



MAIN TAKEAWAY of the month

Recent developments on the Ukraine-Russia front reveal that both Ukrainian and Russian forces are intensifying their offensive and defensive strategies. Ukraine is making targeted gains from areas like Vuhledar to optimize future operations, while escalating drone and missile strikes against Russian assets. Meanwhile, Russia continues its own advances, capturing territory in Donetsk and striking Ukrainian infrastructure. Additionally, reports indicate North Korea's support for Russia through troops and ammunition, prompting NATO to confirm North Korean deployment while the U.S. declare they will not impose new restrictions on Ukraine's use of American weapons if North Korean forces engage in combat. In addition, the Verkhovna Rada voted in favor of bills to extend martial law and general mobilization for another 90 days, under which more than 160,000 men are to be drafted.

Western allies have ramped up their military assistance, pledging advanced fighter jets, tanks, drones, and air defense systems to support Ukraine's defense capabilities. Financial and humanitarian aid also remains crucial, with major European loans and winter-specific aid directed towards infrastructure, energy resilience, and local reconstruction projects.

In Russia, the 2025 budget prioritizes record defense spending amid recruitment challenges, labor shortages, and waning public support for the military. To bolster its ranks, enlistment bonuses have risen sharply, migrant conscription has intensified, and economic support for veterans' families has been expanded. Internationally, the BRICS Plus Summit in Kazan showcased Russia's diplomatic efforts, granting partner status to 13 countries. Additionally, On October 24, the State Duma unanimously ratified the Russia-North Korea Comprehensive Strategic Partnership Treaty, establishing a military alliance that requires each nation to provide immediate military assistance to the other if attacked.

The Republic of Moldova reached a critical juncture in its pursuit of European integration, marked by a closely contested referendum in which 50.35% of voters supported EU membership. President Maia Sandu, who won the presidential elections with 42% of the vote, heralded this as a significant victory for Moldova's European ambitions, despite ongoing interference from pro-Russian factions. Amidst concerns of external threats, Moldovan authorities disclosed a substantial \$15 million scheme funded by Russia aimed at influencing over 130,000 voters and spreading disinformation. As Moldova approaches its presidential run-off, geopolitical tensions are heightened, with Sandu facing Stoianoglo, whom she accuses of being aligned with Moscow.

In October, the Balkans experienced significant political developments amid ongoing challenges and aspirations for European integration. Bulgaria's GERB party won the parliamentary election but faces coalition challenges, reflecting rising nationalist influences. In Croatia, President Milanović's NATO mission refusal drew criticism, while the government aims to enhance defense cooperation with Ukraine, planning to acquire Leopard 2A8 tanks. Kosovo announced the abolition of visa requirements for Bosnian citizens, and Serbia faced environmental debates over lithium mining. The EU continues to support the region's integration and reform efforts, with Commission President Ursula von der Leyen emphasizing commitments to enlargement and a €6 billion funding package.

In recent developments, Ukrainian President Volodymyr Zelensky [described the front-line situation as "very, very difficult,"](#) urging Ukrainian forces to maximize their autumn offensive efforts. Key advances have included [the recapture of the Vovchansk aggregate plant](#), which had been a Russian stronghold for operations along the Vovcha River. This victory will likely support further Ukrainian counteroffensives in northern Kharkiv, pushing Russian forces back toward their border. Ukrainian forces also [withdrew from Vuhledar](#) in the Donetsk region to save personnel and equipment, relocating to positions that facilitate future operations after defending the city for nearly two years. Meanwhile, Ukrainian drone [strikes continue to target Russian military assets](#), including Borisoglebsk military airfield and fuel depots in Voronezh, to restrict Russia's aerial bombing capabilities. Ukrainian forces [also struck Russian command posts with](#) Storm Shadow and GMLRS missiles, hitting posts of key Russian brigades. Additionally, Ukraine [has leveraged dragon drones](#) equipped with thermite to strike Russian bunkers and tanks, introducing a highly effective weapon against fortified positions. In addition, on October 29, the Verkhovna Rada of Ukraine [voted in favour](#) of adopting decrees extending martial law and mobilisation in Ukraine for another 90 days, under which [160,000 people are to be drafted](#) into the Ukrainian armed forces.

On the Russian side, the offensive remains relentless, with forces advancing in Donetsk and reaching [within seven kilometers of Pokrovsk](#), causing extensive damage to essential infrastructure. In addition, recently, the Russian Defense Ministry announced that its "Center" group has gained full control of Selidovo in the Donetsk region, following the capture of [three nearby settlements](#)—Gornyak, Dobrovolye, and Katerinovka. Russian troops [recaptured two villages in the Kursk region](#)—Novaya Sorochina and Pokrovsky—following a Ukrainian offensive there, and have continued efforts in other areas, [gaining control of](#) Krasnyi Yar near Pokrovsk and Nevske in Luhansk. Russian forces [launched a heavy assault on Mykolaiv's](#) energy infrastructure with drones and missiles, [while 16 Russian ships, including seven armed](#) with Kalibr cruise missiles, remain active in the Black Sea, posing a significant threat to Ukrainian coastal areas. Further escalating the situation, Russian forces [have suffered the second deadliest day](#) since the start of the large-scale invasion of Ukraine with 1,530 reported Russian casualties on October 17.

Additionally, [a Ukrainian drone strike on a Russian weapons depot](#) storing North Korean ammunition in Bryansk marked an important symbolic strike, [given recent reports of North Korea supplying Russia with soldiers and armaments](#), targeting the Kursk region. Estimates of North Korean troop numbers vary; U.S. officials initially cited around [3,000 soldiers in training](#), while South Korean intelligence suggests this [figure could reach 10,000 by December](#). Kyiv claims nearly 12,000 North Korean troops have [already been deployed](#), including 500 officers and three generals. Following NATO's confirmation of the deployment, the Pentagon clarified on October 28 that the U.S. will [not impose new restrictions](#) on Ukraine's use of American weapons if North Korean forces engage in combat.

Western allies are actively working to strengthen Ukraine's defense capabilities through a variety of military assistance programs. France [has revealed plans to deliver Mirage 2000 fighter jets](#) outfitted with state-of-the-art electronic warfare technology by early 2025, as well as [kamikaze drones in the near future](#). The Netherlands [has pledged €400 million towards collaborative drone development](#), while Croatia [intends to provide 30 Leopard 2A8 tanks](#) to Ukraine by the end of 2024. Germany [has supplied several Iris-T air defense systems](#), and Norway [has committed 967 million DKK](#) to enhance defense production for Ukraine, particularly in munitions and explosive materials. [Australia has also made](#) a notable contribution, vowing to deliver 49 Abrams tanks to bolster Ukraine's ground forces, while Slovakia's citizens [raised nearly \\$5 million to fund 122 tons of artillery shells](#).

In terms of financial assistance, European financial institutions have mobilized substantial funds to support Ukraine's economy. The EU [approved a €35 billion loan using frozen Russian assets](#), with additional support from the UK through [a £2.26 billion loan from similar assets](#). Switzerland

[pledged \\$1.7 billion over four years to focus on reconstruction](#) projects, including local governance and infrastructure. The Black Sea Trade and Development Bank [secured a \\$150 million credit facility](#) from Japan, targeting sustainable development projects in agriculture, transport, and digital infrastructure, while France also [granted €200 million specifically for infrastructure restoration](#), benefiting sectors like healthcare, energy, and agriculture.

Humanitarian aid remains essential as winter approaches. Norway directed [3 billion NOK for winter-specific](#) humanitarian aid, with support coordinated through the United Nations to reach vulnerable populations, which includes 1.5 billion NOK specifically for critical infrastructure repairs. Additionally, Ukraine and Slovakia [are collaborating to establish an East European Energy Center](#), focusing on natural gas storage and nuclear cooperation, with a major upgrade planned for the Mukacevo-Velké Kapušany interconnector by 2028. These initiatives underline the comprehensive commitment to bolstering Ukraine's energy resilience in the face of ongoing challenges.

RUSSIA - internal and external dynamics

The draft budget of the Russian Federation for 2025 foresees [a record allocation](#) for National Defense of 13.5 trillion rubles (\approx USD 140 billion), representing about 6.31% of the country's GDP. Although the amount allocated is unprecedented, the rate of increase in military spending is more moderate compared to the previous year. Therefore, the increase in the defense budget in 2025 compared to 2024 is about 20%, in contrast to the [significant increase of 68%](#) in 2024 compared to 2023.

More specifically, budget projections for the period 2026-2027 indicate [a doubling of](#) financial allocations for monthly payments for veterans, from 120 billion rubles (\approx USD 1.24 billion) in 2024 to 267 billion rubles (\approx USD 2.67 billion) in 2027. Considering the current amount of the monthly payment at 4,188 rubles, estimates suggest that the number of war veterans in Ukraine will reach about 2.6 million by 2027. At the same time, the Russian government [has allocated](#) 90 billion rubles for 2025-2027 for lump-sum payments to those who enlist in the army. At the current level of 400,000 rubles (\approx USD 4000), the allocated funds would allow for the recruitment of about 225,000 new soldiers over the next three years.

As recruitment for the Ukraine conflict intensifies, regional authorities in Russia have sharply increased financial incentives for volunteers joining the Ministry of Defense. The Belgorod region now offers a record enlistment bonus of [3 million rubles](#) (\approx USD 31,000), while the Rostov region has raised its bonus to [1.3 million rubles](#), marking its fourth increase this year. In the Khanty-Mansi Autonomous Oblast, the bonus [has reached](#) 2.2 million rubles. These substantial increases highlight the challenges Russian authorities face in attracting new recruits for the ongoing war in Ukraine.

Difficulties are also projected in the shortage of the labor sector. Law enforcement agencies continue raids on migrants across Russia, with a recent operation in St. Petersburg [detaining](#) 150 individuals with newly obtained Russian citizenship, who were then taken to military registration centers. Similarly, about 150 Yemeni citizens were reportedly [misled](#) with promises of high pay and citizenship, only to be sent to the Ukrainian frontlines. These actions underscore the Russian government's intensified efforts to address its military personnel shortages in the Ukraine conflict.

At the same time, the Russian labor market is feeling the effects of the protracted conflict with Ukraine. Against the backdrop of extremely low unemployment, the [demand for under-age employees has increased](#) significantly. The "Avito Job" platform reports a tripling of demand for 16-18 year-olds to work as packers and a doubling of demand for sales and catering jobs. In addition, in the third quarter, the Central Bank [reported](#) record staff shortages in Russian enterprises, particularly in consumer goods sectors, where employees face growing workloads. Companies are responding by indexing wages, offering additional pay for expanded duties, and hiring through third-party contracts. To boost productivity, businesses are investing in modernization and new equipment while utilizing resources intensively. Capacity utilization slightly decreased to 80.4%, near last year's high of 80.7%. To address labor shortages, the number of foreign specialists [will increase](#) from 156,000 this year to 235,000 by 2025.

To boost patriotic sentiment and reduce potential discontent over losses in Ukraine, regional authorities have adopted economic support measures. Primorye Governor Oleg Kozhemyako proposed [giving apartments to children of deceased soldiers](#), and in [Samara](#), [Leningrad](#) and [Saratov](#) are earmarking additional funds for payments to conflict participants and their families. However, despite these measures, the protracted conflict has damaged public confidence in the armed forces. Recent estimates show casualties of around 600,000, and the Levada Center's October 2024 poll shows [support for the military falling](#) to its lowest level since the conflict began.

On the international front, From October 22-24, the [BRICS Plus Summit](#) in Kazan gathered representatives from 35 countries and six international organizations, including key leaders like Xi Jinping, Narendra Modi, Recep Tayyip Erdoğan, and UN Secretary-General Antonio Guterres. This major geopolitical event, Russia's most prominent since its invasion of Ukraine, underscored efforts by the Kremlin to showcase Russia as an integrated member of the global community. The summit concluded with [13 countries](#), including Turkey, Indonesia, and Thailand, being granted BRICS partner status.

The Ukraine conflict was a recurring topic throughout the summit. Chinese President Xi Jinping [stressed the need for de-escalation](#) and a political solution, while Indian Prime Minister Narendra Modi [advocated for a peaceful resolution](#) in talks with Vladimir Putin. Turkish President Erdoğan [discussed potential steps](#) with Putin, including a prisoner exchange, reviving the grain export agreement, and de-mining the Black Sea. Putin, while open to “reasonable compromises,” ruled out territorial concessions, highlighting the need for negotiations [that reflect current](#) battlefield realities.

The presence of UN Secretary-General Guterres and Russia's assurances of openness to dialogue suggest a strategic attempt by Moscow to present itself as willing to negotiate. However, developments on the ground hint at further escalation, particularly as Putin [indirectly](#) acknowledged North Korean troop [involvement](#) in the Ukraine war, set against the backdrop of recent [Turkish](#) and [Chinese](#) export restrictions on military-related goods to Russia. On October 24, the State Duma unanimously [ratified](#) the Russia-North Korea Comprehensive Strategic Partnership Treaty, which Vladimir Putin and Kim Jong-un signed during Putin's visit to Pyongyang in June. This treaty effectively establishes a military alliance between the two nations. A key provision, [Article 4](#), mandates that if one party is engaged in war due to an armed attack, the other party must immediately provide military assistance by all available means.

Economically, India has emerged as [the second-largest supplier](#) of critical technological components to Russia, contributing nearly 20% of the sensitive technology used in Russia's military-industrial sector. Much of these exports are facilitated by Shreya, and from April to August, [Shreya supplied](#) over 1,000 PowerEdge XE9680 servers—equipped with Nvidia and AMD processors—to Russia, totaling \$300 million. Despite U.S. and EU sanctions prohibiting the export of these components due to their military applications, they continue to reach Russian markets. Concurrently, Russia maintained its position as India's primary oil supplier in September, providing 1.9 million barrels per day, or about 40% of India's oil imports, with volumes [increasing 11.7%](#) from the previous month. In the first half of fiscal year 2024/2025, Russian oil imports to India rose by 9.1% compared to the previous year.

In related developments, Turkey [doubled tariffs](#) for tankers transporting Russian oil through the Bosphorus and Dardanelles straits, raising transit costs to a 10-month high and impacting exports from Novorossiysk. Nonetheless, Russian oil deliveries to Turkey are projected [to rise by 40%](#) in October compared to September, reaching 7.41 million barrels, the highest since July. Russia has also bolstered its ["shadow fleet"](#) of tankers by nearly 70% over the past year, transporting 4.1 million barrels per day by June 2024, compared to 2.4 million barrels per day a year prior. This fleet now carries 89% of Russia's crude oil and 38% of its petroleum product exports. Additionally, the use of tankers under secondary sanctions has risen; since April 2024, 21 out of 72 sanctioned tankers [have completed 24 Russian oil shipments](#), with at least seven such ships loading at Russian ports in the first ten days of October alone.

Evolutions in the Republic of MOLDOVA

The Republic of Moldova finds itself at a pivotal moment as it charts its course towards European integration amid considerable internal and external challenges. In the recent referendum, Moldovans [narrowly expressed their support for EU membership](#) with a slim majority of 50.35%, contrasted by a significant 49.65% who opposed the country's EU accession, reflecting a fragmented public opinion. President Maia Sandu, [who also secured victory in the presidential elections](#) with 42% of the votes against her rival, Alexandr Stoianoglo, who garnered 26%, [hailed the outcome as a "hard-fought triumph" for](#) Moldova's European aspirations. However, she previously warned about the persistent interference from pro-Russian elements, particularly oligarch Ilan Shor.

Moldovan authorities [unveiled a substantial scheme backed by over \\$15 million](#) in Russian funding designed to sway 130,000 voters and spread disinformation to hinder Moldova's Western alignment. Similarly, META [has revealed a network of fake accounts run by Russian speakers](#) to foster anti-EU sentiments on social media, while [reports indicate that hundreds of young Moldovans](#) have undergone training in Russia, Bosnia, and Serbia, focusing on violent tactics and explosives, allegedly aimed at destabilizing Moldova's constitutional order. This clandestine operation, reportedly endorsed by the mercenary Wagner Group and orchestrated by Ilan Shor, was dismantled just days prior to the EU referendum, underscoring the ongoing threats to national stability. As a means of combatting this issue, the [Information and Security Service \(SIS\) of Moldova](#) has blocked multiple Russian websites, in order to mitigate threats to national security, while also restricting associated services for opposing the EU accession referendum.

As Moldova gears up for the second round of its presidential elections, the geopolitical stakes are elevated. Maia Sandu, aiming for re-election, is up against Alexandr Stoianoglo, who, despite his declared backing for EU integration, [has been labeled by Sandu as a "Trojan horse" for Moscow](#). The two candidates engaged in a debate concerning the Moldova-Ukraine relationship, with Sandu questioning Stoianoglo's commitment to democratic values and his alignment with Kyiv.

At the security level, the [Moldovan National Army](#) is actively participating in international peacekeeping operations, specifically within the [EUFOR ALTHEA mission in Bosnia and Herzegovina](#). This involvement reflects the army's commitment to security and stability in the region. Furthermore, the [Moldovan contingent served in Lebanon](#) for several months exceeding their mandate, with their return coinciding with increased [tensions at the Lebanon-Israel border](#) and the Israeli military's offensive.

European Commission President [Ursula von der Leyen](#) announced that the EU will invest [€1.8 billion in Moldova's economy](#) over the next three years to support various projects, including new hospitals, infrastructure improvements, and expanded internet access, with the aim of doubling the economy within a decade.

The Balkans

The political landscape across the Balkans is marked by dynamic developments that reflect ongoing regional challenges and aspirations for European integration. In Albania, democratic stability is under threat, which could impact its EU membership aspirations. [Italy has officially opened two centres in Albania](#) to detain men intercepted while crossing from Africa to Europe as part of a €670 million agreement to expedite asylum processing, [despite criticism](#) from human rights advocates regarding potential mass detentions and expedited repatriations. Meanwhile, the government, led by Prime Minister Giorgia Meloni, has enacted a decree to circumvent legal challenges to the agreement, permitting the designation of entire countries as ["safe" for migrant returns](#), even after a court ruled that Bangladesh and Egypt cannot be classified as safe. The EU's initial assessment of [Albania's progress towards EU membership](#) is largely positive, with

Prime Minister Edi Rama stating that [Albania aims to become a full member by the end of the decade](#), despite noting areas for improvement in corruption, media independence, and the judicial system.

In Bulgaria, the political landscape reveals deep divisions as the [centre-right GERB party won the parliamentary election](#) on October 27, with approximately 26% of the vote but now faces the need for a [coalition partner to govern](#). [Potential alliances](#), particularly with the pro-Russian Revival party, highlight an increasing nationalist influence while presenting challenges due to tensions with Bulgaria's Western allies.

In Croatia, the [President Milanovic's refusal](#) to join NATO's mission for Ukraine, citing the [prioritization of national safety](#), has led to criticism from the [Prime Minister](#) for damaging Croatia's international standing. Additionally, at the [Ukraine-South East Europe Summit in Dubrovnik](#) on October 9, 2024, that gathered leaders from twelve countries, Prime Minister Andrej Plenković and President Volodymyr Zelenskyy co-hosted discussions and signed [several agreements](#) highlighting the necessity of [enhanced defense cooperation](#) and a robust bilateral relationship between Croatia and Ukraine. Emphasizing both national security upgrades and international defense support, Croatia intends to acquire up to [50 Leopard 2A8 tanks from Germany](#) to replace its Soviet-era tanks, which it plans to deliver to Ukraine by late 2024.

Furthermore, the Kosovo government has announced [the unilateral abolition](#) of the visa regime for citizens of Bosnia and Herzegovina, effective January 1, 2025, allowing them to [enter Kosovo with personal documents](#); however, citizens of Kosovo will still need to adhere to Bosnia and Herzegovina's visa policy, which remains in place due to a veto from the ruling politicians of Republika Srpska.

The [Serbian parliament has rejected](#) an opposition [proposal to ban lithium and borate mining](#), which could terminate the controversial Rio Tinto project for Europe's largest lithium mine, reflecting ongoing tensions between economic development and environmental concerns. Additionally, Serbian President Aleksandar Vucic announced that he anticipates negotiations for a [new long-term gas supply agreement with Russia](#) after the current three-year deal expires in March.

The EU's strategic focus on supporting Balkan nations' paths toward integration and reform, reflects a proactive approach to fostering stability and growth in the region. Commission President Ursula von der Leyen [visited the Western Balkans](#) to assess progress since the Growth Plan's adoption and reaffirm the EU's commitment to enlargement over the next five years. The EU approved Reform Agendas for five countries, enabling [access to €6 billion](#) in funding based on reform milestones. She highlighted the Growth Plan's benefits and pledged [€20 million in aid](#) to Bosnia and Herzegovina following recent floods.

In the meantime...

➤ The Republic of Moldova will hold the second round of its [presidential election on November 3](#), pitting the incumbent, pro-Western President Maia Sandu, against former prosecutor general Alexandr Stoianoglo.

➤ The U.S. [presidential election on November 5](#), featuring Donald Trump and Kamala Harris, could significantly influence the Black Sea and Balkans region, as each candidate's foreign policy approach holds implications for NATO relations, security commitments, and regional stability.

➤ On November 24, 2024, [Romania will hold the first round of its presidential elections](#), followed by parliamentary elections on December 1, 2024, and a potential second presidential round on December 8, 2024.