

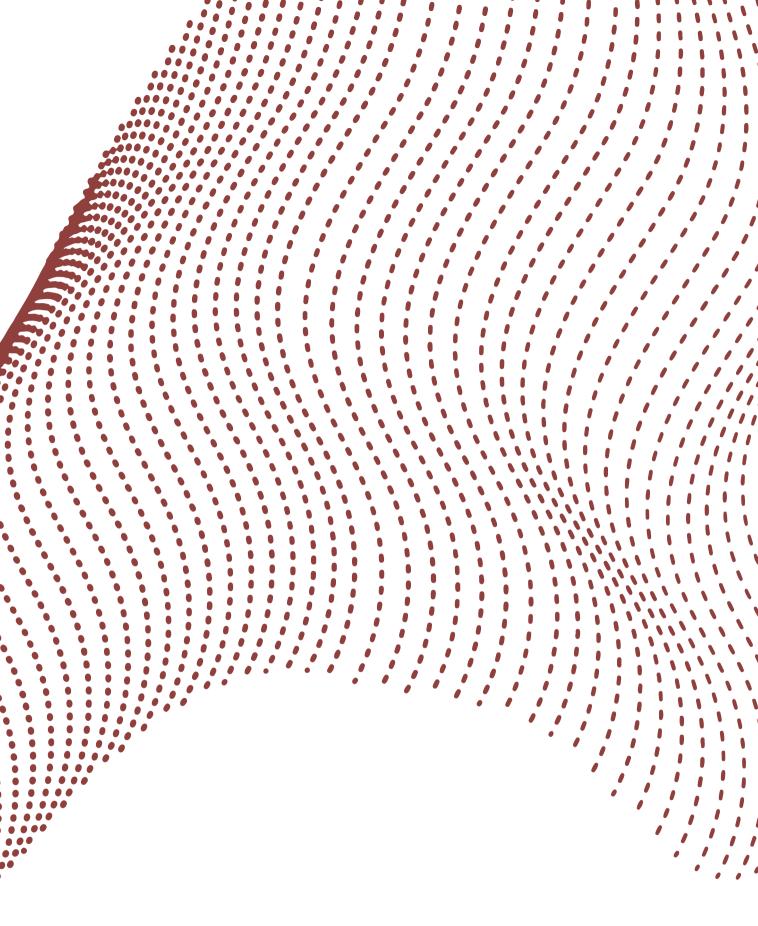
# Poland & Romania Flashpoints

## **Security Brief**

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#### 06 Aug 2023



# Executive Summary

The evolving geopolitical environment in Eastern Europe, specifically within Poland and Romania, is marked by complex security risks that demand a comprehensive and strategic assessment. These risks stem from several interconnected domains:

- Military Risks: Increased presence of troops has elevated the risk of accidental or deliberate conflicts, requiring vigilance and coordination.
- Political Considerations: The intricate web of sovereignty issues and diplomatic relationships with NATO and regional actors necessitates careful navigation.
- Economic Concerns: Trade disruptions and economic volatility are fueling regional instability, which may have broader implications for European security.

Central to this assessment is an understanding of the shared interests for de-escalation, balanced against the very real possibilities of escalation and the potential implications for regional and global security.



# Poland: A Strategic Buffer and NATO's Eastern Flank

#### **Geographical Importance**

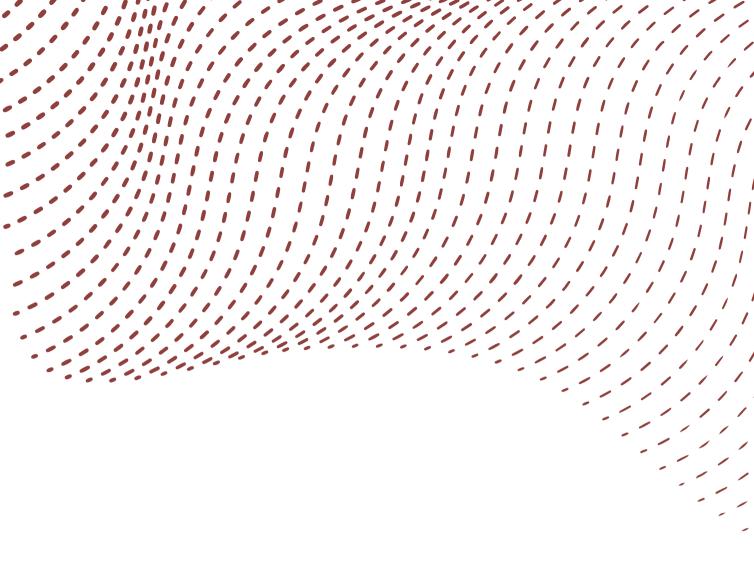
- Location: Crucial buffer between Europe and Russia, with easy access points and lack of natural geographical boundaries.
- Strategic Importance: Acts as a focal point for Russia and NATO.

#### **Historical and Political Sensitivities**

- Sensitive Relations with Russia: Resulting from history of invasions.
- Support for Ukraine: Strong backing following the US and UK, elevating tensions.

#### **Recent Tensions and Risks**

- <u>Military Buildup</u>: Including deployment of additional troops and border infrastructure.
- Incursions & Accidents: Possibility of deliberate actions by Wagner group or accidental incidents, such as missile hits.
- NATO Considerations: Reluctance to escalate into full-scale conflict but potential invoking of Article 4 or 5.





### Risk Assessment for Poland

#### **Escalatory Risks with Russia and Belarus**

#### Probability: Medium | Impact: High

- Escalation Triggers: Buildup of military presence near borders, public rhetoric, political decisions supporting Ukraine.
- Potential Consequences: Diplomatic fallout, economic sanctions, limited military engagements.
- <u>Mitigating Factors</u>: NATO's presence, diplomatic channels, Poland's adherence to international law.

#### **Increased Presence of Military Troops**

#### Probability: High | Impact: Medium

- <u>Triggering Events</u>: Additional deployments due to perceived threats, joint military exercises with NATO.
- Potential Consequences: Strained relations with neighbors, local unrest, economic impact on border regions.
- Mitigating Factors: Transparency in military intentions, cooperation with NATO and EU, engagement with local communities.

#### **Potential for Incidents like Missile Hits**

Probability: Low | Impact: Medium

- Potential Causes: Accidental discharge, miscommunications, deliberate provocations.
- Potential Consequences: Casualties, major diplomatic incidents, potential retaliation.
- Mitigating Factors: Robust command and control, clear rules of engagement, diplomatic channels to de-escalate incidents.



### Romania: Black Sea Region & NATO Relations

#### **Geographical Importance**

- Location: Southeastern Europe, near Ukrainian ports and the Black Sea.
- Strategic Role: Key NATO ally, gateway to Balkans/Western Asia, regional energy importance.

#### **Historical and Political Sensitivities**

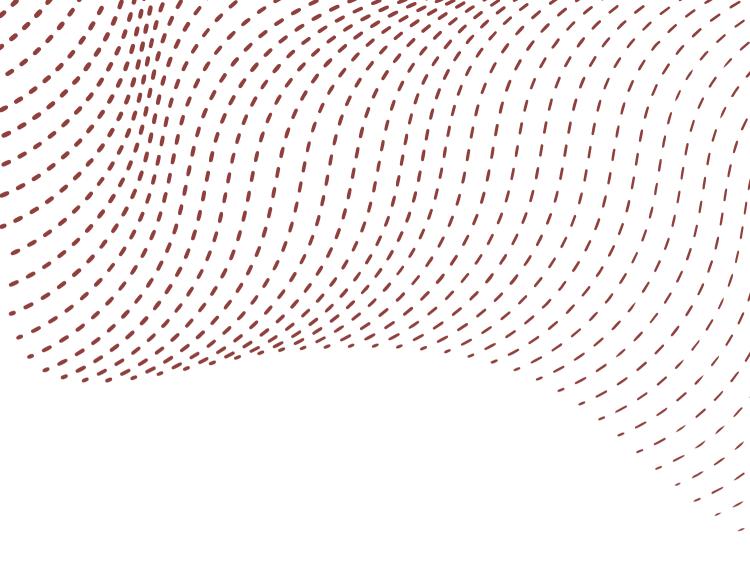
• Russia Relations: Complex history with reduced embassy staff; less dependent on Russian natural gas and coal but significantly reliant on crude oil (37%).

#### **Recent Tensions and Risks**

- Border Threats: Russia's drone attacks on Ukrainian ports close to Romania's NATO border marked an escalation.
- <u>Energy Security</u>: Vulnerabilities due to reliance on Russian crude oil, especially in winter.
- Trade and Cultural Impact: Attack on ports near Danube affects regional trade; close cultural ties amplify public response.

#### **NATO Considerations**

• Balanced Response: Romania and NATO seek to show resolve without provoking escalation; commitment to defending allied territory but cautious of broader conflict implications.





### Risk Assessment for Romania

#### **Impact on Grain Exports**

Probability: High | Impact: High

- Potential Triggers: Disruptions in Black Sea and Danube River shipping lanes due to military activities (such as drone attacks on neighboring ports), sanctions, or blockades; dependency on Russian crude oil.
- Potential Consequences: Significant economic loss affecting both national and global food supply, inflation in food prices, strain on regional trade relations.
- <u>Mitigating Factors</u>: Diversification of export routes including over land via other EU nations, governmental interventions in markets, active diplomatic resolutions.

#### **Increased Regional Tensions: Potential Escalation**

#### Probability: Medium | Impact: High

- Potential Causes: Aggressive military posturing near the NATO border, unresolved territorial disputes, political rhetoric, the reduction of Russian embassy staff in Bucharest.
- Potential Consequences: Strained diplomatic relations with Russia, potential military confrontations, economic uncertainty, national security threats.
- Mitigating Factors: Active diplomacy and engagement with NATO and EU, adherence to international agreements, balanced response avoiding unnecessary escalation.



### Risk Assessment for Romania

#### **NATO Engagement**

Probability: Medium | Impact: Medium to High

- <u>Potential Triggers</u>: Deliberate or accidental military engagements close to Romanian territory (e.g., attacks on ports near the Danube River), requests for support under NATO agreements, Russian activities near Romania's border.
- <u>Potential Consequences</u>: Increased military presence, political divisions within NATO, potential escalation with Russia, public concern due to close historical, linguistic, and cultural ties with affected regions.
- Mitigating Factors: Clear communication within NATO, adherence to alliance agreements, diplomatic engagement with potential adversaries, maintaining a non-aggressive but firm stance.



### Security Concerns

#### **Increased Military Presence**

- Risk Factors: Military maneuvers near business operations, accidental engagements, miscommunication, and nearby military activities.
- Potential Implications: Disruption to operations, physical damages, loss of life, increased security costs, potential military confrontations.
- Mitigation Strategies: Regular security assessment, collaboration with local authorities, contingency planning, cooperation with regional and international entities.

#### **Political Landscape**

- Risk Factors: Sanctions, regulatory requirements, political pressures, complex political landscape, national sovereignty issues, international obligations, regulatory changes, political decisions impacting businesses, international political tensions.
- Potential Implications: Limited market access, legal penalties, reputational damage, regulatory compliance challenges, strategic alignment issues.
- Mitigation Strategies: In-depth political risk analysis, engagement with diplomatic channels, proactive policy alignment, legal compliance, robust crisis management planning.



### Implications for Businesses

#### **Economic Impact**

- Risk Factors: Political unrest, economic sanctions, military blockades, targeting specific industries, disruptive trade policies, geopolitical tensions.
- Potential Implications: Supply chain delays, increased costs, loss of suppliers, loss of market share, fluctuation in commodity prices.
- Mitigation Strategies: Adaptation to trade policies, diversification of markets, advocacy for fair trade practices, diversification of trade routes, continuous monitoring of trade policies.

#### **Security Measures**

- <u>Risk Factors</u>: Criminal activities, terrorism, local unrest.
- Potential Implications: Physical damage, safety risks to personnel, business interruption.
- Mitigation Strategies: Collaboration with local authorities, investment in security measures, comprehensive crisis response planning.

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Prepared at the Risk Assessment and Analysis Centre, Bangalore

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