



1-31 JANUARY NEWSLETTER

MAIN TAKEAWAY OF THE MONTH

NATO has committed to provide reinforcements for the Eastern Flank with Allies are mobilizing troops and equipment in the region, while tensions between the West and Russia remain high, considering the situation at the border, in Eastern Ukraine. Meanwhile, Ukraine has been struck by the biggest cyber attack in four years, which targeted government websites. Russia has denied any involvement. Considering the perceived mounting tensions, the US, the UK and Australia have announced that unessential staff along with staff dependents would be evacuated from Ukraine. At the same time, the US has advised and is providing assistance for all its citizens to leave the country.

Talks with Russia have started this month but no significant progress has been achieved in de-escalating the crisis. Russia's security demands, which include removing troops and equipment from the Eastern Flank, were firmly rejected by the US and NATO. The crisis is also placing a strain on the energy industry, particularly the controversial Nord Stream 2 project. Germany has warned that if Moscow launches an attack against Ukraine, the pipeline project would be hurt as part of the sanctions Russia will face.

Meanwhile, internal divides continue to plague Bosnia and Herzegovina, as the separatist rhetoric of the Republika Srpska gains support.

TENSIONS IN UKRAINE



On January 14th, Ukraine was hit by a [massive cyber-attack](#) – the biggest in the last four years – that targeted roughly 70 websites of different government bodies, including the Ministry of Foreign Affairs and the Security and Defence Council. The debate over the culprit behind the attack is complicated. The Ukrainian government has [declared that Russia](#) was most likely behind the attack, following the NATO talks over the situation at the Ukrainian border. Kremlin's spokesperson, Dmitry Peskov, has denied these allegations. After further investigation, Ukraine also [suspects](#) a group affiliated to Belarusian intelligence of being behind the attack, which utilized malware similar to that used by Russian groups. NATO responded by [announcing](#) that it would sign a new agreement with Kyiv for stronger

cooperation in cyber defence, which includes granting Ukraine access to the Alliance's system for exchanging information on malicious software.

While Russia denies any intention of launching a military attack, tensions remain high. This is also evident in the way Russia maintains military pressure in the region in order to gain diplomatic benefits. Such military pressure comes in the form of Russia deploying more than [20 warships into the Black Sea](#), Russian warships [leaving the Baltic Sea](#), and Russian troops doing [military drills in Belarus](#), which also included a further deployment of personnel and fighter jets.

In December, the US authorized a \$200 million assistance package for Ukraine, which [arrived this month](#). Moreover, NATO has also announced that it was putting forces on standby and [reinforcing Eastern Europe](#) with more ships and fighter jets. Speaking at [an event](#) organized by the Atlantic Council, NATO Secretary General Jens Stoltenberg has also underlined that should Russia attack Ukraine, NATO Allies will impose serious economic sanctions on Moscow, and will increase the Alliance's presence in Eastern Europe. While the US is putting 8,500 troops on ["high alert"](#) in case of intervention in Ukraine, [Denmark](#) is also deploying additional air power in Lithuania, the [United Kingdom](#) is increasing its support for Kyiv by providing equipment and training, and [France](#) is pledging to send more troops to Romania. [Spain](#) also announced that it will send warships to the region, while the Baltic States intend to send US-manufactured weapons to Ukraine. Berlin's [refusal](#) to allow Estonia to deliver German-manufactured weapons to Ukraine has been faced with [harsh criticism](#) from Foreign Minister Dmytro Kuleba, who stated that these actions are "encouraging Vladimir Putin" and "undermining unity". Meanwhile, Turkey leans towards a more [mediating role](#) in the crisis, in consistency with its divergent policy towards Russia. Erdogan [expressed his hopes](#) that "Russia will not make an armed attack or occupy Ukraine", and that "[s]uch a step will not be a wise act for Russia", suggesting that a diplomatic solution is the right approach.

In a more contested move, nations such as the United States, the United Kingdom, and Australia have ordered the [evacuation of unessential staff and staff dependents](#) from Ukraine, which has been criticized by some partners. The US is also [advising and offering assistance](#) for all its citizens to leave the country.

DISCUSSIONS WITH RUSSIA



Following rising tensions in Ukraine and the requests voiced by Russia, a set of meetings between Kremlin, the US, and NATO were launched this month. But the first series of talks between the US and Russia led to [no breakthrough](#), as the Kremlin refused to reverse its troop build-up near Ukraine. Among other demands, Russia has also requested that Washington remove nuclear weapons from Europe, as well as troops and armament from former countries of the Soviet bloc, a demand that was deemed as a ["nonstarter"](#) by US officials. Discussions with NATO followed a similar pattern, showing [limited progress](#) on the topic of arms control, the original Russian demands for security guarantees have been [rejected](#) by NATO. Ukraine's right to join the Alliance has not been questioned; as U.S. Deputy Secretary of State Wendy Sherman emphasized: "the United States and our NATO allies made clear we will not slam the door shut on NATO's open-door policy". At the same time, NATO refuses to retreat its deployed units in Eastern Europe. The Russian Federation maintained its posture in the following days, making a series of serious demands from the Alliance, such as the retreat of NATO troops from [Romania and Bulgaria](#), flatly rejected by NATO.

Discussions with Russia have however not been abandoned, as bilateral talks continue between the US and Russia, and there are on-going negotiations through the OSCE framework, as well as a resumption of talks between France, Germany, Russia and Ukraine under the so-called Normandy Format. At the same time, the EU has continuously stressed that any attack on Ukraine would lead to a tough series of sanctions on Russia.

NORD STREAM 2



During her official visit to Washington, German Foreign Minister Annalena Baerbock emphasized that any Russian aggressive behaviour near the Ukrainian border would be sanctioned, some which may also include possible implications for the disputed Nord Stream 2 pipeline, which could remain inoperable.

Germany faces both internal disagreements within its new government coalition regarding the sanctions on Nord Stream 2, as well as international pressure from Western allies and the United States to block the project, an action that would directly impact the gas supply in Europe. It goes without saying that the pipeline is critical not just for Europe, but also for Russia, which is heavily reliant on its gas exports to Europe. And while Russian Foreign Minister, Sergey Lavrov, defends the pipeline describing it as an important project for Europe that should not be “politicized”, the US Department of State has clearly underlined that the pipeline will not move forward if Russia invades Ukraine.

However, there is growing concern that Russia may utilize energy as a weapon. Dimo Gyaurov, former director of the Bulgarian State Intelligence Agency, said in a recent interview that President Vladimir Putin may use the crisis with Ukraine as a pretext to push Europe and the US to open the pipeline.

DEVELOPMENTS IN BOSNIA AND HERZEGOVINA



After Republika Srpska (RS) outlined a path to separate from BiH last December, the propagation of separatist rhetoric in Bosnia and Herzegovina has increased. On the 9th of January, Bosnian Serbs celebrated the Day of Republika Srpska, a banned holiday in BiH, that commemorates the establishment of an independent RS in 1992. Public demonstrations and a military parade, displaying Serbian tricolor flags were held in conjunction with the celebrations. Such display of nationalistic fervor comes in the context of several leadership statements, including Milorad Dodik’s remark that the RS “[...] will one day be an independent state and will have its own federal or confederate status with Serbia”, or President Željka Cvijanović’s comment that the BiH “[...] is a failure and detrimental to all of us”. This event, which was attended by the Russian Ambassador to BiH, a Serb convicted war criminal, and two MEPs belonging to France’s far-right party, the National Rally, was heavily criticized by the EU, which also threatened to take action against Dodik. Such a move is, however, unlikely, as such a decision would require unanimity among EU member states, and, recently, the Hungarian foreign minister has underlined that Budapest will veto any sanctions against Milorad Dodik. Furthermore, Hungary has committed a €100 million assistance package for Dodik and the Republika Srpska.

- After Gazprom declined to delay Moldova's January gas payment, the country declared a [60-day state of emergency](#) in the energy sector, in order to avert a possible gas supply disruption. The Romanian government [approved](#) on January 20th a decision to provide Moldova with a 100 million euro financial aid package to help the nation in resolving its energy crisis.
- The [meeting](#) of Bulgaria's and North Macedonia's new prime ministers in Sofia rekindles expectations for closer relations and a compromise on accession negotiations.
- In the midst of ongoing regional tensions in the Eastern Mediterranean, Washington's decision to shift its attention away from the EastMed gas pipeline and toward power interconnectors for gas and renewable energy has been [criticized by Greek media](#) as a move that benefits Turkey.
- On January 26th, Romania's Supreme Defence Council [reviewed](#) the possible effect of Ukraine's crisis, addressing future preparations for a potential refugee influx from the nation. President Klaus Iohannis said that Romania is in negotiations with both the US and France about options to boost troop numbers, and that Romania is willing to host a larger NATO military presence.



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