

No GOOD DEED UNPUNISHED

Mark Galeotti & Chris Honeyman

This hypothetical scenario presents a multiplayer situation, around the proposal of the European Union to site a nuclear power plant in Bosnia and Herzegovina. Rivalry over where it should be located, and what prime contractor is to be dominant, and therefore what country since all the possible contractors are closely associated with major powers, has resulted already in a possible shift of location and a three-way contest over the relative influence of the US, Europe, and Russia in the project – with China never far away as a further influencer. Tensions are further inflamed by the apparent murder (though a simple accident cannot be ruled out) of the European Commission official assigned to investigate the merits of the competing locations and make a final recommendation.

Rather than having obvious individual protagonists with whom the reader is invited to identify, this case presents a variety of institutional or national players, any of which might be the focus for a given reader.

This case study serves to present the classic hybrid warfare problem of attribution, in which it is distinctly unclear who is responsible – if indeed a murder has occurred. That lack of clarity allows multiple parties to construct and promulgate narratives claiming each in turn is victim rather than perpetrator. It also situates the immediate conflict within a known history of extreme and longstanding conflict which has frequently been exacerbated by the ambitions of individual politicians. Finally, this scenario presents a clear example of a real-world problem for all such cases, in which events may rapidly overtake a case designed even recently. This case study deals with that situation by asking readers to mentally place themselves within a specific time in history (circa 2019), as well as within a particular place.

Keywords: EU cooperation – Nuclear powerplant siting and funding – Bosnia and Herzegovina – Commercial competition – Murder – Transnational crime activities – Political tensions – Russia – France – China – USA.

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Disclaimer

Although this scenario is designed to look real, it is not a true story. We believe similar events could happen (or may have happened) in a different context, but the scenario as described, and especially the local characters, are based on the authors' imagination. The dynamic between the main players (EU, Russia, and China) is believed to be realistic.

In reading this scenario, please assume the year is 2019.

The European Union's plan to underwrite the construction of a nuclear power station in the divided state of Bosnia and Herzegovina (BiH) was meant to be a significant act of economic uplift and political solidarity. It has instead become a nightmare.

Some background information on Bosnia and Herzegovina

BiH is a recent country situated in the Balkan peninsula in South-East Europe. It was part of Yugoslavia until the country exploded in the early 1990s with the independence proclamations of Croatia and Slovenia. In 1992, BiH proclaimed its own independence from a Yugoslavia now mostly populated by Serbs. The Serbs who remained on BiH soil then took up arms to try and retake the country from ethnic Bosnians, leading to a 4-year long deadly war including a blockade of the capital city Sarajevo. In 1995, NATO intervened to try to stop ethnic cleansing. The Dayton Accords of December 1995 confirmed the country's existence and borders and established two regional administrations: the "BiH Federation" and the "Republika Srpska." Multiple political and military leaders of the time have since been convicted of war crimes and heavily sentenced by the International Criminal Tribunal for the former Yugoslavia in the Hague. In 2016, the country applied for EU membership; its application remains pending.

BiH, like most Balkan countries, is keen to join the EU – keener, to be honest, than most EU countries are to welcome new members with serious economic and governance challenges and histories of inter-ethnic rivalry. In the past, this has often meant supporting "stabilocrat" regimes that may be corrupt but at least will not rock the boat. This

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time, Brussels was adopting a more positive stance, proposing some major development projects that would seem to offer all kinds of advantages, and not least signal a commitment to the Balkans. The policy could be summed up as: "we will help you with economic growth such that you will be less of a needy candidate in the future."

In BiH, the key plan was to build a nuclear reactor, both to provide cheaper power for economic diversification and to allow decommissioning of some of the dangerously polluting older units of the coal-fired Tuzla thermal powerplant. An investment that would also bring public health and environmental benefits.

An initial study strongly recommended siting the new plant near Prijedor in Northern BiH, notably as it would also support the expansion of the local manufacturing and food processing industries. Prijedor is in the predominantly Serb *Republika Srpska* part of BiH, but from Brussels' point of view, that was simply another plus: helping reconcile to a European future a region more prone to look to Moscow for support.

Brussels is simply underwriting, not directly building the plant, and so a joint venture, UNE (for *Ujedinjena Nuklearna Energija*, United Nuclear Energy), was founded between the European Investment Bank (EIB), the BiH Government, and the local *Republika Srpska* Government. The contract went out to tender and three consortia emerged as the front-runners: one headed by the US Westinghouse Electric Company, one headed by Russia's Rosatom, and one headed by China General Nuclear Power Group. Although the last of these operated with numerous local partners and intermediaries to try to bypass previous US sanctions, eventually UNE decided this posed too great a risk. The contract looks like it is going to be awarded to the Rosatom-led consortium, not least thanks to heavy lobbying in Banja Luka, the de facto administrative capital of the *Republika Srpska*.

At this point, the US government began to raise the alarm, claiming not only that this would give Moscow long-term influence in *Republika Srpska*, but also that this would leave the country potentially dependent on power coming from a region which could conceivably break away. INTCEN, the EU's intelligence fusion unit, belatedly began echoing these concerns.

A group of BiH parliamentarians began circulating a proposal instead to site the plant in Tuzla, to compensate for the closures at the coal-powered plant there, an idea which quickly found favor in Brussels, which was eager to resolve the issue. Tuzla, after all, is in the majority Bosniak part of BiH and already at the center of power distribution networks. There was even brownfield land available for development.

The *Republika Srpska* government was understandably furious, as was Moscow, especially when Brussels implied that Rosatom's bid was implicitly also off the table. Well-funded Russian cultural centers and local politicians began angrily drawing attention to the way that US pressure had also, in effect, handed the contract to the last competitor in the race – headed by a US corporation. A case was also brought in Brussels claiming that this move would violate EU anti-monopoly law.

As tensions rose, Moscow suggested that it might be willing to contribute towards the cost of a reactor in Prijedor, Bosnia, ideally with (but, if necessary, without) EU participa-

tion. Russian and Russian-influenced media began presenting this issue as an existential test of European political will: is it more than just a puppet of the USA? Politicians considered close to Moscow, especially in France, joined the fray.

Coincidentally enough, at this point, a “compromise” was announced: a new joint venture between Rosatom and the French corporation Framatome, itself majority owned by EDF (France’s historical national public electricity provider), itself largely held by the French State. The Government in Paris, keen to assert European “strategic autonomy” from Washington, and desperate to underwrite its ailing domestic nuclear industry, started asserting that its role will ensure there could be no malign abuse of this contract, if the Prijedor contract goes ahead.

A crucial role in deciding this will be played by a European Commission official attached to the EIB, tasked with making a final assessment. Krzysztof Mielczewski, a Pole known both for his meticulous investigations and his deep skepticism of Russian intentions, is a controversial figure, but despite a campaign to present him as “Russophobe”, he is the man on point. He travels to BiH, and has conversations with stakeholders, engineers, analysts, and politicians. He is being driven to Sarajevo airport for the flight home when his car suffers an unexpected and catastrophic brake failure and ploughs into a truck. He is killed instantly.

Immediately, the rumor mills begin grinding. He was killed by Russian assassins because he was going to rule against Prijedor. He was murdered by the Americans precisely because even this Russo-sceptic had come to realize that the Prijedor option was the right one. He was murdered by local business interests. Even more conspiratorially, he was murdered by the Olga Cell of the Informal Anarchist Federation International Revolutionary Front (a group linked to previous violent attacks on nuclear scientists and engineers). The information leading to this last conclusion, however – even more than the evidence supporting the other theories – cannot be substantiated and may have been proffered to throw investigators off the trail.

What survives of Mielczewski’s notes does not conclusively prove which way he was inclined, but does reveal that he had received, from anonymous sources, a pack of copied company registration and cadastral documents. Not only was the extension of Tuzla’s coal-powered plant – which would never be built if the nuclear project goes ahead – to be funded by a loan from Exim Bank of China, but the proposed brownfield site for a nuclear reactor there is registered to a Bosnian company that, in turn, is owned by “PSLP”, a Chinese corporation whose owner was a former Ministry of State Security General – in other words, a spymaster. There is no specific reason to suspect that this would give Beijing any special leverage, but it would be a lucrative deal for PSLP, and it comes at a time when European governments are especially conscious of the risks attached to Beijing’s economic tradecraft.

Several intemperate public statements from Members of the European Parliament and other figures follow, to which Beijing reacts with evident fury. The new Chinese ambassador to BiH, a high-flying young “wolf warrior,” calls Brussels a “den of spiteful

xenophobes forcing the people of the Balkans to be their anti-Chinese conscripts.” A cyberattack hits EIB systems. Beijing denies any responsibility, and when forensic analysis of the malware points to a Chinese connection, it claims this was a provocation launched by “malcontents” from “Taiwan Region” (in its own formal terms, the Republic of China, but known to most outside China simply as Taiwan).

In this furor, the revelation by the citizen journalism outfit Bellingcat that several officers of Unit 29155, Russian military intelligence’s notorious “wet work” (murder) team, had travelled through Sarajevo just days before Mielczewski’s death is almost lost. Almost, but not quite, as an unlikely alliance of anti-Russian US and European sources and Chinese “patriotic influencers” on social media hype this as “proof” that Moscow had him killed.

Although Moscow seems reluctant to challenge Beijing so directly, local politicians in *Republika Srpska* have no such qualms, and instead start conjuring all kinds of lurid conspiracy theories. When a crowd picketing the Chinese embassy in Sarajevo turns ugly and starts throwing stones, the Russian Serbian-language outlet that covers the region, *Sputnik Srbija*, fails even to report it. However, several ultra-nationalist contenders, vying to replace multi-term *Republika Srpska* president Milorad Dodik, fasten on this as a wedge issue and sign an open letter in the main daily newspaper, *Dnevni Avaz*, calling on Sarajevo to “stop our country being sold to China.”

At this stage, the EU is tempted to pull the plug on the whole affair, and a memo to this effect leaks to a Brussels newspaper, suggesting that the European Commission wishes it had never entertained this idea. But...

If the EU backs away, it will simply consolidate the impression in the Balkans that it is clueless and spineless, forever making promises that it never will fulfil or even intends to fulfil. Countries looking to consolidate their interest in the region – Russia, China, Turkey – will only gain.

Paris has a specific desire to get at least part of the contract for the Prijedor reactor; it frankly does not regard Moscow as a long-term threat.

Moscow is angry, and if it cannot get the contract, will use this to stir up resentment in *Republika Srpska* – and across the Balkans more broadly.

Beijing is furious at yet another example of “panda bashing” – even if it is not clear whether PSLP was a Trojan horse for the Ministry of State Security or not.

America is annoyed that Europe once again seems naïve and inconsistent.

Rumors persist that the Russians and Chinese are using their criminal networks to leverage the Bosnian mafia. Trade-based money laundering, weapons trafficking, human smuggling and political influence are all threat streams that are exploited by Transnational Organized Crime groups. The Tito and Deano cartel, one of the main players in Europe and based out of Dubai, is often tapped to assist State-sponsored criminal groups or agents sent to conduct illicit activity in the country. Many question how the narcos gain so much power, but these people are not aware of the interconnectivity between those that hire the cartels to do the dirty deeds – “wet work”, sabotage, extortion, kidnapping

– and Nation-States that utilize their services, allowing for plausible deniability by their agencies. The criminal elements can silence dissenters, influence decision-makers and use fear as a tool that anyone can purchase, for the right price.

And BiH is up in arms that it is being used as a proxy battlefield, with the Serbs pitted against the Bosniaks. If no reactor is built at either Prijedor or Tuzla, then it will continue to develop its coal-fired power stations, with all the consequent costs to local people's health and the global climate.

Glossary

Bellingcat: an independent international group of researchers, investigators and citizen journalists using open source and social media investigation to probe a variety of subjects. It is active in more than 20 countries.

BiH: Bosnia and Herzegovina, a country of 3.3 million and locus of an intense war (1992-95) which included a long list of atrocities, the effects of which continue.

China General Nuclear Power Group is a large electricity supplier based in Guangdong Province, and is heavily engaged in nuclear projects, although as of 2014 more than half of its capacity came from wind, hydro, and solar plants. It has also pursued large projects abroad, including in the UK and Malaysia. As of 2018, it is under US sanctions resulting from a finding that it had stolen advanced US nuclear technology and supplied it for Chinese military use.

The European Investment Bank (EIB) is the lending arm of the European Union and asserts that it is the largest multilateral lender in the world as well as one of the main financiers of climate action worldwide.

Exim (Export-Import) Bank of China is one of three institutional banks in China chartered to implement State policies in industry, foreign trade, economy, and foreign aid to developing countries, and to provide policy financial support to promote the export of Chinese products and services.

Framatome is a French nuclear power company with 14,000 employees and concurrent projects in Finland, China, and the UK as well as in France. It is 75% owned by the French EDF Group; Japan's Mitsubishi Heavy Industries owns about 20%.

INTCEN (EU Intelligence and Situation Centre) is a relatively small (70 staff as of 2013) European Union intelligence unit. Following the 2001 Al Qaeda attacks on the US, it developed first into a forum for the exchange of sensitive information among the main national European intelligence services, and later added a counterterrorism cell. More recently it has been responsible for strategic analysis and research based on input from member States' intelligence services.

Milorad Dodik is a *Republika Srpska* politician. Originally seen as relatively moderate and reformist, he has more recently been characterized as a Serb nationalist and an authoritarian. Since 2019, he has served as the Serb member of the three-member presidency of Bosnia and Herzegovina; previously he was president of *Republika Srpska* from 2010-2018.

The Ministry of State Security, or “Guoanbu”, is the civilian intelligence, security and secret police agency of the People’s Republic of China, responsible for counterintelligence, foreign intelligence and political security.

Republika Srpska is part of Bosnia and Herzegovina (BiH) and is the home of the 1.2 million Serbs within the country. Its main city is Banja Luka.

Rosatom State Atomic Energy Corporation is the largest electricity producer in Russia, supplying 20% of the country’s power and employing 275,000 people in 400 business units. It is also heavily engaged in nuclear power development abroad and claims to have the world’s largest portfolio of such projects (35 current, in 12 countries.)

Tuzla Thermal Power Plant is the largest power plant in BiH and consumes over 3 million tons of coal a year. The city of Tuzla was ranked by the World Health Organization in 2017 as having the second worst pollution in Europe.

Unit 29155 is a Russian military intelligence (GRU) organization tasked with foreign assassinations and other activities aimed at destabilizing European countries.

Westinghouse Electric Company, based in Pittsburgh, originated the alternating current method of electricity distribution in the late 19th century. In more recent years it has concentrated on nuclear reactor development, and its technology is used in 430 reactors around the world. From 2006 to 2018, it was essentially owned by Japan’s Toshiba, but after Japan cooled on nuclear power following the Fukushima disaster, Toshiba unwound its position, and since 2018, Westinghouse has been owned by a consortium headed by Brookfield Business Partners.

Wolf warrior: Taken from the title of a 2015 movie, this term is now used to describe a subset of Chinese diplomats who engage in a highly aggressive style of diplomacy, which includes loudly denouncing any criticism of China.

Possible questions for discussion

- 1) What are the different hybrid warfare techniques at play in this scenario? How do they play in conjunction with one another?
- 2) Draw a stakeholder map including all involved parties, i.e., a graphic representation of all actors, with arrows between them indicating support or opposition. Beyond national governments and international organizations, include private, NGO and criminal groups. Identify the interests and values of each actor.
- 3) For each non-governmental organization you identified in question 2, explain whether the role of this organization appears to be something that could have been done by a unit of a government directly.
- 4) What mental shifts are needed to make it possible to consider the case in contemporary terms, as if you had arrived on site a week later as the replacement for the late EU official, rather than with months or years of hindsight? Is anything comparable as a mental shift needed for studying hybrid warfare cases generally?
- 5) Is it useful in analyzing this case to apply the classic concepts of evidence, burden of proof and of innocent-until-proven-guilty, taught in detail to lawyers (and to everyone else, via movies and books)? If so, why? If not, what might be an alternative basis for analysis?
- 6) Setting aside the fact that the Russian 2022 invasion of Ukraine immediately obsoleted any possibility of commercial tie-ins involving Russia: as of its assigned date, does the exercise appear plausible to you? If so, why? If not, why not?
- 7) Is there a role in this scenario for any convening or mediating entity? If so, what could it be?
- 8) In this scenario, what negotiations would you expect each of the following to be engaged in, publicly or secretly: European Union; Paris; Moscow; Beijing; Washington?
- 9) After considering different scenarios, what do you consider the most likely outcome as to construction of the power plant? Why?