



MAIN TAKEAWAY of the month

This month was marked by the crash of the Russian military transport plane, Ilyushin Il-76, with conflicting reports indicating it carried Ukrainian prisoners of war. In addition, conflict between Russia and Ukraine escalated, marked by Russian missile attacks causing casualties and damage in Ukrainian regions. Ukrainian forces showcased effective electronic warfare capabilities, disabling Russian missiles and achieving defensive successes. Interestingly, cyber warfare became prominent, with both Ukrainian and Russian organizations being targeted.

Regarding Ukrainian aid, several European nations, including Lithuania, Latvia, Estonia, Britain, France, and Norway, have committed significant support to Ukraine's war efforts through security cooperation memorandums and the provision of military assistance packages. Of particular note, NATO is conducting its most extensive exercise with the Steadfast Defender Exercises, simulating U.S. troop reinforcement of European allies on the eastern flank. Meanwhile, the joint Black Sea demining taskforce, consisting of the Turkish, Bulgarian and Romanian Navy, was established on January 11. Despite President Joe Biden's call for additional funding for Ukraine, the \$61.4 billion package still faces delays. Protests by farmers and transporters in Suceava County continue to disrupt grain transportation, with demands including tax reductions and improved border procedures. Similar protests took place in Germany, France and Poland.

President Zelensky highlighted defense cooperation at the Davos Peace Formula meeting, emphasizing self-reliance through air defense. On EU aid to Ukraine, the European Commission is still facing opposition from Hungary regarding a €50 billion support package for Ukraine, with uncertainties in ongoing talks on the possible suspension of Budapest's voting rights or EU funding.

In Russia, one of the largest protests since the start of the invasion erupted in the Republic of Bashkortostan, due to the incarceration of a local activist. On the political scene, Boris Nadezhdin emerged as a relevant figure within the upcoming Russian presidential elections, creating interest through his anti-war and anti-Putin platform. Economically, Gazprom reached a post-Soviet low in natural gas sales in 2023 - 69 billion cubic meters, while plans to expand into the Chinese market through the „Power of Siberia” pipeline continue to stall. Diplomatically, Russia started its BRICS and CIS presidencies on January 1, as president Vladimir Putin met with the North Korean foreign minister and held talks with the Indian Prime Minister on strengthening ties.

In the Republic of Moldova, tensions between Chisinau and the separatist republic of Transnistria continue to rise. Russian troops located in Transnistria violated agreements by conducting military drills, while the Moldovan government issued customs duties on Transnistrian exporter goods. Meanwhile, the Tiraspol separatists are looking for ways to strengthen their ties with Moscow and to modernize their army, as Moldova continues to reorganize its cabinet in order to facilitate the next stages of the country's EU integration.

In the Balkans, protests regarding the alleged electoral misconduct of Serbian president Aleksandar Vucic continued. However, the new parliament is set to be convened in the first half of February. All the while, tensions between Belgrade and Pristina continue regarding Kosovo's northern provinces. In the realm of energy, the Republic of Moldova, Ukraine, and Slovakia have joined the natural gas Vertical Corridor, which connects Greece, Bulgaria, Romania, and Hungary. A Balkan meeting regarding reforms for EU accession was convened on January 22, while the Turkish parliament finally approved Sweden's NATO accession, after many delays, and in turn received, along with Greece, fighter jets from the United States.

In the initial weeks of January, the conflict between Russia and Ukraine intensified as Russian forces unleashed a barrage of multiple cruise and ballistic missiles, resulting in tragic casualties and [extensive damage to civilian infrastructure across several Ukrainian regions](#), including Zaporizhzhia, Khmelnytskyi, Dnipropetrovsk, and Kharkiv oblasts. Ukrainian armed forces responded strategically by [targeting a railway bridge over the Kalmius River under construction by Russia](#) in Granitnoye near Mariupol. Cross-border incidents further heightened tensions, with [Ukrainian shelling reaching Russia's Kursk region](#), resulting in civilian casualties, and drones targeting a fuel facility in the neighboring Orlyov region. Concurrently, [evacuations of approximately 300 residents in the western Russian town](#) of Belgorod followed Ukrainian strikes, marking the largest evacuation from a major Russian city since the commencement of the invasion. As the conflict continued, Ukraine fortified its defenses by [constructing barricades and trenches, particularly in the northern operational zone](#), including the Sumy, Chernihiv, and Kyiv regions. Simultaneously, [Russia faced challenges countering Ukrainian first-person-view drones](#) on the eastern bank of the Dnieper River, revealing vulnerabilities in its strategic capabilities and facing a loss of [3,500 soldiers and 90% of its military equipment in the region](#). Adding a new dimension to the conflict, reports emerged that [Russia had attacked Ukraine with missiles supplied by North Korea](#), for the first time since the start of the war, highlighting the complexity and international dimensions of the ongoing conflict.

The [deployment of sophisticated electronic warfare capabilities was also showcased on the frontline, with Russia holding a distinct advantage](#) due to substantial prior investments in these systems. The Ukrainian military faced challenges in strengthening its own electronic warfare technology, evident in the record number of air strikes conducted by Russia over the New Year period, in the beginning of the month. ["The Russians have produced so much lately that they are becoming a huge threat,"](#) said Colonel Ivan Pavlenko, the chief electronic and cyber warfare officer in the Ukrainian Armed Forces General Staff.

Cyber warfare was especially highlighted this month, with a Ukrainian hacker group, potentially linked to the Security Service of Ukraine (SBU), conducting a [cyber attack against a Moscow-based internet provider, M9 Telecom](#). This attack resulted in the destruction of the provider's servers, wiping approximately 20 terabytes of data.

Internationally, in response to heightened conflict, Belarusian President Alexander [Lukashenko disclosed that Russia had completed deliveries of tactical nuclear weapons to Belarus](#), sparking concerns in neighboring Poland. This month also witnessed [increased drone activity over German military bases](#) where 6,000 Ukrainian soldiers trained, prompting espionage concerns and underscoring the importance of drone interception technologies. In addition, Swedish officials [called for increased resilience, emphasizing the need for individual preparedness and modernization](#) of the civil protection system.

Mid-January, [Ukrainian forces showcased effective electronic warfare capabilities](#), as the Institute for the Study of War highlighted a potential turning point. Notably, the [FrankenSAM air defense system](#) was deployed for the first time, successfully intercepting 19 drones, including the Shahed drone. Moreover, Ukraine [downed a Russian A-50 military aircraft over the Sea of Azov](#) with another Russian military aircraft, the Il-22M, sustaining damage. Russian forces escalated their actions by [gaining control of the Vesele settlement in Donetsk](#), targeting several communities including [shelling six communities](#) in the [Sumy region](#) 110 times in one day, and [striking grain storage facilities and a processing building](#) in the city of Vovchans'k. In a defensive shift, the situation intensified as [Voronezh declared a state of emergency](#) following an overnight drone attack attributed to Ukraine. Ukrainian forces [strategically targeted Russian infrastructure, setting fire to railway relays](#) in central Russia. Simultaneously, Ukrainian parliamentarians anticipated the presentation of a new draft law on mobilization, but thus far, the legislation is currently still [under review](#) by the Cabinet of Ministers. While Ukrainian authorities are looking for means to increase its manpower, the current conditions faced by Ukrainian soldiers have sparked [demonstrations from Ukrainian mothers and wives in Kyiv](#), who call on the government to demobilize their relatives who have been on the front lines since the first days of the invasion.

In the latter part of this month, Monobank, Ukraine's [largest mobile-based bank, recently confronted severe DDoS attacks](#), with the initial wave involving 580 million service requests. Further escalating tensions, [rocket attacks by Russia on Kyiv and Kharkov resulted in](#) injuries, property damage, and the successful repelling of missile attacks by air defense systems. Simultaneously, [unknown cyber-criminals targeted Akado](#), a popular Internet provider in Moscow, affecting various Russian state structures. Furthermore, Naftogaz, Ukraine's state-owned oil and gas company, [reported a large-scale cyber attack on one of its data centers](#). On January 24, a Russian military transport plane, [Ilyushin Il-76, crashed](#) in Russia's Belgorod region, with conflicting reports

suggesting it was carrying 65 Ukrainian prisoners of war. Russian [officials accused Ukraine](#), while the UN Security Council [held an emergency meeting](#) to discuss the incident, but with conflicting reports and Russia's refusal to provide evidence, a full picture of the incident has not been provided yet.

In terms of international aid for Ukraine's war effort, there has been substantial support from various European countries. To begin with, [Lithuania has approved a long-term support package of €200 million](#), focusing on providing ammunition, generators, detonation systems, and, in February, M-577 armored personnel carriers, said President Gitanas Nausėda. Latvia is set to deliver a comprehensive military assistance package, constituting about [1% of its GDP, exceeding €600 million](#), including howitzers, artillery shells, and others. In addition, Latvia signed [a memorandum of understanding on military cooperation](#), which aims to implement joint projects in the defense and security industry with Kyiv. Later in the month, Latvia's defense chief said the Baltic nation is making progress in creating a [coalition of nearly 20 countries](#) to arm Ukrainian forces with "thousands" of new drones, highlighting the importance of drone warfare.

Estonia has pledged [€1.2 billion by 2027, contributing 0.25% of its GDP](#) annually for military assistance, with President Alar Karis confirming his plans to help rebuild Ukraine, adding that it would be [fair to use frozen Russian funds for this purpose](#). British Prime Minister Rishi Sunak's visit to Kyiv to sign a new [military agreement](#) resulted in a [commitment of £2.5 billion in military aid over the next year](#), covering long-range missiles, air defense, artillery shells, and drones, becoming the [largest drone supplier to Ukraine by any nation](#). Adding to the military agreements, French President Emmanuel Macron announced plans to deliver sophisticated weaponry, including [40 long-range SCALP missiles](#) and several hundred bombs within the next weeks, also [pledging the production of 78 Caesar self-propelled howitzers](#) for Ukraine. Lastly, Norway allocated 2 billion Norwegian kroner to [increase production capacity for defense, particularly artillery shells](#), while Germany pledged [six Sea King Mk41 multirole helicopters](#). The international community's collective efforts aim to bolster Ukraine's defense capabilities and ensure its ability to withstand Russian aggression.

Through international collective aid, NATO has undertaken significant measures to reinforce European allies in response to potential conflicts, particularly focusing on the eastern flank in countries bordering Russia. In response to Ukraine's urgent need for ammunition, [NATO signed a 1.1 billion euro contract for 155mm artillery shells](#), with deliveries expected in late 2025. Most importantly, [The Steadfast Defender exercises](#), involving around 90,000 troops and more than 50 ships, 80 fighter jets, helicopters and drones and at least 1,100 combat vehicles, aims to simulate the rapid deployment of forces from North America and other alliance parts to strengthen European defense. The UK will [contribute 20,000 troops, an aircraft carrier strike group, and fighter jets](#) to the Steadfast Defender 24 exercise, marking [NATO's 75th anniversary](#). Furthermore, [Romania has joined the NATO Support and Strike Force](#), enhancing the alliance's naval capabilities, while a memorandum of understanding has been signed for a [Task Force to Combat Sea Mines in the Black Sea](#) between Romania, Turkey and Bulgaria.

Referring to humanitarian aid, the [UN has requested \\$4.2 billion for Ukraine and refugees](#), aiming to assist 14.6 million Ukrainians and 6.3 million refugees. Switzerland has committed [1.5 billion Swiss francs for Ukraine's reconstruction efforts](#), while [German Chancellor Olaf Scholz pledged over seven billion euros](#) in security assistance and humanitarian support to Ukraine by 2024. The European Commission and Lithuania are allocating €15.5 million for [air-raid shelters in Ukrainian schools](#) to address war-related damage and accommodate remote learning for 900,000 children.

Meanwhile, US president Joe Biden's \$61.4 billion package [continues to stall in Congress](#), while president Zelensky emphasizes that Europe will probably not be able to support Ukraine financially and militarily [if the US significantly reduces its aid](#). As President [Biden urged Congress to provide additional funding](#) for Ukraine, emphasizing the cost of inaction, a Senate committee approved legislation [enabling the U.S. to seize Russian assets](#) for Ukraine's post-war reconstruction. Despite these significant delays, [recent reports](#) show that a Congress bipartisan deal on the US southern border is in reach, a key issue that has been used as leverage by the Republican Party in relation to Washington's aid for Kyiv.

Regarding Ukraine's EU aid setbacks, The European Commission is reportedly [considering concessions to Hungary to secure a €50 billion support package for Ukraine](#), intending to offer Prime Minister Viktor Orbán an opportunity in 2025 to halt the funding deal midway through the process. While there are ongoing talks between Hungary and the European Commission, [Hungary's chief of staff indicated that an agreement is not guaranteed](#), leaving the possibility for the other 26 EU members to find a solution without Hungary's consent. The European Parliament has also [passed a resolution urging the suspension of Hungary's voting rights](#) over concerns related to the "erosion of the rule of law" and obstructive behavior toward EU consensus-building.

When it comes to Ukrainian grain transportation, protests by farmers and transporters continue to [disrupt traffic at the Siret Border Crossing Point in Suceava County](#), with dozens of tractors blocking access to and from Ukraine. [Farmers demand](#) a reduction in road tax, the abolition of excise duty on diesel, tolerance limits on weighing, green lanes to Romania's customs, a cap on truck insurance, and shorter border crossing times. [Polish truckers plan to end their blockade at border crossings with Ukraine by March 1st](#) following an agreement with Warsaw. Furthermore, EU countries such as Poland, Bulgaria, Hungary, Romania, and Slovakia [request Brussels to impose tariffs on Ukrainian agricultural products to protect local farmers](#).

During the fourth meeting of national security advisers at Davos on the Peace Formula, President Volodymyr Zelensky underscored the importance of enhanced defense cooperation and co-production, with a [specific focus on air defense and long-range capabilities](#), aiming to boost Ukraine's [self-reliance](#). In addition, Ukrainian Defence Minister Rustem Umerov [proposed the establishment of an international working group](#), involving defense ministers and national security advisers, on the withdrawal of Russian troops from the temporarily occupied territories. At the meeting, State Secretary Antony Blinken stated that a [ceasefire in Ukraine is not imminent](#) and expressed concern about Putin continuing to send young Russians to war. Following Davos, Ukraine's reconstruction bank, set up with help from BlackRock and JPMorgan Chase, has [at least \\$500 million in committed capital and](#) could launch in 5-6 months with nearly \$1 billion and [The World Economic Forum \(WEF\) will open a government technology center in Kyiv](#), focusing on the digital transformation of government and supporting Ukrainian startups and innovators.

RUSSIA - internal and external dynamics

In early 2024, at a societal level, tens of thousands of Russians were affected by heating system failures across the country, and in the [Republic of Bashkortostan](#), some of the largest protests the country has seen since the beginning of the large-scale invasion in Ukraine took place, related to the incarceration of a local activist. Also, [the protests of the relatives of mobilized soldiers](#) continue to demand the demobilization of those sent to the front line in Ukraine, while authorities [discourage women from participating](#) in these "unauthorized actions."

On the political front, events related to the registration of candidates for the presidential elections, scheduled to take place between March 15-17, 2024, have been notable. The Central Election Commission has decided [to register Vladimir Putin's candidacy](#) for the presidential elections after his campaign team submitted a total of [315,000 signatures](#). Meanwhile, the opposition candidate for the presidency of the Russian Federation, Boris Nadezhdin, has managed to generate [significant interest among the Russian population](#) through his [anti-war and anti-Putin political platform](#). In order to be included on the ballot, Nadezhdin needs to gather a total of [100,000 signatures](#), which must be submitted to the Central Election Commission by [January 31st](#). At the same time, critics of Nadezhdin likened him to [Ksenia Sobchak](#), suggesting that his participation in the elections could be orchestrated by Vladimir Putin to bolster his legitimacy.

The issue of morale among Russian soldiers on the Ukrainian front remains relevant. Their grievances primarily focus on [the inadequate treatment of the wounded](#), who are sent back to the front lines without proper care and living conditions in the training grounds. Additionally, new cases have been reported where soldiers are placed in "[punishment pits](#)" for refusing to participate in combat.

Moreover, former prisoners recruited by the Ministry of Defense have expressed dissatisfaction, claiming they have not received [the pardons and salaries promised](#) to them. According to the relatives of soldiers on the front lines, [Putin no longer grants pardons to prisoners](#) who have gone to war against Ukraine, as they are bound by contracts that cannot be annulled until the conflict is resolved.

On January 24, the [State Duma approved](#) in its first reading a bill that provides for the possibility of confiscating assets, money, and valuables from individuals convicted of spreading false information about the army, publicly advocating extremism, publicly calling for actions against the integrity of the Russian Federation, denigrating the army, and publicly advocating activities against security. Furthermore, the adopted amendment for the second reading expands the definition of activities directed [against the security of the Russian Federation](#), including offenses such as desertion, disobedience of orders, illegal border crossing, disclosure of state secrets, treason, espionage, etc.

In 2023, exports decreased by 29% throughout the year, totaling over \$169 billion and reaching [\\$422.7 billion](#). On the other hand, imports increased by 10%, reaching \$304.4 billion compared to \$276.5 billion in the previous

year. This increase in imports was driven by inflationary pressures and the critical need for investment imports, which are supplied either from China or through CIS countries.

In 2023, Gazprom's natural gas sales [hit a post-Soviet low](#), down 33% from 2022, because of decreasing European deliveries, akin to levels in the 1970s. Also, the access to the Chinese market was limited, with only 23 billion cubic meters distributed through the "Power of Siberia" pipeline.

Meanwhile, Russia's export revenues from oil [decreased in December](#) compared to November, despite export volumes increasing. This decline was caused by global price reductions and increased discounts on Russian oil due to US sanctions against tankers transporting Russian oil at prices above the G7-established limit.

[China is Russia's main trading partner](#), but the Asian market as a whole is vital for Russia as a source of imports, while Russia's contribution to China's trade turnover is limited. Chinese customs data shows that automobile exports to Russia [increased more than sevenfold in 2023](#), reaching \$11.5 billion, nearly equaling the level of Russia's gas exports to China, including natural gas and LNG, [which totaled \\$11.7 billion in the same year](#).

At the same time, Russia's financial reserves decreased in 2023 due to the need to finance military needs and the budget deficit. According to data published by the Ministry of Finance, the liquid part of the [National Wealth Fund decreased by a third](#), and since the beginning of the large-scale invasion in Ukraine, the government has used almost [half of the available reserves](#) to protect the economy against the consequences of the war.

On the diplomatic front, the Russian Federation assumed the presidency of both BRICS and the CIS starting January 1, 2024. Under Vladimir Putin's leadership, [Russian officials have vowed to promote multilateralism for equitable global development and security within BRICS](#), with a [summit scheduled for October in Kazan](#). As of the same date, five new members, including Egypt, Iran, and the United Arab Emirates, [begin their full BRICS membership](#), although [Saudi Arabia has not yet confirmed its accession](#) to this organization.

North Korean Foreign Minister Choi Son-hee conducted [a three-day official visit to Moscow](#), meeting with her Russian counterpart, Sergey Lavrov, and with Vladimir Putin at the Kremlin. [Discussions covered international issues](#), including security on the Korean Peninsula. The visit is part of preparations for the [Russian president's future visit to North Korea](#), at the invitation of Kim Jong-un.

Vladimir Putin [discussed with Indian Prime Minister Narendra Modi](#) the strengthening of their strategic partnership and the situation in Ukraine. Meanwhile, [Rosneft faces difficulties in supplying oil to India](#) due to US sanctions on the Russian fleet. India rejected 14 tanks of Russian oil, while [Russian media suggest India seeks price reductions](#). The volume of oil delivered from Russia to India [has significantly decreased](#), from 2.15 million barrels per day in May to 1.5 million barrels in December.

Evolutions in the Republic of MOLDOVA

Tensions between Chişinău and the Moscow-sponsored breakaway region of Transnistria have been on the rise since the end of 2023. The so-called peacekeeping forces of the Russian Federation in Transnistria are accused of [flagrantly violating](#) the agreements made through the Unified Control Commission (CUC). By the end of 2023, the Russian military used firearms and military hardware to conduct military drills at the Joint Peacekeeping Forces locations, with the approval of the separatist government in Tiraspol, all without informing the CUC. The Republic of Moldova's delegation members to CUC denounced this incident.

Starting on January 1, Chişinău's decision of imposing custom duties on essential goods on exporters from Transnistria entered into force. On January 11, [protests against this decision](#) were held, with dozens of people congregating at the border crossing between Varnita and Tighina, which links Moldova with Transnistria. Protesters demanded that Chisinau repeals the new rules, claiming that the amendments that took effect on January 1 will result in higher prices. While Chisinau insists that the change is essential to level the playing field for all economic actors, Transnistria's leadership has strongly denounced the measure.

On January 23, Vadim Krasnoselsky, the leader of Transnistria, instructed Vitalii Ignatiev, his foreign minister, to ["improve the activity of the official representation of the PMR \[Pridnestrovian Moldavian Republic\] in Moscow"](#) and broaden the responsibilities of this organization in order to provide "more legal advice and support". The goal of this move is to increase the number of people that get Russian citizenship. The separatist

leader's appeal follows the signing of an order by Russian President Vladimir Putin on December 18, 2023, which streamlined the process for citizens of the Republic of Moldova, Kazakhstan, and Belarus to become citizens of Russia.

More significantly, the Transnistrian government announced plans [to modernize their army and security forces](#). Vadim Krasnoselsky declared that he has given the breakaway region's Defence Ministry instructions to bolster military capabilities and ensure "battle readiness". Additionally, he gave the Defence Ministry orders to boost the professional training of drone specialists, ensure that sophisticated equipment is used for anti-terrorism drills, and bolster the security of the breakaway region's so-called border.

Moreover, on 24-25 January, Moldavian Prime Minister Dorin Recean paid a [working visit to Budapest](#), at Prime Minister Viktor Orban's invitation. Moldova's European integration process, as well as the advancement of investment and economic priorities, were the main topics of discussion. After the visit, [Recean announced](#) that the two parts agreed on the licensing of Moldovan energy companies on the Hungarian energy market. Hungarian Foreign Minister Peter Szijjarto mentioned that Hungary is a ["firm" and "unconditional" supporter](#) of the accession of the Republic of Moldova to the European Union, because its membership would benefit the EU bloc and increase its competitiveness. This is of particular importance, as the accession of the Republic of Moldova to the EU is tied to that of Ukraine, and Hungary was thought to be against Ukraine's European integration.

Other important steps have been made towards Moldova's European integration. By the end of the month, Maia Sandu started the consultations regarding the organization of the [referendum on the EU accession](#) of the Republic of Moldova. Representatives from local communities, the business sector, civil society, opinion leaders, journalists, people from various economic and sociocultural sectors, and political parties will all be included in the consultations that will take place during the upcoming period.

Moldovan Prime Minister Dorin Recean [reorganized his cabinet](#) in an attempt to appoint a new group of diplomats to advance the nation's EU membership proceedings. Mihail Popsoi, the deputy speaker of the parliament, was named foreign minister by Recean. He takes Nicu Popescu's position, who had earlier [presented his resignation](#) on the grounds that he needed "a break." Former President Maia Sandu's foreign policy advisor Cristina Gherasimov was named to lead the recently established Bureau for European Integration. Lastly, this month was marked by [four nominations of Romanian citizens as the head of key Moldovan institutions](#): the National Bank of Chisinau (Anca Dragu), the Office for Combating Money Laundering (Daniel-Marius Staicu), the Labour Inspectorate (Cătălin Țacu) and the EU Mission in the Republic of Moldova (Cosmin Dinescu).

 **The Balkans**

In Serbia, concerns over the integrity of the December 17 elections have escalated tensions. President Aleksandar Vučić, criticized for eroding democratic norms, press freedom, and the independence of public institutions, [faces allegations of electoral misconduct](#). The EU, citing concerns over the electoral process, has called for reforms and an investigation into reported irregularities but was [met with a rejection for an investigation by the president](#). In Belgrade, [over 35 protesters were detained](#), and two police officers injured during a recent violent anti-government protest. Opposition parties, backed by a student initiative, demand the annulment of the Belgrade city election, and have planned further mass protests and road blockades. The [coalition, winning 34% of votes in the capital and 24% in parliamentary elections](#), alleges numerous irregularities, seeking new elections. Serbian students, under the [group "Borba" \[Fight\] organized a 24-hour blockade](#), demanding a revision of the electoral roll. The government, however, claims a decisive victory, which the opposition disputes. Following December 24 protests, the [Higher Prosecution Office in Belgrade is charging arrested individuals](#) with seeking a violent change of the constitutional order and violent behavior, with potential prison sentences ranging from six months to five years. Amidst this unrest, the government and its supporters have likened the protests to the Kyiv Maidan, [accusing protesters of inciting civil war and labeling them traitors](#), while the opposition and citizens continue to challenge the election results. Despite these ongoing challenges, on the 22nd of January, both the [Republic Electoral Commission and the Belgrade Electoral Commission officially affirmed the distribution of seats](#) in the national parliament and the assembly of the capital city, with President Vucic expressing that the new parliament would be convened in the first half of February, with a new government expected to be in place by March.

Despite Serbia announcing that drivers with Kosovo license plates can enter Serbian territory from January 1, [seemingly ending a years-long dispute](#), several new disagreements have emerged. Serbian Interior Minister Bratislav Gasic accused Pristina of exacerbating tensions by [announcing that all police patrolling the former Serbian province would carry rifles](#), a move that was met with concern. Furthermore, the Serbian government diverted approximately [12 million euros from the budgets of four](#) northern municipalities to repay their debt to Kosovo's energy transmission network, KOSTT. This diversion of funds violated the agreement's intended use for the development of these municipalities and infrastructure projects, causing further strain.

On January 11, the United States [accepted Kosovo's request to purchase Javelin anti-tank missiles](#), despite Serbia's opposition. U.S. Ambassador Christopher Hill confirmed this decision, [leading Serbian President Vucic to express disappointment](#) but reaffirm his commitment to preserving Serbian-American relations. Simultaneously, Giampiero Romano, the Head of the NATO Liaison Office in Belgrade, underscored the [close cooperation between Serbia and NATO](#), emphasizing its role in maintaining peace and stability.

In the realm of energy, the Republic of [Moldova, Ukraine, and Slovakia have joined the natural gas Vertical Corridor](#), which connects Greece, Bulgaria, Romania, and Hungary. The gas grid operators of these countries have [signed a memorandum of understanding to facilitate the necessary projects](#) for the activation of this initiative. This development will enable the Vertical Corridor to link the Trans-Balkan gas pipeline, facilitating the transportation of natural gas from Greece to Moldova and providing access to underground storage facilities in Ukraine. In addition, US Secretary of State Antony Blinken has called on Bosnian Foreign Minister Elmedin Konakovic to exert pressure on Bosnian Croat leader Dragan Covic to [cease obstructing the construction of a gas pipeline connecting Bosnia and Croatia](#). In a publicly disclosed letter, State Secretary Antony Blinken expressed concern, stating that this could affect Bosnia's EU path.

In terms of EU enlargement, leaders from six Western Balkan countries, including [Albania, Bosnia, Kosovo, Montenegro, North Macedonia, and Serbia, convened in Skopje on January 22 to discuss the necessary reforms for accessing the EU growth plan](#) unveiled in October. According to Gert Jan Koopman, the European Commission's Director-General for Neighbourhood and Enlargement Negotiations, the plan could potentially double their economies in the next decade, covering areas like free movement of goods, services, and enhancing transport and energy cooperation. Furthermore, on January 24, [Turkey's parliament approved Sweden's NATO membership bid](#), overcoming a significant obstacle to the expansion of the Western military alliance. In a vote held in Turkey's general assembly, where President Tayyip Erdogan's ruling alliance holds a majority, the application made by Sweden in 2022 was ratified with a vote of 287-55. Shortly after, US President Joe Biden's administration formally [informed Congress of its intention to proceed with the \\$23 billion sale of F-16 fighter jets](#) to Turkey. The State Department sent the notification to advance the sale of 40 F-16 jets and nearly 80 retrofit kits to Turkey.

In the meantime



According to the [Financial Times](#), the European Union is considering sabotaging Hungary's economy if Budapest blocks new aid for Ukraine at this week's summit, as per a confidential plan drawn up by Brussels. Viktor Orbán has vowed to block €50bn in financial aid to Ukraine at an emergency leaders' summit on Thursday. If the Hungarian leader doesn't change his position, other EU leaders would permanently halt all EU funding to Budapest, with the intention of alarming markets, precipitating a Forint crisis and a rise in the country's borrowing costs, the Brussels document says. However, according to [Sky News](#), Budapest has reportedly shown a willingness to compromise. Viktor Orban's political director said that Hungary was open to using the EU budget to allow additional aid to Ukraine. Balazs Orban, the prime minister's chief political adviser, said Hungary had sent a proposal to the EU this weekend showing it was open to using the budget for the aid package if other "caveats" were added.



Vladimir Putin is making [preparations to visit Turkey](#) in February and meet with Turkish President Recep Tayyip Erdogan, where the two leaders will discuss Ukraine and other issues, the Russian state-run media outlet *TASS* announced on January 29, citing Yuri Ushakov, an advisor to Putin. Ushakov added that the two leaders will discuss Ukraine at the upcoming talks, including a potential peace settlement, but did not go into any more detail.



EU member states have endorsed a plan to set aside billions of euros from the [profits resulting from the freezing of the Russian central bank's assets](#), as an initial step toward potential use for the reconstruction of Ukraine. The

unanimous decision on Monday is expected to be formalized in the coming weeks. Out of the €260 billion in Russian foreign exchange reserves immobilized in 2022 in response to Moscow's invasion, €191 billion is held in Euroclear, a central depository in Belgium that generates billions of euros. According to the agreement reached on Monday, profits generated by Euroclear will be accounted for separately and will not be paid out as dividends to shareholders until EU countries unanimously decide to establish a "financial contribution to the [EU] budget that shall be raised on these net profits to support Ukraine," as per a draft text consulted by the *Financial Times*.