



1-31 MAY NEWSLETTER

MAIN TAKEAWAY OF THE MONTH

The Russian offensive in Donbas continues, with significant fighting taking place in Severodonetsk, which is virtually almost fully under Russian control. Meanwhile, millions of tons of grains remain stranded in Ukrainian ports as Russia maintains its blockade of the Black Sea, jeopardizing not only Ukraine's economy but also the global food supply. Tensions also continue in the energy sector, as Russian energy giant Gazprom has cut off gas deliveries to several countries, following refusal to pay in rubles. Discussions at the EU level about a sixth package of sanctions, which would include an embargo on seaborne Russian oil and refined products, are now stalled due to Hungary's concern that the new sanctions will harm landlocked countries.

In the Balkans, Serbia has agreed to a new gas deal with Russia, while Albania is still at an impasse regarding the election of a new president. Moreover, the month of May saw little movement in terms of the Western Balkans' eventual European course.

WAR IN UKRAINE



The Russian [offensive in Donbas](#) launched at the end of March continues, but [stiff Ukrainian resistance](#) has hindered its progress. On the 20th of May, the Russian forces fully occupied the city of [Mariupol](#), following the surrender of the Ukrainian soldiers inside the Azovstal Steel Plant. By the end of May, no other major cities were seized by Russian forces, although heavy fighting still continues in the city of [Severodonetsk](#), as the Ukrainian forces are only [controlling 20%](#) of the city. Meanwhile, the Ukrainians have launched a [counteroffensive](#), reclaiming territories around the city of Kharkiv, one of the main targets of the initial Russian offensive. Russia is also attempting to [integrate Kherson](#), the southern region of Ukraine, into its own territory, by the end of the year. Russian banks and communication operators announced plans to begin operations in the region, and Ukrainian television broadcasts have already been replaced by Russian state media channels.

Moscow's [blockade](#) of the Ukrainian ports is continuing, hurting not only Ukraine's crippled economy, but also the global food supply. According to a U.N. food agency official, about 25 million tons of grain are stuck in Ukraine as a result of the blockade and infrastructure issues. Only 1% of this amount has been able to reach the Romanian port of Constanța by mid-May. Later this month, Moscow opened a [limited corridor](#) from Mariupol to the Black Sea, clearing the way for five foreign ships to leave the port. However, according to [Ukrainian officials](#), none of the maritime humanitarian corridors announced by the Kremlin had been agreed with

Ukraine, and accused Russia of trying to shift the blame to Ukraine for a global food crisis. At present, [negotiations](#) are taking place between Ukraine, Russia and the UN, brokered by Turkey, aiming at unlocking the food supply chains. In exchange for lifting the blockade, Russia has demanded that the West lift [its economic sanctions](#), a request that has been widely criticized by Western actors. On June 8, Russian Foreign Minister Sergey Lavrov will travel to Turkey with a military group to discuss the [establishment of a potential maritime corridor](#) for Ukrainian agricultural exports.

The US Senate approved [additional \\$40 billion](#) in emergency military and humanitarian aid for Ukraine, increasing the total amount of US aid to Kyiv to around \$54 billion since the start of the war. Meanwhile, Italy has proposed a [four-points peace plan](#) that would settle a peace deal between Ukraine and Russia, with measures including the neutralization of Ukraine, supported by foreign security guarantees, the clarification of the status of Crimea and Donbas and the gradual lifting of Western sanctions on Russia. While the plan received overall support from Western actors, Russia's Foreign Minister Sergey Lavrov [dismissed](#) the plan.

AN EMBARGO ON RUSSIAN OIL?



Against the prospect of an EU embargo on Russian oil, the month of May saw a rise in tensions in the energy sector. After cutting gas deliveries to Bulgaria and Poland at [the end of April](#), Russian state energy giant Gazprom announced recently that it is halting gas deliveries to [Dutch trader GasTerra](#) and [Denmark's Oersted](#), as well as shipments to Shell Energy Europe that were bound for Germany. Overall, Germany has alternate suppliers, and GasTerra and Oersted both stated that they [were ready](#) for a shutdown. Meanwhile, in order to reduce dependencies on Russian gas, a [new gas terminal](#) in Greece, is expected to open at the end of 2023, and will transport gas to Moldova and Ukraine.

As discussions over the sixth package of sanctions focused more and more on the idea of imposing an embargo on Russian oil, Hungary expressed its firm opposition. Explaining its opposition, Hungary's Prime Minister insisted on more information on how the EU intended to finance the country's transition away from Russian oil. He [claimed](#) that the recently unveiled [RePowerEU plan](#), which proposes abandoning Russian fossil fuels by 2027, failed to answer the concerns of landlocked countries, such as Hungary. While on May 31st, the European Union leaders agreed in principle on a sixth package of sanctions against Russia, which includes a decision to prohibit the acquisition of all seaborne Russian oil and refined products for six to eight months after the package becomes law, Hungary is still reportedly stalling the finalisation of the new package. This is because the officials in Budapest [requested](#) that the leader of the Russian Orthodox Church, Patriarch Kirill, be exempted from the new round of sanctions imposed on Russia. Patriarch Kirill is a staunch ally of Russian President Vladimir Putin and has endorsed his military campaign in Ukraine. According to EU sources, if adopted, the sanctions would see [90% of Russian oil supplies](#) to the EU blocked by the end of the year as the bloc tries to cut off revenues coming to Moscow's coffers.

For their part, the Kremlin has announced that the EU's decision to ban most Russian oil imports by the end of the year will have [adverse consequences](#) for both Russia and Europe, and that Russia will attempt to mitigate the impact by selling crude to other markets.

DEVELOPMENTS IN THE BALKANS



Amid discussion at European level regarding an embargo on Russian crude, Serbian President Aleksandar Vucic has announced a new [natural gas deal with Russia](#), which he described as “extremely favorable”. The deal, which is expected to be signed in early June, has [no connection](#) to Belgrade's refusal to apply sanctions against Moscow, along with the EU, according to Prime Minister Ana Brnabic. In contrast, Bulgaria continues to redefine its [stance towards Russia](#), through the policies of its new Prime Minister, Kiril Petkov, who has stated that “[I]nitiating anti-corruption reforms means also limiting foreign influences in Bulgaria, predominantly from Russia”. Consequently, Sofia has agreed to [repair Ukraine's heavy military equipment](#), after a parliamentary vote on May 4th honored Ukrainian President Volodymyr Zelensky's request.

Meanwhile, in Albania, the political parties have failed a third time to agree upon a [new president](#), as the Democratic Party did not show up in the last parliamentary vote. In effect, the election is now in the hands of the leftist ruling party of Prime Minister Edi Rama. A fourth session is yet to be announced.

The “[Open Balkan](#)” regional partnership between Albania, North Macedonia and Serbia is now being backed by the Prime Minister of Montenegro, Dritan Abazovic, who announced that his country should support the initiative. This proposal aims to create a Schengen-style cooperation between Balkan countries in order to facilitate the free movement of people, capital, and goods.

The Euro-Atlantic integration process of the Western Balkans is seeing limited progress: Kosovo has finally applied for [membership to the Council of Europe](#), a move heavily criticized by Belgrade, who promised to resume its [derecognition campaign](#) against Pristina. The support of various Western countries towards the integration of Western Balkan states within the EU has been reasserted, as [Czech and Austrian leaders](#) confirmed the importance of the process. Later this month, German Chancellor Olaf Scholz promised to [visit](#) the region, while mentioning that EU enlargement is ‘[top of the agenda](#)’ in Germany. His statements have been reinforced by the declarations of his [envoy for the Western Balkans](#), who declared that “we need to try to build the credibility of the European enlargement promises.” European Council President [Charles Michel](#) has fulfilled his visit to Bosnia & Herzegovina, aiming to give new impetus to reforms on Bosnia and Herzegovina's European path. North Macedonia's EU bid could also be reinforced by a change of policy in Sofia: Bulgarian PM Kiril Petkov is in conflict with his coalition partners for arguing in favor of [lifting the Bulgarian veto](#) on the start of North Macedonia's EU accession talks.

- While Sweden and Finland have formally applied for NATO membership, Turkey is still threatening to block them from joining. Turkish President Recep Tayyip Erdogan has [accused](#) the two countries, particularly Sweden, of being "a complete hotbed of terrorism" for harboring members of the Kurdistan Workers' Party (PKK). Discussions are ongoing between the three actors, trying to find consensus. Meanwhile, NATO Secretary General Jens Stoltenberg has said he will [convene](#) a meeting in Brussels in the coming days with senior officials from Sweden, Finland and Turkey to discuss Turkey's opposition to Sweden and Finland's accession to the Alliance.
- Denmark [will join](#) the European Union's defense policy following a referendum on June 1st, marking the latest move among Nordic countries to strengthen defense cooperation in response to Russia's invasion of Ukraine.
- Former President of the Republic of Moldova Igor Dodon was [detained for 72 hours](#) on May 24th and is now under house arrest. He has been accused of multiple charges, including treason, corruption, and unlawful enrichment. Igor Dodon is one of Vladimir Putin's main supporters in the Republic of Moldova. While the Kremlin has maintained that this is completely an internal matter, it has also warned that Moscow will ["closely monitor"](#) the treatment of former pro-Russian Moldovan President Igor Dodon.



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