freighter that had set sail from Turkey's Canakkale port ran aground on rocks on the island of Kea with 193 migrants aboard, forcing authorities to take them to shore. Fearing a repeat of such a scenario, the Navy and the Coast Guard remain on standby, ready to intercept and prevent ships with migrants from reaching island shores. According to estimates, one or two of the cargo ships that have been identified by authorities may attempt to head out to sea in the next few days with the intention of transporting hundreds of migrants to the islands, creating a health crisis given the COVID-19 pandemic. (www.ekathimerini.com)

## COUNTRY ASSESSMENT :

*Greek authorities seek to strengthen restriction measures against COVID-19 due to the Easter holidays and potential movement of people. In political level, the Government enjoys citizens' confidence due to its policy and reaction in migrant issue and COVID-19. In other words, the center-right Government of Kyriakos Mitsotakis is absolutely successful in "hot" issues such as the refugee case and COVID-19. It is assessed that it is very possible Mitsotakis to call for early parliamentary elections in early autumn trying to capitalize his success. Greek security forces are on high alert regarding possible new migrant waves in land borders or the Aegean Sea. Turkey insists on provoking the Greek forces in the Aegean Sea, both in the air and in the sea. There is always a significant possibility of an armed incident which could be escalated into a crisis. Under the current situation in Eastern Mediterranean and Aegean Sea Greece is obliged to strengthen and modernize its Armed Forces operational capability.*



**KOSOVO:** March 31<sup>st</sup>, Kosovo's Constitutional Court ruled as inadmissible the Government's decision to restrict movement of citizens due to coronavirus pandemic. The Court answered to President Hashim Thaci who challenged the Government's decision taken on March 23<sup>rd</sup>, 2020 on restriction of movement of citizens to prevent further spread of coronavirus. Following the measures, Thaci said the decision was unconstitutional and addressed the Constitutional Court for an interpretation. The Court ruled that the Government's decision is not in compliance with the Article 55 [Limitations on Fundamental Rights and Freedoms] of the Constitution. The Court also explained that the Government cannot limit any of the fundamental rights through decisions, if such a limitation of specific rights is not approved with a special law by the Parliament. According to the Constitutional Court the deadline for repealing the decision is April 13<sup>th</sup>, 2020. (www.gazetaexpress.com)

- March 31<sup>st</sup>, Kosovo's caretaker Prime Minister Albin Kurti said the 100% tariff on Serbian goods will be fully revoked on April 1<sup>st</sup>, 2020 and be replaced with reciprocity. Kurti said that the new measure which must be confirmed by the caretaker Government tonight will remain into force until June 15<sup>th</sup>, 2020 and after an assessment the Government will decide how to further proceed. Earlier the Government dropped tariffs on raw materials coming from Serbia and Bosnia-Herzegovina. Kurti during a press conference on Tuesday evening said the reciprocity measures are in line with the CEFTA Agreement, a regional trade agreement that Kosovo is part of, and the European trade practices. According to Kurti if the Cabinet approves his proposal, the 100%

tariffs on Bosnia-Herzegovina goods will be completely abolished without introducing any additional measure. Former Kosovo Prime Minister Ramush Haradinaj introduced in November 2018 a 100% tax on all goods from Serbia to counter Belgrade's aggressive campaign against Kosovo's statehood. The tariffs have halted the EU-facilitated dialogue, with Belgrade conditioning resumption of dialogue with the revocation of tariffs. Kurti's Government was pressed by the US and EU to completely drop tariffs and not introduce any new measure. On March 25<sup>th</sup>, 2020 the Parliament dismissed Kurti's Government following a no-confidence motion initiated by junior coalition partner – Democratic League of Kosovo (Lidhja Demokratike e Kosovës - LDK) - following disagreements on handling the coronavirus crisis. One of the reasons the LDK decided to dismiss the Government was also Kurti's refusal to fully lift tariffs as requested by the US. (www.gazetaexpress.com)

- April 2<sup>nd</sup>, following consultative meetings with political leaders after lawmakers voted for toppling Albin Kurti's Government, President Hashim Thaci has decided to proceed with forming of a new Government ruling out early elections, Gazeta Express reports. Thaci sent Thursday two letters to the Vetevendosje (Self-Determination) leader and caretaker Prime Minister Kurti asking him to propose a new candidate for Prime Minister which would be mandated in the Parliament. Thaci in his letters sent to Kurti said that he is acting in accordance with the Constitution of Kosovo. The Vetevendosje has stated that President Thaci should announce early elections and has no competencies to propose forming of new

Government under current frame of the Constitution. (www.gazetaexpress.com)

## **COUNTRY ASSESSMENT**   :

*Political crisis in Kosovo continues amid the COVID-19 pandemic. The President Hashim Thaci is the absolute dominant of internal politics using methods and practices in the edge of constitutional order. LDK leader, Isa Mustafa had a critical role in toppling Kurti's Government, but it is assessed that Thaci (although he publically denied it) backed by the US administration worked on Kurti's Government collapse. It is true that Kurti decided the direct confrontation with Thaci and the US administration; a decision which is proved not wise. Thaci and opposition do not want early election in no case and they work methodically in forming a new Government according to their wish. Isa Mustafa may be proposed for Prime Minister enjoying support by opposition parties. The US and EU push for restart of the Belgrade – Pristina dialogue as soon as possible. Although Kosovo abolished 100% tariffs on Serbian and Bosnian goods introducing reciprocity there are not lot of chances for tangible results. Political instability in Kosovo and Serbia (due to the coming elections), and the COVID-19 pandemic are not encouraging factors for progress in dialogue between Belgrade and Pristina. Fight against corruption, organized crime, money laundering and trafficking, establishment of rule of law, accountable and transparent state institutions, and functional public administration are the main challenges for Kosovo towards its European path.*



**MOLDOVA:** March 31<sup>st</sup>, Moldovan Deputy Premier for Reintegration Cristina Lesnic directed a letter to the OSCE Representation in Moldova and to Thomas Mayr Harting, Managing Director at the European External Action Service for Europe and Central Asia, with a request for assistance in ensuring free access of doctors to villages in the Security Zone. This is due to the need of medical personnel's access to dozens of localities in the Security Zone, affected by the COVID-19. *"Now, like never before, we need medical personnel servicing hospitals and localities in the Security Zone. In conditions of crisis, for saving people's lives, medics have priority all the time,"* the address says. In the situation with combating the coronavirus, Moldova came with a proposal of solidarity, proposing to conclude urgent agreement between Chisinau and Tiraspol for free movement of doctors in the Security Zone. (www.infotag.md)

- April 2<sup>nd</sup>, the Moldovan Government has taken responsibility on a draft law concerning the establishment of measures to back the citizens and the entrepreneurial activity on the state of emergency period. The decision was published in the today's issue of the Official Journal. The draft provides for measures to support more categories of citizens, as well as the entrepreneurial activity for attenuating the negative effects on the economy, triggered by the epidemiological situation (COVID-19), and establishes the subsidization mechanism. The document stipulates the way of subsidization also other for wage earners, providing of unemployment benefit, supporting disadvantaged families, holders of licenses, etc., in the context of the state of emergency, declared by Moldova given the

COVID-19 pandemic. An additional sum worth 816 million lei will be necessary for implementing the concerned measures, which is to be envisaged in the exercise of budgetary rectification, due to be carried out in the near future. According to the decision, *"the taking of responsibility by the Government on the aforementioned draft law is declared, which is submitted to Parliament, in order to be subjected to the procedure provided for in the Article 106 of the Constitution."* The Parliament on March 17<sup>th</sup>, 2020 declared state of emergency in Moldova till May 15<sup>th</sup>, 2020. On this period, the instructions by the National Commission for Emergency Situations are obligatory and executory. The Commission ruled to take more restrictive measures which hit including the business environment and more employees. (www.moldpres.md)

- April 2<sup>nd</sup>, Moldova imported over 861.1 thousand tons of petroleum products in 2019 – 21.7 thousand tons more than a year earlier. According to the National Energy Regulatory Agency (ANRE), this was due to the growth of diesel fuel purchases – to 624 thousand tons from 587.8 thousand tons and of gasoline – to 171.5 thousand tons from 169.5 thousand tons. Meanwhile, the imports of liquefied petroleum gas fell – to 65.5 thousand tons from 71.9 thousand tons. The main supplier of gasoline and diesel was Romania – 99.94% (+1.59%) and 87.26% (+4.79%), respectively. Most of LPG was supplied to Moldova by Kazakhstan, which share in the total volume reached 35.8% (+25.8%). Russia was pushed to the second place in these terms with a share of 35.8% (-25.47%). Also, fuel was imported from Belarus, Kazakhstan, Bulgaria, Ukraine. The average price on



importing a ton of gasoline varied between 9116 lei in January to 12,802 lei in May, diesel – 10,231 to 12,242 lei, LPG – 6621 in February to 8,889 lei in December. The retail prices on gasoline grew over a year to 18.31-19.47 lei from 18-19.26 lei per liter, diesel – to 16.19 from 15.99 lei, while liquefied gas – fell to 10.20 from 10.25 lei per liter. By the end of the last year, the petroleum product supplies reached almost 48.4 thousand tons, including 28.7 thousand tons of diesel fuel, 14.4 thousand tons of gasoline and 5.1 thousand tons of liquefied gas. There are 23 companies in Moldova, which have license on importing and wholesale trade in gasoline and diesel, while 11 – on trading in LPG. 90 licenses were issued for retail trade in gasoline and diesel and 76 – in LPG. There are 710 gas stations in the territory of the republic, 503 of which are selling all the three types of fuels. (www.moldpres.md)

## COUNTRY ASSESSMENT :

*Moldova is on state of emergency until May 15<sup>th</sup>, 2020 due to COVID-19. The Government is accused of lack of transparency regarding information on COVID-19 and it is true that there is no clear picture on the country's spread. The President Igor Dodon has consolidated his political power in the country, while PDM achieved to come back in power with little casualties since last elections. Under these circumstances, the country enjoys relative political stability. On the other hand, return of PDM in power it is considered as step back in the fight against corruption since the Democrats have been related with serious corruption cases during their political reign. Its former leader, Vladimir Plahotniuc is still a fugitive and he is wanted on an international arrest warrant. The*

*country definitely follows a pro-Russian orientation, although it declares that it seeks to join the EU. Due to its strategic geographic position, Moldova has become a field of rivalry between Russia and the US and NATO. The country lacks economic growth, while corruption is in high rates. Russia maintains troops in Transnistria which are considered by pro-western forces as violating Moldovan sovereignty. The frozen conflict of Transnistria is always a "running sore" for the country working as a potential factor of destabilization.*



**MONTENEGRO:** April 1<sup>st</sup>, Armed Forces of Montenegro will engage with even more force to help citizens in fight against coronavirus, if that is necessary, tactical carrier for chemical, biological, radiological and nuclear defense, Captain Branimir Vulevic said. He pointed out that 174 soldiers from almost every unit were safeguarding quarantines across the country. "Although members of the Armed Forces of Montenegro are exposed to potential contagion, we take all the measures to protect them. Every soldier uses adequate protection equipment," Vulevic explained. He said that Armed Forces were at disposal and ready to meet the needs of people in quarantines. Vulevic pointed out that Armed Forces of Montenegro had provided protection equipment for the nationals who had come back to Montenegro. Vulevic said that mobile teams for decontamination were of utmost importance. He added that members of the Armed Forces and Ministry of Defense had given part of their salaries to support fight against coronavirus. (www.cdm.me)

- April 1<sup>st</sup>, asked by the RTCG reporter whether NATO would consider Montenegro's request for

assistance, NATO Secretary General Jens Stoltenberg, said that they received requests for assistance in combating coronavirus from several NATO member states, which would be coordinated through the NATO Disaster Response Coordination Centre. Stoltenberg said NATO had already provided some of its capabilities in order to help each other. *“We will discuss what more we can do at tomorrow's meeting of Foreign Ministers. I expect to agree on how to help more, how to help faster,”* Stoltenberg said at a video press conference. Asked by TVCG how NATO will combat the misinformation common during the coronavirus crisis, Stoltenberg said *“the best answer to fake news is the truth, and the best response to propaganda are the facts.”* (www.rtcg.me)

- April 3<sup>rd</sup>, Director of the Tourist Organization Tivat, Danica Banjevic, said to Dnevne Novine that current situation should be used for the period after crisis. *“Given the fact that current situation will mostly affect tourism, we are carefully monitoring the developments, information and forecasts of international experts and renowned institutions so that we can prepare for the period after the crisis,”* Banjevic said. She said that marketing for tourism destinations and sale of tourism arrangements had been put aside. *“We have to use this period to be prepared for what comes after the crisis. We must enhance promotional activities when the borders are open again. Activities and promotion of tourism offer must be focused on domestic and regional markets,”* Banjevic said. According to her, individual travelers will feel eager to travel as soon as they feel safe. *“On the other side, the segment which will suffer most is business tourism,”* Banjevic explained. As far as prices are

concerned, upper-middle class and luxurious segments will be in the first place. Banjevic thinks considerable number of wealthy people and those with higher earnings will be leading the travelling wave. As for the mass tourism, it is expected it will be more vulnerable for price. (www.cdm.me)

## COUNTRY ASSESSMENT  :

*Although Montenegro was delayed in COVID-19 spread in the initial stages of the pandemic, it has inaugurated several cases. However, situation is assessed as controlled. COVID-19 news enjoy monopoly in media and public opinion paralyzing any other activity. Political crisis remains in Montenegro, although it has overshadowed by the COVID-19 pandemic. Montenegro may face a serious economic crisis since its tourism – the main financial source – will be affected by the health conditions. COVID-19 softened protests and reactions by opposition and Church in Montenegro, allowing the Government to currently “escape” from pressing situation. Corruption, smuggling (especially cigarettes) and money laundering are dominated in the country setting significant obstacles and risks for every investor. Such situation has strongly affected progress of accession negotiations with the EU. Montenegro needs more concrete reforms in the field of justice, rule of law, fight against corruption, money laundering, and organized crime, public administration transparency and accountability in order to become a stable and attractive investment environment. The country focuses on strengthening its Armed Forces by purchasing modern equipment.*



**NORTH MACEDONIA:** March 30<sup>th</sup>, *“Starting from today, we are NATO,”* the

Prime Minister, Oliver Spasovski said during the Government's session in Skopje and the acting Head of North Macedonia's mission at NATO, Zoran Todorov from the Alliance's headquarters in Brussels, several moments after the North Macedonia's flag was raised with the flags of other 29 allies. With simultaneous ceremonies at the headquarters in Brussels, the Allied Command Operations (SHAPE) in Mons (Belgium) and Allied Command Transformation in Norfolk, Virginia (United States), NATO official received its newest member. NATO's Secretary General Jens Stoltenberg welcomed North Macedonia during the ceremony in Brussels. *"Today we are accomplishing the biggest success since the moment when the independence was declared until today. The road was long, but the reward that we received today was deserved. Be proud,"* Spasovski said. The Prime Minister announced a successful ending of the EU accession process and the continuation of the processes to create an even better state. (www.meta.mk)



The North Macedonia's flag was raised in NATO Headquarters

(Photo source: www.nato.int)

- March 31<sup>st</sup>, faced with an unprecedented financial crisis due to the coronavirus epidemic, North Macedonia is looking to make cuts that have never before been considered. Zoran Zaev, leader of the ruling Social Democratic Union of Macedonia (Socijaldemokratski Sojuz na

Makedonija - SDSM) party, has proposed to place the public administration to the minimum wage for two months in order to plug a hole that could be as large as 60% of the state budget. In this environment it is questionable if North Macedonia will be able to meet its obligation to spend at least 2% of its Gross Domestic Product (GDP) on defense, now that it is a NATO member state. Using the 2019 GDP as a comparison measure, it would amount to over 200 million euro. Each citizen would pay 100 euro per year. The defense budget is currently at 163 million euro, well below the requirement. The SDSM led Government pledged to quickly reach the required level of spending, but it is unclear whether that would be possible given that the economy has virtually stopped with the imposed curfew. (www.republika.mk)

- April 2<sup>nd</sup>, there is still no official word, either from the North Macedonia's Government or from Turkey, in explanation to a comment made by European diplomatic Chief Josep Borrell. Speaking about the sanctions imposed on the Turkish TPAO oil company, Borrell said that all EU member states will uphold them, but so will most EU candidate countries and allies, and in this he specifically named North Macedonia. Sanctions are the result of a spat between Turkey and Cyprus over rights to explore for oil and gas in the Mediterranean. Cyprus, supported by its patron Greece, Israel and oil companies from France and Italy is staking a claim to the potentially gas rich waters, but Turkey is conducting its own surveys. This prompted Greece and Cyprus to push for EU sanctions, which eventually resulted in an action against two TPAO managers. While the move is largely symbolic, it could force countries like North

Macedonia to choose. “Republika” asked the office of interim Prime Minister Oliver Spasovski to confirm whether North Macedonia is imposing sanctions on the Turkish petroleum officials, but so far there is no response. Late last year North Macedonia aligned itself with the decision of the European Council to create the mechanism that was later used to sanction the two men. North Macedonia has traditionally close and very friendly ties with Turkey, which stood by the state during the long name dispute with Greece. Turkey supported North Macedonia’s NATO membership while Greece blocked it and grew into one of the main trade partners of North Macedonia. Turkey also has significant political and cultural influence over North Macedonia, especially the Muslim minorities. It did not help that some in the successive Greek Governments portrayed the Prespa agreement, which imposes requests on North Macedonia to rename and redefine itself, as a move that will free Greece’s hand in the north and allow it to focus more firmly on the east. The treaty was presented, especially by the Tsipras Government, as a move that closes a smaller front to allow Greece to confront Turkey. And under Kyriakos Mitsotakis, the two countries are propping rival factions in Libya and as of recently, Turkey stopped policing its border allowing thousands of migrants to attempt to cross into Greece. Faced with an initial ban and serious difficulties in procuring medical equipment from Europe due to COVID-19 pandemic, North Macedonia has turned to a number of countries like Brazil, Israel and, chiefly, Turkey. But Turkey also banned exports. The President, Stevo Pendarovski, who has referred to Turkish President, Recep Tayyip Erdogan as an autocratic, authoritarian leader in the past, announced that he is in talks with Erdogan’s office to exempt North

Macedonia from the ban, but is apparently not making much progress. Turkey is ramping up respirator production and has even been able to send large shipments of medical aid to hard hit countries like Italy and Spain. Depending on how the epidemic progresses, there is a danger that North Macedonia will pay dearly for the cooling of traditionally close ties with Turkey. (www.meta.mk)

## COUNTRY ASSESSMENT :

*COVID-19 overshadows state’s politics. North Macedonia is officially the 30th NATO member state enjoying the benefits of the participation in the top military Alliance in the world. The country lacks political stability since a caretaker Government is running the state affairs, while elections have not been rescheduled yet. The country should focus on reforms regarding justice, rule of law, fight against corruption and money laundering, public administration, and respect of human rights in order to accelerate its European integration process.*



**ROMANIA:** March 31<sup>st</sup>, the Center for Independent Journalism (CJI); an NGO that promotes media freedom and good practices in journalism, has raised concern that provisions enacted as part of the state of emergency to combat the spread of the coronavirus in Romania could hamper journalists’ ability to inform the public. “*The most worrying aspect of all this is, from my perspective, the limitations to the access to information of public interest,*” Cristina Lupu, Executive Director of the CJI, told BIRN. “*Lack of transparency of the authorities is a very bad sign and the biggest problem our media is confronting now,*” Lupu said, adding that this has

negative consequences for the public “*who do not have access to information on time.*” Romania’s President Klaus Iohannis declared a state of emergency across the country on March 16<sup>th</sup>, 2020. The measure, which will be in force for 30 days and can be extended with the approval of Parliament, has raised concerns that it might be used to keep information secret. One of its provisions gives the Government power to remove from the public arena information considered to be false, a prerogative that authorities have used in at least three times since March 16<sup>th</sup>, 2020. Although the news sites and articles that were targeted were clearly false, OSCE warned on Monday about the emergency powers “*the removal of reports and entire websites, without providing appeal or redress mechanisms.*” “*I share the preoccupation of the Romanian authorities to combat the dissemination of false information related to the health crisis,*” the OSCE’s media freedom representative, Harlem Desir, said in a statement. “*However, at the same time, I want to recall the importance of ensuring the free flow of information, which is a key component for providing the public with information on the vital measures needed to contain the virus, as well as the respect for the right of the media to report on the pandemic and governmental policies,*” he added. The OSCE warned of the risk posed by the fact that the Government can decide what is fake news and what is legitimate reporting, and that the special extended powers granted under the state of emergency could be used to unduly restrict the work of journalists. The CJII has started a project called The “*Newsroom Diary*” to allow journalists to air “*frustrations*” about working under the state of emergency. Lack of responses from official institutions is one of the most common challenges

reported in the diary, which is published on a daily basis by CJII on social media. The time in which institutions are obliged to answer requests from journalists has doubled under the state of emergency. ([www.balkaninsight.com](http://www.balkaninsight.com))

- April 3<sup>rd</sup>, Romania’s Government has adopted an emergency ordinance (OUG 34/2020) that suspends some of the legal norms regarding the decision-making transparency and social dialogue prior to the enactment of new legislation during the state of emergency, the Concordia Employers’ Confederation warns. The Confederation emphasizes that this can seriously undermine the trust between the state and the citizens, indispensable in this period of crisis. “*Under these conditions, not only the fundamental social partnership between the Government, employers, unions and civil society is affected, but this also represents an invitation for the other institutions to act in the same manner. There is a real danger of interrupting the collaboration with both the executive and the legislative and local authorities, on certain projects that are not urgent, which can lead to serious slippages and result in regulations drafted under non-transparent conditions,*” Concordia representatives said. According to Concordia, the OUG opens the door for any normative act related to the COVID-19 pandemic - that is, a large part of the normative acts to be passed over the coming period - being exempted from mandatory endorsement by the Economic and Social Council or from other forms of decision-making transparency. ([www.romaniainsider.com](http://www.romaniainsider.com))

- April 4<sup>th</sup>, Secretary of State with the Ministry of Interior (MAI), Raed Arafat stated on Saturday that it is very possible the emergency state declared in the context of the COVID-19

pandemic to be prolonged by another month, with the actual decision to be taken next week. *“It is very possible that we prolong the state of emergency by another month. We will make the decision next week, before the last day of the state of emergency,”* Arafat said, in a phone call with private television broadcaster Digi 24. The MAI official said it was not clear yet how long the COVID-19 crisis will last in Romania. *“It depends because you saw that in some countries the curve continued to climb and then it started to go down very fast, while in other countries the curve maintained at a high level. It is very hard to make predictions. But my opinion is that we will not be able to come out of this situation before the end of May. Because even if it slows down, we will still have to fight it, we cannot just stop and relax all measures that we are taking right now,”* Arafat mentioned. He added that it is possible measures regarding the novel coronavirus to be somehow more relaxed in June, but this depends on how the pandemic will evolve until that date. *“Anything it is possible, but all that I can say is this [that the measures might be more relaxed in June – editor’s note], depending on how things evolve. It is very difficult to answer such questions and I prefer not to mention any dates, a precise number of days, or months, it depends very much on how it will evolve,”* he said. (www.nineoclock.ro)

## **COUNTRY ASSESSMENT** :

*Romania has declared state of emergency since March 16<sup>th</sup>, 2020 due to COVID-19, but there are reactions by the opposition, media and NGOs that the Government misuses the increased power. There are allegations that the state authorities are lacking transparency and try to silent media. The Government is considering to extend state of*

*emergency for another month. The country enjoys relative political stability after the new PNL Government has been established. Romania enjoys advanced upgrade in US and NATO strategic plans due to its geographical position located close to Russia. Consequently, Russia reacts in this close military cooperation between the two countries and the Alliance perceiving it as a threat against its national security. Romania keeps strengthening its Armed Forces seeking to achieve NATO standards.*



**SERBIA:** March 31<sup>st</sup>, the Associated Press said on Tuesday that Serbian President Aleksandar Vucic has assumed full power during the state of emergency which includes some of the strictest measures that have been imposed in Europe to combat the coronavirus pandemic. *“The Serbian leader, who makes dramatic daily appearances issuing new decrees, has assumed full power, prompting an outcry from opponents who say he has seized control of the state in an unconstitutional manner,”* the AP said, adding that since the *“open-ended state of emergency was declared on March 15<sup>th</sup>, Parliament has been sidelined, borders shut, a 12-hour police-enforced curfew imposed and people over 65 banned from leaving their homes.”* *“Serbia’s President warned residents that Belgrade’s graveyards will not be big enough to bury the dead if people ignore his Government’s lockdown orders,”* it said added that the images of a huge hall at Belgrade Fair being transformed into a makeshift hospital *“has triggered widespread public fear of the detention camp-looking facility.”* *“According to Johns Hopkins University, testing (for the coronavirus in Serbia) has been extremely limited and experts believe the figures greatly under-represent the*

*real number of victims,”* the AP story said. (www.rs.n1info.com)

- March 31<sup>st</sup>, Director of the Office for Kosovo and Metohija, Marko Djuric, said that the Kosovo Prime Minister, Albin Kurti did not abolish tariffs on goods from central Serbia and Bosnia-Herzegovina. Djuric urged the public not to fall for the fake news. Kurti announced tonight that the Government of Kosovo has decided to abolish tariffs on products from Serbia and Bosnia and Herzegovina and introduce reciprocity measures only in relation to Serbia. *“The Prime Minister of the Interim Institutions of Self-Government in Pristina (Kurti) has announced, to be precise, only a partial suspension of taxes, and this is conditional, while introducing new punitive measures for our citizens and the economy, which he calls reciprocity,”* Djuric said in a written statement. Djuric said that Pristina continues to “play” with this issue and the economic perspective of Kosovo's society, and that the decision presents a “performance” for the international community. He said that the decision did not “de-escalate” situation between Serbia and Kosovo and did not return to the situation prior to the introduction of “anti-civilization tariffs” on goods from central Serbia, but that, in the “perfidious way,” the barriers that had not existed so far have now been introduced, such as limiting trade and movement of people and goods. *“However, I believe it is by no means time for measures like those adopted by Pristina tonight, but this is a time when even deep and substantial differences with Pristina need to be put aside, as we all need to work forcefully and directly to fight to overcome the epidemic which does not recognize the difference between borders,*

*political commitment, religion and nation,”* he said. (www.b92.net)

- April 2<sup>nd</sup>, Prime Minister Ana Brnabic said on Thursday morning that her Government would meet later in the day to revoke the decree banning anyone but the Crisis Staff from releasing information about the coronavirus pandemic. Brnabic said that the decree was being withdrawn at the express request of President Aleksandar Vucic to avoid casting a shadow on everything that has been done so far. She said the decree was taken to provide verified information to the public. To illustrate the gravity of the situation, Brnabic quoted a comment on social media by N1 Program Director Jugoslav Cosic who wrote that *“this is a state of emergency, not a state of war”* saying *“This is a state of war.”* Asked about the arrest of a Nova.rs journalist for reporting that situation in the Vojvodina Clinical Center was bad, Brnabic said she regretted the arrest and added that she and the President do not want to see any critics of the authorities arrested. I will appeal against arrests even for lies, she said and appealed to journalists not to publish lies which attack the health care system. *“I do not want to give Tanja Fajon, Harlem Desire and others an excuse to criticize what Serbia has done,”* she said and added that she thinks none of the organizations and people who criticized the Government’s decision read the decree. (www.rs.n1info.com)

## **COUNTRY ASSESSMENT** ■ :

*Serbia has declared state of emergency due to COVID-19 pandemic raising concerns for the President’s full powers. There were reactions for media freedom but the Government withdrew a controversial decree for central control of*

*COVID-19 information. It is obvious that both, the Government and opposition seek to use the pandemic for their own political reasons taking into consideration that elections will be rescheduled in the near future. Restart of dialogue with Kosovo is far since the newly elected Government collapsed and political uncertainty reigns in Pristina. Although, Kosovo announced revoke of 100% tax on Serbian goods, Serbian authorities are not satisfied due to reciprocity measures have been introduced by Pristina. Montenegro – Serbia relations are in low level lately due to the Montenegrin law on religious freedom which is considered by Belgrade as a direct attack on Serbian Orthodox Church and consequently on Serbian population in Montenegro. Serbia is considered by Montenegro as a direct threat of destabilizing the country. The country maintains very close relations with Russia, especially in the field of defense. In this context, Russia supplied Serbia with medical aid (11 planes transferred the material) for fighting the pandemic. The EU has raised serious concerns over Serbia's effectiveness on independence and accountability of the judiciary, freedom of expression, prevention of corruption and the fight against organized crime. Serbia pays special attention in improving operational capabilities of its Armed Forces declaring towards all sides that they are the power of the state. It implements an ambitious armament program mainly supported by Russia.*



**SLOVENIA:** March 31<sup>st</sup>, Slovenia's Central Bank "Banka Slovenije" said that the impact of the coronavirus pandemic on the Slovenian economy will likely be higher than in the last global financial crisis. It expects GDP to

contract by between 6% and 16%. Publishing a preliminary analysis that does not factor in emerging fiscal and monetary policy measures, Central Bank outlined three possible scenarios. It stressed the impact would be very large in any case, while its gravity would depend on how long containment measures remained in place and on the speed of the recovery after they are lifted. (www.sta.si)

- April 3<sup>rd</sup>, the parliamentary Defense Committee rejected Wednesday night a motion to give the Slovenian Armed Forces limited Police powers to control the border that the Government said was essential to help relieve the burden on Police officers so they could better be deployed to help keep the coronavirus epidemic in check. The proposal to activate Article 37.a of the defense act was endorsed by the coalition and the opposition Slovenian National Party (Slovenska Nacionalna Stranka - SNS), but this was not enough to secure the required two-thirds majority. Opposition said the measure was unnecessary in the current situation. (www.sta.si)

- April 3<sup>rd</sup>, the chair of the parliamentary Foreign Policy Committee, Matjaz Nemeč, expressed surprise because Slovenia failed to join a group of EU countries that have expressed concern about the risk of violations of the rule of law by measures to curb the spread of coronavirus. Nemeč, the Vice-Chairman of the opposition Social Democrats, said this was a shift in Slovenia's foreign policy that could damage the country's reputation in the EU. A statement by 17 countries indirectly addressed the controversial provisions of Hungary's new law. Meanwhile, Slovenian members of the European People's Party (EPP) rejected calls for expelling Hungarian Fidesz from the EPP by saying now was the time



to focus on curbing the coronavirus pandemic.  
(www.sta.si)

## COUNTRY ASSESSMENT :

*Slovenia has strongly affected by the COVID-19 pandemic but situation is still controlled. New Government of Janez Jansa implements a new policy more strict approaching the Hungarian model of governance. However, proposal for giving Police powers to the Army for border control failed in parliamentary Committee. The Slovenian Government has to address major challenges such as migration, social care, and defense capabilities. On Slovenia – Croatia dispute the latter has started on calling for dialogue but it is doubtful what Slovenia will finally decide to do. Besides, Slovenia could push Croatia on this case taking into consideration that Croatia needs Slovenia's support to enter the Schengen zone and OECD. The Slovenian Armed Forces face problems mainly in the field of modern equipment and manning. The annual report on the Armed Forces operational readiness released by the Armed Forces Chief of Staff is disappointing since it assessed that the Armed Forces have limited operational capabilities in war time namely they cannot accomplish their mission. The White Book on Defense presented a rather ambitious program of improving operational capabilities of the Armed Forces. It foresees an 8,000-strong professional military force and a 2000-strong standing reserve by 2035, up from 6,400 and 700, respectively. Slovenia's defense budget will finally reach 2% of GDP (a NATO requirement) by 2035.*



**TURKEY:** April 1<sup>st</sup>, Turkey's lira slid 1% on Wednesday to levels last touched during

the worst of the 2018 currency crisis as the coronavirus pandemic began weighing on manufacturing and trade. Turkey has adopted some strict measures to contain the spread of COVID-19, but unlike many other countries it has stopped short of ordering people to stay at home. A jump in confirmed infections to 13,531 on Tuesday put Turkey 10th globally in the ranking of total coronavirus cases. Reflecting the sudden downturn, the purchasing managers' index (PMI) for Turkey's manufacturing sector returned to contraction in March, dropping to 48.1 from 52.4 a month earlier on softer output and new orders, while firms scaled back purchasing activity amid the outbreak. The lira weakened to 6.684 against the United States dollar - its lowest level since September 2018, when a currency crisis briefly halved its value and tipped the economy into recession. Economists say Turkey is on the cusp of another possible recession as the fallout from the coronavirus is expected to slam exports, tourism and domestic demand in the coming months. In March alone, exports are expected to drop around 17% as Turkey's biggest partners also grapple with the pandemic, Minister of Trade Ruhsar Pekcan told broadcaster NTV. Exports to Iran declined by 82%, those to Iraq by 48%, to France by 32.5% and to Germany by 14%, she said. Turkey's currency has fallen about 10% against the dollar so far this year, though it has fared better than many emerging market (EM) peers amid the coronavirus fallout, which is expected to cause a severe global recession. "The risk here is a second wave of EM weakness, and it seems to be just starting," Robin Brooks, Managing Director and Chief economist at the Institute of International Finance, said on an American - Turkish Conference panel. Turkey's continued dependence on credit, including an

“off-the-charts” expansion in the last few months, leaves it vulnerable, he said. Istanbul’s main BIST100 share index was down 0.9%, while the banking index declined 2% on Wednesday. As part of the official response, the Central Bank set the stage on Tuesday to raise a limit - currently set at about 33 billion liras (5 billion US dollars) - on the amount of Government debt it can buy this year. The bank said it is also ready to conduct quantitative easing bond buying in a “front-loaded manner” to help finance what is expected to be a ballooning budget deficit as Ankara spends to ease a sharp economic slump. For a period, dealer banks will also be able to sell to the Central Bank debt purchased from the Unemployment Insurance Fund, which has 131.6 billion lira (20 billion US dollars) and which will be tapped aggressively in coming months. (www.aljazeera.com)

- April 3<sup>rd</sup>, the US is ready to provide an “assistance package” to Turkey in northwestern Syria’s Idlib if Ankara ejects S-400 missile systems, US Ambassador to NATO Kay Bailey Hutchison said on Wednesday. Addressing reporters via teleconference, Hutchison said “We hope that we can generate a package that can help Turkey, and I also hope that Turkey will not deploy the Russian missile defense system which blocks some potential support that we can provide to Turkey to fight against Syrian attacks,” in response to a question about the risk of clashes in Idlib and Turkey’s demand for support from both NATO and Washington, D.C. While Hutchison did not give details about the content of the package, she also said “We want the area in Idlib where civilians got stuck in to be protected. Turkish soldiers also want to do that. The (Bashar) Assad regime kills innocent people and

civilians with the support of Russia. This cannot be defended. Turkey is a victim of Russian and Syrian aggressiveness. We hope that Turkey will reject the missile defense system stationed in the middle of Ankara and will give us the freedom of helping them to protect Syria and civilians.” The US Special Envoy for Syria James Jeffrey also said last month that there is no unanimity in Washington over support for Turkey in Syria’s Idlib because of Ankara’s purchase of Russian S-400 defense systems. The Ankara -Moscow S-400 deal was inked in April 2017, when the parties signed a 2.5 billion dollars agreement for two S-400 batteries. The S-400 is Russia’s most advanced long-range anti-aircraft missile system in use since 2007. The US argued that the system could be used by Russia to covertly obtain classified details on the jet and is incompatible with NATO systems. Turkey, however, has countered that the S-400 would not be integrated into NATO systems and would not pose a threat to the alliance. Ankara has repeatedly stressed it was the US’ refusal to sell it Patriots that led it to seek out other sellers, adding that Russia offered it a better deal, including technology transfers. Turkey even proposed setting up a commission to clarify any technical issues, but the US has so far not responded to this proposal. The delivery of the missile system started in July 2019; however, the system has not been activated yet. The cease-fire in Idlib was reached in Moscow last month after talks to contain the escalating conflict. The meeting came after regime forces attacked Turkish soldiers and civilians on the ground, causing Turkey to launch a renewed operation in Syria. Turkey launched Operation “Spring Shield” on February 27<sup>th</sup>, 2020 after at least 34 Turkish soldiers were killed in an Assad regime airstrike in Idlib province and after repeated violations of

previous truces. The cease-fire deal came amid recent clashes between the Turkish military and Syrian regime forces that left many dead on both sides. As part of the agreement, all military activities ended in Idlib and a 6 kilometers (3.7 miles) security corridor has been established deep to the north and to the south of the M4 highway. Currently, Turkish soldiers are stationed in the region to protect the local population and moderate opposition groups. Still, despite the military escalation, Ankara has also been making efforts to keep diplomatic channels active with Russia in hope of a finding a political solution, urging the country to uphold the peace agreements and ensure an immediate cease-fire. Nearly 1 million people have been displaced in a three-month-long Russian-backed offensive by Syrian regime forces in northwest Syria, with the UN describing it as the worst humanitarian emergency since the start of the Syrian civil war in 2011. In response to the migration crisis and regime aggression, Turkey said it could not absorb a new migration wave while already hosting nearly 4 million Syrian refugees and called on the EU and NATO to actively support Turkey's policies in northern Syria in order to protect civilians and provide stability. (www.dailysabah.com)

- April 5<sup>th</sup>, Turkey has said it would minimize its troop movements in operation zones in neighboring Syria as part of the measures to fight the coronavirus pandemic, as the Turkish death toll and infections continue to rise. The country's death toll from the COVID-19 disease has risen by 73 to 574 in the last 24 hours, with new confirmed cases jumping by 3,135 to total 27,069, Health Minister Fahrettin Koca said on Sunday. Turkey has the ninth-highest number of

confirmed cases, according to a tally by US-based Johns Hopkins University. It has curbed much social movement, mostly sealed its borders and shuttered businesses in measures against the new coronavirus. In the latest step, the Defense Ministry said it had set up a new unit to battle the spread of the disease. Troops deployed in Syria would now enter and exit operation areas only with the permission of the Head of the Army, the Ministry said. *“Thus, the movement of staff and troops is minimized, unless it is mandatory,”* it added. Turkey's military backs Syrian rebels in the northwestern Idlib region where it ramped up a deployment earlier this year. Fighting has calmed since Ankara agreed upon a ceasefire with Moscow, which backs Syrian Government forces, last month. In Idlib, where about a million people have been displaced by the conflict since December, doctors fear the worst if the coronavirus hits, given hospitals lie in ruins and camps overflow with people devastated by nine years of war. Turkey's Defense Ministry said doctors had been sent to operation areas in part to conduct training related to the severe respiratory disease. The Turkish military also oversees Syrian border regions to the east of Idlib. Meanwhile in Turkey, the outbreak has surged in the last few weeks, with new cases climbing daily. The Government recently issued a mandatory confinement order for most Turks under 20, on top of the existing order for over-65s. Public and private sector employees, as well as seasonal agricultural workers aged between 18 and 20, were exempted from the new rule. It also ordered mandatory mask use in crowded public places, shops and workplaces. On Sunday, the Government said residents could apply online for five free masks per week delivered via the post, in the latest series of nationwide measures. Prior to

the latest measures, the Turkish authorities closed schools, suspended international flights and banned mass prayers and gatherings to stem the spread of the virus in the country of approximately 83 million people. (www.aljazeera.com)

## COUNTRY ASSESSMENT ■ :

*COVID-19 pandemic has seriously damaged Turkey which is listed in the 9th place of affected countries in the world. It seems that the big “big patient” is the Turkish economy which is being hit hard by the COVID-19. Central Bank is making huge efforts to strengthen Turkish lira, but situation is deteriorating and a recession worst to the currency crisis of 2018 is possible. COVID-19 has affected the Armed Forces also (although there are limited data for current situation) with the Ministry of Defense to impose only the necessary movements of troops in operation zones. Agreement with Russia on the Syrian front is helpful for Turkey to limit its action and increase protective measures for COVID-19. In the meanwhile, a negotiation between Turkey and the US is underway. Turkey is negotiating not to activate its S-400 ground to air missile system for a rich support package from the US including support in Syria. If negotiation is successful then relations between the two countries would have been reversed signaling a warmer approach. Turkey, enjoying a pivotal geographic location is engaged in several regional challenges. Despite that, enjoys special relationship with great powers such as the US and Russia. Erdogan made clear publically that “Turkish security is beyond its borders.” This statement summarizes the security doctrine of Turkey; Turkey will be engaged in regional challenges, conflicts and cooperation to ensure its security. Turkish*

*engagement in Syria, Libya, Cyprus, Somalia is explained by this doctrine. The country combines both diplomatic means and “hard” power aiming to achieve its goals. In this context, Turkey has sent medical support in several Balkan countries implementing a “health diplomacy”, as a new tool in soft power. In Eastern Mediterranean and the Aegean Sea Turkey presents its aeronautical power against Greece and Cyprus questioning their sovereign rights. In the east Mediterranean front, Turkey will not accept “fait accompli” in the region and is expected to react violently if balance of power is jeopardized. The country continues to face several restrictions in freedom of expression and human rights. Elected MPs, Mayors, journalists and thousands of citizens 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. Turkey develops an ambitious armament project aiming at becoming self-sufficient in defense sector; if it succeeds it will set the base to become a regional military super power. Without any question, Turkey has the characteristics of a regional superpower and it tries to act like one.*

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## NOTE

■ Stable situation. No security risk.

■ Rather stable situation. Security risk is monitored.

■ *Major concerns over stability and security. Significant security risk in specific regions. Low tension incidents.*

■ *Imminent major incidents regarding stability and security. Violent incidents or armed violence in specific regions. Ongoing tension or crisis. High security risk.*

■ *Evolving or ongoing crisis including major armed violence or violent/armed conflict. Civil, inter-state or non-state actors war.*