



NEWSLETTER

MAIN TAKEAWAY OF THE MONTH

Increased tensions along the Ukrainian border with Russia have been the most important source of concern for European stability and in particular for NATO's Eastern Flank. Russia's most recent demands include a guarantee that NATO will not expand further and that it will cease military operations in Eastern Europe. While the military threat of Russia invading Ukraine has reached a minimum at the beginning of January, negotiations are ongoing between Russia and the West. Talks between Russia and NATO on the matter are scheduled for January. A video call between the U.S. President Joe Biden and Russia's Vladimir Putin is said to be held later, in February. All in all, the Ukrainian crisis and its reverberations is likely to dominate the first quarter of 2022.

At the same time, the problems at the border between Poland and Belarus aren't going away. NATO and the EU are working in close cooperation to address a potential threat coming from a renewed migration crisis affecting the region and Europe.

In the Balkans, the Bosnian Serb lawmakers have voted to withdraw from state-level institutions, bringing the Serb entity closer to secession, and sparking concerns about a possible regional destabilization.

More on the above as well as recent updates about Nord Stream 2 and other notable events having an impact in our regions can be found below, in our newsletter, which we hope you'll enjoy! Let us know your feedback and any further question you may have regarding the wider regional stability.

UNREST AT THE BORDER OF UKRAINE

 *The massive military buildup of Russian forces at the border with Ukraine has sparked concerns of an open confrontation on the Eastern Flank. This issue was also approached during the virtual summit between US President Joe Biden and Russian President Vladimir Putin. Moscow perceives the increased military engagement in and around Ukraine as a [red line for Russia's security](#), and has demanded immediate guarantees to reduce the NATO*

expansion in the East. The US has requested diplomacy to meet the Kremlin's agenda, stating that failure to do so would result in serious [economic and political consequences](#), as well as the closure of the Nord Stream 2 project. Following the virtual summit, [president Biden spoke with the leaders of France, Germany, Italy and the United Kingdom](#), emphasizing the importance of a [coordinated and comprehensive approach](#), as well as Allies' support in deterring Russia's military actions.

Similar demands were stated in a [recent list](#) issued by Russia. In order to lower tensions in Europe and defuse the crisis over Ukraine, Moscow has requested a ban on NATO expansion, including the accession of Ukraine to the Alliance, as well as the removal of any troops or weapons stationed in nations that joined the organization after 1997, which would include most of Eastern Europe. The demands were ruled out by the West and members of the Alliance. NATO Secretary General Jens Stoltenberg has rejected any agreement that denies Ukraine membership in the Alliance, as it is Ukraine's right to choose to do so. This was substantiated by [declarations from Poland and Germany](#), highlighting that Russia is not a NATO member and therefore cannot decide on matters of the Alliance. While the [White House has stated](#) its willingness to hold talks with Russia, Jen Psaki, [White House press secretary](#), has assured European allies that no discussions on European security will take place without them. On January 10th, 2022, US and Russian officials will hold [a series of security talks](#), which will most likely be followed by Russia-NATO talks on January 12th. The following day, a larger regional meeting with Moscow, Washington, and several European countries is planned.

TENSIONS IN BOSNIA AND HERZEGOVINA



Rumors of separatist tendencies in Bosnia and Herzegovina have culminated with [a vote](#) in the National Assembly of Republika Srpska, aiming at transferring power away from BiH's central institutions. The initiative has been pushed by the Alliance of Independent Social Democrats (SNSD), whose leader, Milorad Dodik, is a vocal supporter of the secession of Republika Srpska. SNSD wants to pull Republika Srpska out of some key Bosnian institutions, such as the common armed forces, judiciary system and indirect tax system. [The proposal](#), which has no legal effect and needs the approval of the upper house, is expected to foster the adoption of a series of regulations in the following six months.

This development has elicited a variety of responses from foreign powers, who are concerned not only about an internal crisis, but also about a possible widespread regional destabilization in the Balkans. While the [United Kingdom](#) appointed a special envoy for the Western Balkans, the [United States](#) announced that it will intensify its diplomatic efforts to prevent tensions from rising and might even impose sanctions against politicians that threaten the status-quo in Bosnia. The American position is exemplified by the fact that its envoy for electoral reform in BiH, Matthew Palmer, has cancelled his [visit to Sarajevo](#), as did Angelina Eichhorst, director of the European External Action Service (EEAS). In a similar note, [Germany's](#) new Foreign Minister, Annalena Baerbock, called for EU sanctions on Milorad Dodik, while calling the situation in Bosnia "worrying". In a [joint statement](#), the embassies of the United States, United Kingdom, France, Germany, Italy, as well as the EU delegation to BiH have urged for the need of a resolution.

NORD STREAM 2



Opinions are divided in the EU capitals on the issue of Nord Stream 2, as some fear Europe might become too reliant on Russian gas, while others highlight the necessity of gas to secure energy supplies. Former President of the European Council, Donald Tusk, condemns former German Chancellor Angela Merkel's decision to go forward with the Nord Stream 2 project. Presently, Germany is working closely with the US to avoid a political weaponization of the gas pipeline. If Russia's hostilities at the Ukraine border do not cease, the parties will take action to shut down the pipeline and apply sanctions. In addition, US Secretary of State Antony Blinken declared that Russia will face consequences if the Ukraine issue continues. The new German leadership is strongly committed to not certifying the pipeline, as it doesn't comply with EU's energy regulation.

As political debates continue, Europe is facing another wave of high prices for gas, which have risen up to roughly 40% since the beginning of the month. In order to support households and disadvantaged groups that cannot afford rising costs, the Bulgarian Parliament has agreed with a moratorium to stop the increasing energy prices until March 2022. On the other hand, as winter approaches, the Western Balkans are experiencing significant energy shortages, with thousands of houses without electricity or heat, and power plants failing to meet the increased demand. Local governments' demands of consumers to save up energy have been met with disdain from the population.

POLAND – BELARUS CRISIS



Even if border crossing attempts have decreased, the humanitarian situation on the Polish-Belarus border continues to imperil the lives of thousands of migrants, and threaten regional security. As a response to what has been described as the "weaponization of migrants" and a "hybrid attack", the EU has taken action to alleviate the influx of migrants. These measures allow Poland and the Baltic states to detain asylum-seeking migrants in processing centers for up to four months. International assistance for Poland has increased since the beginning of this month: up to 155 British soldiers and 150 Czech soldiers have been deployed on the Polish border as a sign of solidarity.

IN THE MEANTIME

- Serbia and Russia's state nuclear corporation Rosatom signed an agreement regarding the construction of a Centre for Nuclear Medicine in Serbia to produce radiopharmaceutical drugs within the next three years.
- In North Macedonia, Dimitar Kovacevski, the current deputy Finance Minister, has been elected leader of the Social Democratic Party in a critical moment when the country is facing health and energy challenges.

- Among the ambitious priorities of the French EU Council presidency for next year, President Emmanuel Macron has confirmed the commitment for the Western Balkans, stating that „more than neighbors, Balkans are at the heart of Europe”. Most notably, [a conference will be held in June](#) to discuss the future of the Western Balkans and the security of the region.
- The International Monetary Fund (IMF) has [authorized a loan of 590.6 million dollars](#) to Moldova. While „Moldovan authorities have made commendable progress in rehabilitating the banking sector and bolstering macro-financial stability”, the loan is meant to aid the country's post-pandemic recovery, address developmental needs, and promote reforms. Approximately 80 million dollars will be disbursed immediately as part of the plan, which will last 40 months.
- Following Russia's military buildup near the Ukrainian border, NATO SACEUR General Tod Wolters [proposed](#) establishing a military presence in Bulgaria and Romania, which elicited mixed reactions in Bulgaria. The Minister of Defence, Stefan Ianev, [has stated](#) that there is no reason to regard Russia's actions as a direct threat to the Alliance's security, and that a stronger military presence in Bulgaria is unjustified. As a response, [Prime Minister Kiril Petkov announced](#) that no further NATO deployments in the country have been discussed or decided upon.



New Strategy Center is a Romanian think tank, established in 2015, specialising in foreign affairs and security policy, a non-partisan, non-governmental organisation. New Strategy Center provides analytical inputs and expert advice to decision-makers, holds regular debates - both in-house and public - and publishes policy papers on subjects of topical interest. The Balkans and the Black Sea region are priority areas of interest for New Strategy Center.



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