



1-31 JULY NEWSLETTER

MAIN TAKEAWAY OF THE MONTH

As Russia's offensive in Ukraine continues, efforts to unblock grain shipments in Ukrainian ports have resulted in an UN-backed agreement signed by Kyiv and Moscow. The first such shipment took place on August 1st when a ship carrying Ukrainian grains left Odesa for Lebanon. Meanwhile, international efforts to support Ukraine's war efforts continue, with the United States, United Kingdom, Canada, and the European Union pledging additional support, either in the form of security or military assistance or as an aid in the investigation of war crimes.

In July, the Russian-EU energy standoff prompted Gazprom to reduce gas supply through the Nord Stream 1 pipeline. Meanwhile, EU energy ministers have approved a plan to reduce natural gas consumption until March 2023. The diplomatic dispute between Bulgaria and Russia has heightened tensions in the Balkans, following Sofia's decision to expel 70 Russian diplomats.

Unrest has also risen between Serbia and Kosovo following a contested new decision from Pristina regarding vehicle license plates, which has sparked outrage among the country's Serb minority. The escalation of tensions has resulted in protests and reports of gunfire. This will be monitored also in August, considering recent news.

WAR IN UKRAINE



To ensure that Russia will have [more control over private businesses and workers](#), President Vladimir Putin is mobilizing the [Russian economy to sustain the war](#) in Ukraine. Moscow's reinforcements can also be noticed on the battlefield, as [another submarine was added](#) to the Russian naval group of the Black Sea. Meanwhile, the Security Service of Ukraine (SBU) announced that it has gathered proof of [nuclear terrorism](#) carried out by the Russian forces during their occupation of the Chernobyl Nuclear Power Plant from February 24th until March 31st.

In the Russian-occupied region of Mariupol, the Russian troops plan to start an [official mobilization of the population](#) against the Armed Forces of Ukraine. The Ukrainian forces have [withdrawn from the city of Lysychansk](#), giving Russia full control of the Luhansk region. In the meantime, Russian forces continue to shell civilian targets in Ukraine, as a building was targeted by a Russian rocket on July 14th, killing 23 people. Moscow has [denied](#) targeting civilian areas, declaring that the attack was directed at a military target.

In regards to the export of grains, [Ukraine and Russia have signed an UN-backed deal](#) that will allow the shipments to be transported from the Ukrainian blocked Black Sea ports. Odesa, Chernomorsk, and Yuzhny will be the ports ensuring the transportation of these exports.

Despite this, [Russia attacked the port of Odesa](#) a few days after the agreement, claiming that the attack targeted military infrastructure and that this did not impede grain exports. [According](#) to Ukraine's Ministry of Infrastructure, a ship carrying Ukrainian grain left the port of Odesa for Lebanon on August 1st, the first since the Russian invasion began.

As the war continues, more international aid is being directed toward Ukraine. The Pentagon has announced [\\$820M in additional security assistance](#) for Kyiv, while the Presidential Administration of the US promised an additional weapons package, worth [\\$400M](#). This marks the US's [15th such installment](#) to Ukraine. The UK [announced](#) that 10 self-propelled artillery systems and loitering munitions would arrive in Ukraine in the coming weeks. Another [£2.5M package of support](#) to Ukraine to investigate war crimes has also been allocated by the UK. Furthermore, British [Defense Secretary Ben Wallace](#) announced that Ukraine will receive dozens of artillery guns, hundreds of drones, and hundreds more anti-tank weapons. Moreover, Canada has also announced [39 armored combat support vehicles](#) as military aid for Ukrainian soldiers, while the EU sent personal protective [equipment worth €977,000](#) to the State Border Guard Service of Ukraine.

ENERGY & ENVIRONMENT



After a [major decrease in the Russian gas supplies](#) for Europe, the European Union (EU) has come to an agreement with Azerbaijan to [double its gas imports by 2027](#). Despite the EU's efforts to replace Russian natural gas, the [International Energy Agency has given negative](#) feedback regarding Bruxelles' capacity to secure enough gas to get through the winter without Russia's resources. In a contested move, the [Hungarian Foreign Minister, Peter Szijjártó, traveled to Moscow](#) to discuss the purchase of more Russian gas for his country.

Gazprom announced the resumption of [gas shipments through the Nord Stream 1](#) pipeline to Europe, with natural gas prices slightly falling after the reopening. Despite this, days later, the company announced it will [cut the supply of natural gas](#) to 33 million cubic metres a day (about 20% of the pipeline's capacity). As a result of the instability in the energy sector, EU Energy Ministers have agreed to a plan to voluntarily [reduce gas consumption by 15%](#) from August 2022 to March 2023.

[Russia has moved to seize the Sakhalin-2](#), a project in Russia's Far East that is a major liquefied natural gas exporter to Japan. This move has raised concerns about the future of those shipments as a result of the Kremlin's action.

Amid the ongoing heat waves over Europe, countries such as [Germany](#) and [Italy](#) are considering water restrictions around the country, whereas [Romania](#) and [France](#) have already imposed water rationing policies. The [Expert Group of the International Military Council on Climate and Security](#) warns that the Balkans face serious climate security risks, as intensifying climate change impacts (like droughts, heatwaves, and tropical storms) may exacerbate existing post-conflict tensions, jeopardize Europe's climate goals, and make the region more vulnerable to actors such as Russia.

TENSIONS IN THE BALKANS



As tensions between the European Union and Russia keep mounting over the war in Ukraine, Balkan nations are forced to rethink their ties with Moscow. This month, diplomatic tensions between Bulgaria and Russia reached new heights, as Moscow issued an ultimatum, demanding Bulgaria reverse its decision to [expel 70 Russian diplomats](#). Even though outgoing Prime Minister Kiril Petkov adopted a more [reconciliatory tone](#) towards the issue, he [rejected](#) the ultimatum, and his government [blocked a bank transfer](#) to the embassy, worth \$890.000. Although Moscow [promised](#) at the beginning of the month to respond in kind, this has not yet happened. Bulgaria is not the only country in the region to take a more assertive stance toward Russia: by the end of the month, Montenegro [froze](#) the properties of two Russian citizens, in line with EU sanctions on Moscow.

Progress on the European integration of the Western Balkans continued, as the [European Parliament issued three reports](#) at the beginning of July, praising Kosovo, Bosnia, and Herzegovina, and Serbia for their [progress](#) on the issues of rule of law, corruption, environmental issues, while making calls for ending hateful rhetoric between the countries, adding to the already-existing sense of [urgency](#) of a Kosovo – Serbia deal. Similar counterproductive tendencies continue between North Macedonia and Bulgaria. As the Parliament in Skopje voted in favor of the French proposal to solve the dispute between the two countries, a vital [bilateral protocol](#) has been signed between the two in this sense. At the same time, Bulgaria still does not recognize the official language of its neighbor, and Skopje's parliamentary majority would not agree to recognize its Bulgarian minority, which happens to be a key point of the French proposal. To settle this issue, the opposition in Skopje proposed a [referendum](#) on the topic of the French proposal. Nevertheless, both North Macedonia and Albania [began accession talks](#) with the European Union, benefiting from the bloc's [renewed commitment](#) towards the region, fueled by the war in Ukraine. The same commitment can be observed in NATO's decision to [recognize the strategic importance](#) of the Western Balkans in the latest strategic concept. The result is [improved cooperation with BiH](#), as well as the opening of a [naval base in Albania](#).

Towards the end of the month, tensions also erupted between Serbia and Kosovo as Pristina offered an ultimatum to the Serb population in the north of the country to change their license plates and identity documents, which are following Serbian standards. The 60.000 ethnic Serbs in northern Kosovo, who do not recognize Pristina's authority, have refused to submit and have [blocked the roads](#) connecting their region to the rest of Kosovo. Kosovo police, after blocking two border crossings between Serbia and Kosovo, have announced that [shootings](#) have been heard in some locations, "some in the direction of police units". After consultation with the EU and the US, Kosovo authorities have decided [to postpone](#) the decision until September 1st.

- Serbia, North Macedonia and Albania have begun [cooperating on energy issues](#), as a fuel crisis is looming.
- The fall of Kiril Petkov's government in Bulgaria gave the Socialists' the opportunity to form a working coalition, but they have [unsurprisingly failed](#), forcing Bulgaria to host [its fourth election](#) in two years.
- The Slovenes are [heading to the polls](#) this October, and three candidates have already announced their intentions to run for the presidency.
- On July 31st, a protest against the Republic of Moldova's government [took place](#) in Găgăuzia. People who took to the streets demanded that the President of the Republic of Moldova, Maia Sandu, either resume negotiations with Moscow to agree on a more favorable gas price or resign, seeing as they believe she is not competent enough to prevent a humanitarian disaster in the country. Protesters stated that they do not anticipate significant support from Romania. Simultaneously, protesters addressed the government in Moscow, requesting that gas prices be revised for the Republic of Moldova, or at the very least for Găgăuzia. According to Alexandru Muravschi, former Deputy Prime Minister of the Republic of Moldova, the current government is unable to reach an agreement with Gazprom to avoid an energy crisis.
- Russian President Vladimir Putin approved [a new maritime doctrine](#), which highlights the expansion of NATO's military infrastructure towards Russian borders and the growing number of exercises of the military bloc in the seas adjacent to Russian territory as major security threats. Also, attempts by the United States and its allies to limit Russia's access to World Ocean resources and vital shipping lanes and the US desire to achieve overwhelming naval supremacy are cited as threats to Russia. In addition, Russia's new maritime doctrine foresees the intensification of activities in the Arctic zone, according to the [document](#).



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