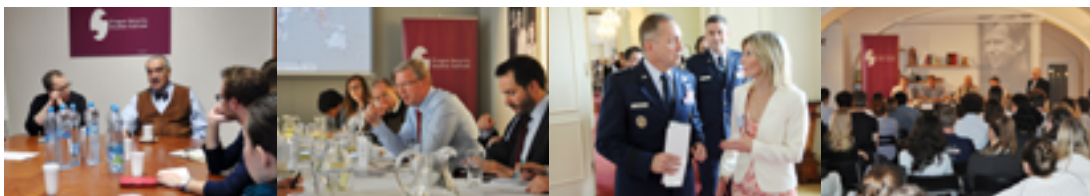




Prague Security
Studies Institute



ANNUAL REPORT 2016

MESSAGE FROM
PSSI'S CO-FOUNDER AND CHAIRMAN

Now in its fifteenth year, the core mission of PSSI is to equip and train new generations of security policy practitioners, researchers, lecturers, and interested citizens who wish to contribute to preserving and protecting the hard-fought freedoms of the Czech Republic and other post-communist states.

In this connection, we are seeking to expand further the Institute's already prominent footprint at the prestigious Charles University (continuously operating since 1348) where PSSI has co-sponsored a Master's Degree Program in International Security Studies (now in its tenth year), a James Q. Whitaker lecture series, two courses of study in the curriculum (i.e., Space Security and Economic Warfare) and more recently, an Oldřich Černý Ph.D. scholarship.

We are likewise continuing our indigenous two-semester Security Scholars course, the partnership with Masaryk University in the field of energy security (embodied in our co-sponsored Energy Security Academy held by PSSI annually), and also convening our thirteenth consecutive NATO Summer School session.

The Institute remains vigilant with regard to Russia and China's evolving brand of hybrid warfare, which permeates the economic and financial (E&F) space and energy security domains – our principal program concentrations. PSSI is especially proud of its global leadership in the NGO community in the fields of space security (notably counterspace) and the economic and financial dimensions of hybrid warfare (specifically, the abuse by adversaries of the legitimate international trading and financial systems/global markets for nation-capturing and other nefarious purposes).

This Institute is an active participant and coordinator of regional initiatives, including Ukraine's security sector reform, diplomatic training activities in Serbia, various Visegrad Four programs, and our "clearinghouse" role in a network of some 40 regional think tanks taking part in PSSI's International Relations and Security Affairs Resource Hub (IRSEC Hub).

In short, PSSI continues to expand its influence and programmatic strength as the Czech Republic's leading foreign policy and national security think tank (according to a global survey by the University of Pennsylvania) and the fourth ranked public policy group in Central/Eastern Europe and Russia (excluding two state-sponsored Russian groups).

As in the past, the Institute's good fortune and bold initiatives would not be possible without the generous support of our individual and institutional donors. We are likewise most grateful to our ever-growing network of talented alumni, and for the lasting inspiration of my fellow Co-Founder and dear friend Olda Černý.



Roger W. Robinson, Jr.
PSSI Chairman and Co-Founder



Karel Schwarzenberg, former Czech Minister of Foreign Affairs, in a discussion with Robinson-Martin Security Scholars

SECURITY SCHOLARS PROGRAM

ROBINSON-MARTIN SECURITY SCHOLARS PROGRAM

PSSI launched its Robinson-Martin Security Scholars Program (RMSSP) in February of 2002. RMSSP offers some fifteen highly qualified and motivated students from leading Czech universities the opportunity to participate in a two-semester security studies program at PSSI's offices. Developed after careful evaluation of similar European and American security studies programs, RMSSP covers a broad spectrum of security-related subjects. The program emphasizes small group settings and social gatherings that provide students the opportunity to directly interact with visiting security policy luminaries and lecturers.

The content and sequencing of over twenty lecturers each academic year were originally designed by the PSSI's late Executive Director and Co-Founder Oldřich Černý. Mr. Černý himself was a veteran of the Czech security community, serving as former President Václav Havel's National Security Advisor and Director of the Czech Foreign Intelligence Service for almost a decade.

In addition to the lecture series, students are required to write two policy reports on topics covered drawn from the program and also participate in the Institute's numerous conferences and roundtables. Among the lecturers for the 2016 program were Tomáš Szunyog, who currently serves as Director of Security Policy Department at the Czech Ministry of Foreign Affairs; Jan Král, Head of European Policies Coordination Department of the Government of the Czech Republic; Tom Karako, Senior Fellow and Director of Missile Defence Project at the Centre for Strategic and International Studies (CSIS); Václav Bartuška, Ambassador-At-Large for Energy Security, Czech Ministry of Foreign Affairs; or Daniel Bagge, Director of Cyber Security Policies Department at the National Cyber Security Centre (NCSC).

PARTNERSHIP WITH CHARLES UNIVERSITY

Since its inception in 2002, PSSI has been closely collaborating with the prestigious Charles University in Prague. In 2006, PSSI began its efforts with the University to create a new Master's Degree program in International Security Studies, the first of its kind in the Czech Republic. In 2012, the program achieved English-language accreditation.

The program offers a range of cutting-edge subjects in the field of security

studies and equips students with a solid theoretical background and detailed understanding of some of the critical security challenges of our time. Among these issue areas are energy security, space security, Russian and Chinese economic/financial hybrid warfare, regional conflicts, cyber security, terrorism and WMD proliferation.

Two new courses of study configured by PSSI have been launched in the past couple of years: “Space Security in the 21st Century” in the fall semester of 2015 and “Economic Warfare” in the spring semester of 2016. PSSI also continues to coordinate closely with Charles University in organizing lectures with visiting speakers and host workshops on a range of subjects PSSI’s James Q. Whitaker Security Lecture Series was established at the Faculty of Social Sciences at Charles University in 2008 to anchor this vibrant cooperation.

The primary aim of these lectures is to bring in distinguished guest lecturers from the global security and foreign policy communities, academia, and the private sector, to share their analytical expertise and first-hand experiences with students. PSSI organized a series of three lectures, in the latter half of 2016, on the topic of the Space Security policy of the EU. The lecturers invited for these gatherings were Peter Pindják from the UN Department of the Slovak Ministry of Foreign and European Affairs, Agnieszka Lukaszczyk, an Officer at the Space Data for Societal Challenges and Growth Unit at the European Commission and Dr. Martina Šmuclerová, a Czech Foreign Ministry diplomat.

In addition to these activities, PSSI sponsors the Oldřich Černý Ph.D scholarship for one full-time student in a doctoral programme in International Relations at Charles University’s Institute of Political Science Studies. Named for the Co-Founder and former Executive Director of the Institute, the scholarship covers tuition and nearly 500,000 CZK in living expenses for the selected doctoral student in the field of the “Economic and Financial (E&F) Threat Domain”.

It is the intention of PSSI to assist Charles University in building an ever-growing number of professional E&F analysts and policy-makers trained to understand and counter this subtle and sophisticated form of hybrid warfare and soft power projection by Russia, China and other actual or prospective adversaries.

TWELFTH PSSI NATO SUMMER SCHOOL

For the twelfth consecutive year, PSSI, together with NATO’s Public Diplomacy Division, organized a summer school session entitled “NATO Beyond the Warsaw Summit: Adapting to the New Realities” that was held between July 10–15, 2016 in Měříň, Czech Republic. Each year, our Summer School attracts some 25 highly qualified graduate level students from NATO member states and partner countries to participate in a week-long series of seminars consisting of lectures, workshops, and presentations. About a dozen nations are generally represented.

The students participated in lectures in the mornings and workshops in the afternoon, supplemented by a six-day simulation of an international crisis in the Baltic states between Russia and NATO countries. The agenda included topics such as hybrid warfare, NATO’s perspective on the Ukrainian and Crimean crisis, Russian disinformation and cyberwarfare, economic and financial warfare and space security.

This prestigious gathering continued a tradition of attracting prominent security policy practitioners such as: Heidi Meyer of the NATO Allied Land Command (LANDCOM) of Izmir; Mark Galeotti from the Institute of International Relations of Prague; Petr Kolář, Former Czech Ambassador to Russia and the USA; Daniel Anýž from Newsweek Czech Republic; Tomasz Kowalik, Military Foreign Affairs Department, Ministry of National Defence of Poland; Martin Michelot from EUROPEUM, Institute for European policy; Barbora Maronková of the Public Diplomacy Division at the NATO HQ and Lilly Muller of the Norwegian Institute of International Affairs.



Col. Tomasz Kowalik, Polish Ministry of Defense, delivering a lecture at the NATO Summer School

ECONOMIC AND FINANCIAL THREAT PROGRAM

The national security dimensions of global economic and financial (E&F) relations are increasingly prevalent in a progressively interdependent world. Sanctions are more commonplace and varied, as are the measures taken to circumvent them. PSSI has long recognized this reality and launched a program dedicated to educating the security and military communities of allied nations, as well as, academia, industry, and non-governmental organizations to identify various modalities of E&F statecraft and warfare. In particular, this program addresses the strategic use by prospective adversaries of their forward-deployed state-owned enterprises and abuses of the legitimate international trading and financial systems that takes place on a daily basis.

PSSI refers to this field as the Economic and Financial Threat Domain, an issue area, that is becoming increasingly integrated into the training, planning, readiness and operations of NATO, and allied militaries more broadly. It is also a portfolio that is increasingly attractive to security-minded policy-makers as a non-kinetic option for crisis prevention and resolution in a domain utterly dominated by the West.

PSSI has invested heavily in producing E&F reports for allied policy-makers on a range of issues. The Institute's experience in this domain dates back before the Reagan Administration, and includes some four decades of risk management and senior policy-related expertise. PSSI's principals have developed an open-source software tool, called IntelTrak, that tracks and visually maps every Russian and Chinese transaction globally on a daily basis (involving state-owned or -controlled enterprises). This extensive database now goes back five years. (www.rwradvisory.com/services/inteltrak).

ROUNDTABLES ON ECONOMIC AND FINANCIAL THREAT DOMAIN

In 2016, the Institute held two roundtables on this cutting-edge international security portfolio and established relationships with a number of the world's leading figures in this rapidly expanding, non-kinetic warfighting domain. The first closed roundtable was convened on May 16, 2016 in Prague. The roundtable brought together distinguished participants from Czech government agencies, the diplomatic corps situated in Prague, as well as representatives from various academic and policy research institutes. It was the first in a series of such gatherings aimed at illuminating how adversaries and potential adversaries are leveraging their ostensible commercial business activities in the global markets to



Roundtable on the Economic and Financial Threat Domain, May 2016

advance strategic and foreign policy objectives.

This event sought to demonstrate how subtle forms of economic warfare are taking place under the guise of legal, benign business transactions and projects. This gathering was intended to improve allied situational awareness and “early warning” capability. Some 36 distinguished speakers and participants gathered on to ponder these questions and the issues they raise. Among the speakers were Edward Christie, Defence Economist from the Emerging Security Challenges Division of NATO, and Roger W. Robinson, Jr., PSSI’s Chairman and Co-founder who earlier served as Senior Director of International Economic Affairs at the National Security Council under President Reagan and Chairman of the Congressional U.S.-China Economic and Security Commission.

The second roundtable was held in Prague on November 11, 2016 on the topic of Russia’s resource-driven militarization of Crimea and the Black Sea. This roundtable was designed to conduct a deep drill into this often-overlooked energy dimension of Russia’s hybrid warfare in Ukraine and the region.

Among the speakers were Artūras Petkus, Head of Strategic Analysis and Research Division, NATO Energy Security Centre of Excellence; Maksym Bugriy, Research Fellow at Razumkov Centre and Non-resident Analyst with the Jamestown Foundation; Oleksandr Sukhodolia, Head

of Energy Security Department at the National Institute of Strategic Studies (NISS), Ukraine and Edward Christie, Defence Economist, NATO’s Emerging Security Challenges Division.

ECONOMIC WARFARE COURSE AT THE CHARLES UNIVERSITY

Launched in 2015, the PSSI- sponsored “Economic Warfare” course at Charles University, is designed to introduce students to the economic foundations of a nation’s power, and the various modalities or strategies to exercise this power to achieve its goals in the international arena. The course illuminates the interdependencies of today’s globalized economy and the kinds of abuses by malevolent state actors that can take place within the international trading and financial systems to advance agendas inconsistent with democratic principles and values (e.g. nation-capturing, economic dislocation, extortion etc.). It also provides historical context and the ways in which economic warfare as a policy tool has evolved over time.



Štefan Füle, Czech Special Representative to OSCE, at the E&F Roundtable in May 2016

SPACE SECURITY PROGRAM

PSSI believes that the security and sustainability of the space environment is essential to the day-to-day lives of Earth's inhabitants and that not enough is being done to protect space-related assets and services. Should access to, and use of, space be compromised, particularly by the irresponsible and/or malevolent actions of certain space-faring nations, the harm that could be done could be both immediate and catastrophic.

SPACE SECURITY CONFERENCE SERIES

Accordingly, the Institute launched a program in 2010 dedicated solely to space security. In pursuit of a well-rounded understanding of this field, the Institute organizes several events, notably, PSSI's International Space Security Conference series. To date, four such sizeable gatherings have taken place (two in Europe, one in Japan, and one in the U.S.) that brought together high-level government, commercial, and NGO policy practitioners as well as other experts from the space communities of Europe, U.S. and Japan.

The first event, entitled, "Space Security through the Transatlantic Partnership" was held in June 2011 in Prague. The conference was jointly organized with the European Space Policy Institute (the European Space Agency's sole think tank). In October 2013, PSSI convened its second conference in Tokyo under the auspices and sponsorship of the Prime Minister's Office of National Space Policy, entitled, "Strengthening Space Security through a Trilateral U.S. – Europe – Japan Partnership."

On June 5–7, 2016, PSSI, together with its principal co-sponsor, the Secure World Foundation (SWF), convened its third Space Security Conference. Other partners included the European Space Agency (ESA), the Analytical Graphics (AGI), PSSI Washington and ITOCHU Europe. The event was held under the auspices of the Ministry of Foreign Affairs of the Czech Republic, the Czech Ministry of Transport, and the Czech Ministry of Defence.

This third gathering in the Conference Series focused on the growing intersection of space security and terrestrial geopolitical tensions/conflicts. It reviewed measures that have been adopted by European countries, the EU, the United States, and Japan to address increasingly complex and dynamic space security developments, including efforts to align national space security priorities with various multilateral initiatives in related areas.



PSSI's Space Security Conference 2016

The conference, held in the Czernin Palace, Headquarters of the Czech Foreign Ministry, was attended by more than one hundred experts from a wide array of countries, including representatives from the European External Action Service (EEAS), the European Commission (EC), the U.S. Department of State, the U.S. Airforce Space Command, Japan's and France's Ministries of Defence, as well as prominent non-governmental and commercial entities, such as George Washington University's Space Policy Institute (SPI), the Center for Strategic and International Studies (CSIS), the Analytical Graphics (AGI), and Lockheed Martin Corporation.

The topics covered by the conference proceedings included the status of, and outlook for, trilateral cooperation to strengthen space resilience, implications of hostile acts on sustainability of outer space activities, preventive steps that need to be taken urgently to address the counterspace threat, radiofrequency spectrum interference, and cyber-attacks.

Among the speakers were General C. Robert "Bob" Kehler, former Commander of the U.S. Strategic Command; Mikio Shiokawa, Principal Deputy Director-General, Cabinet Satellite Intelligence Center of Japan (CSICE); Lt. Gen David Buck, Commander, 14th Air Force, Air Force Space Command; Douglas Loverro, Deputy Assistant Secretary

of Defense for Space Policy; Atsuo Suzuki, Deputy Director General at the Bureau of Defense Policy, Japan Ministry of Defense; Pierre Delsaux, Deputy Director General, Internal Market, Industry, Entrepreneurship and SMEs (DG GROWTH), European Commission; Hiromichi Moriyama, National Space Policy Secretariat, Cabinet Office, Japan; Francois Rivasseau, Special Envoy for Space, EEAS; Frank Asbeck, Senior Advisor, the European External Action Service (EEAS); Robert Crane, Senior Homeland Security Advisor at the National Coordination Office for Space-Based PNT and David Turner, Deputy Director, Office of Space and Advanced Technology, U.S. Department of State. More information about this conference can be found in PSSI's Conference Report.

The fourth gathering in Washington, DC in March 2017, entitled "Space Security: Issues for the New U.S. Administration" was co-organized with the Center for Strategic and International Studies (CSIS). The event, attended by over 200 participants, explored the implications of growing threats to a safe and secure space environment, escalation and deterrence dynamics in space, and the readiness of allied forces for conflicts that extend into the space domain. The featured speakers and agenda are available on PSSI's website. The Institute plans to



Lt. Gen. David Buck, U.S. Air Force Space Command and Dr. Jana Robinson, Director of PSSI's Space Security Program

continue this valuable Conference Series in the period ahead.

M.A. COURSE "SPACE SECURITY IN THE 21ST CENTURY"

PSSI's Space Security Program also incorporates an academic dimension. The Institute sponsors a course titled, "Space Security in the 21st Century" under the auspices of Charles University's Master's Degree Program in International Security Studies (MISS), co-sponsored by PSSI. It was first introduced to students enrolled in Charles University's MISS program in the Spring of 2015.

This course is dedicated to exploring the security challenges to a secure space environment, encompassing policy, regulatory, and technical perspectives. The course emphasizes the irresponsible and often, disruptive actions of space-faring nations in this domain. Recognized speakers with extensive expertise in the field are invited for each of the lectures.

Guest lectures have hosted representatives from the Space Policy Institute of the George Washington University, the EU's European External Action Service (EEAS), The Aerospace Corporation, the International Telecommunication Union (ITU), the U.S. Department of Defence, Ministries of Foreign Affairs of Slovakia and the Czech Republic, and the European Commission.

Notable speakers have included, Peter Pindják from the UN Department of the Slovak Ministry of Foreign and European Affairs; Agnieszka Lukaszczyk, an Officer at the Space Data for Societal Challenges and Growth Unit at the European Commission's (EC) Directorate General for Internal Market, Industry, Entrepreneurship and SMEs (DG GROWTH) and Martina Šmuclerová, a Czech Foreign Ministry diplomat, an international law expert and senior lecturer at Institut d'études politiques de Paris.

OTHER PROGRAMMATIC ACTIVITIES **18th Asian Security Conference**

PSSI participated in the 18th Asian Security Conference held in New Delhi on February 9–11, 2016 entitled, "Securing Cyberspace: Asian and International Perspectives" organized by the Institute for Defence Studies and Analyses (agenda available here). The conference was attended by both, government and private cyber-security experts from India, Europe, Japan, the U.S., South Korea, China, and Australia. PSSI Space Security Program Director, Dr. Jana Robinson, gave a presentation at the conference titled, "Governance Challenges at the Intersection of Space and Cyber Security". The presentation and its supplemental paper examined considerations relevant to more effective crisis management preparedness in the cyber security field.



Opening Panel of the PSSI's Space Security Conference 2016

Handbook of Space Security Presented at the European Parliament

PSSI's Space Security Program Director, Dr. Jana Robinson, served as a co-editor and author of three articles in, the Handbook of Space Security, a two-volume reference publication released in 2015. Presented at the European Parliament in 2016, the Handbook is a comprehensive resource on the space security portfolio for professionals in the field. The publication's high-profile presentation in EU Parliament demonstrates the growing interest of European decision-makers in this vital security portfolio.

PSSI Chairs Inaugural Defence Satellite Conference in Brussels

Between May 10–12, 2016, Dr. Jana Robinson, chaired the inaugural Defence Satellites conference organized by Intelligence-Sec, held in Brussels. Representatives from the EU, ESA, national Ministries of Defense, and other commercial entities (e.g. AGI, SES, LuxGovSat, etc.) discussed developments in the vital areas of Space Situational Awareness (SSA)/Space Surveillance and Tracking (SST), Earth observation, and satellite communications, with the main focus on the European space landscape in both the public and private sectors.

Learning Unit on "Delivery Vehicles, Missile Defence and Space Security" for the EU Non-Proliferation and Disarmament e-Learning Course

PSSI contributed to the EU Non-Proliferation and Disarmament eLearning Course prepared by the EU Non-Proliferation Consortium, and funded by the European Union. In fifteen different learning units, participants are briefed on arms control, non-proliferation and disarmament of both conventional and unconventional weapons, as well as the EU non-proliferation and disarmament agenda. Dr. Robinson, in collaboration with Charles University's Dr. Michael Romancov, prepared Learning Unit 8 entitled "Delivery Vehicles, Missile Defence and Space Security".

PSSI Provided Global Assessment for 2016 Space Security Index (SSI) Report

Dr. Jana Robinson, prepared a "Global Assessment" for the 2016 Space Security Index (SSI) report. It concentrated on the link between the worsening geopolitical tensions, particularly maritime disputes, and space security, which now require urgent attention by the allied security communities.

PSSI at the "Space Crisis Dynamics and Uncertainty" Tabletop Exercise

PSSI participated in a tabletop exercise (TTX) organized jointly by the Center for Strategic and International Studies (CSIS) and the Secure World Foundation



PSSI's Chairman and Co-Founder Roger W. Robinson, Jr. delivering opening remarks at the the Space Security Conference 2016

(SWF) on November 9–10, 2016, in Washington, DC. Some 30 invited experts from government, the private sector and non-governmental entities sought to assess threats to space assets and the associated challenges to preserving a secure space environment under various geopolitical scenarios. The goal was to identify gaps in existing international and national frameworks governing space activities and raise awareness concerning the increasing threats to space operations and services.

PSSI Contributions to the 2016 Global Maritime Forum

On November 15, 2016, Dr. Jana Robinson, delivered a presentation on a panel entitled “The Emergence of Space-Based Capabilities for Maritime Domain Awareness” at the Global Maritime Forum (GMF), sponsored by the U.S. National Maritime Intelligence-Integration Office (NMIO) and hosted by the Center for Collaborative Systems for Safety, Security and Regional Resilience (CoSSaR) in Seattle. The meeting was attended by U.S. government officials and industry experts in the fields of maritime and space operations. The panel discussed issues related to implementing policies that advance the most effective technology development and solutions. Dr. Robinson’s presentation concentrated on the role of space assets in deterrence and the risks posed to these assets during heightened maritime tensions or conflicts (e.g. South and East

China Seas, the Black Sea etc.) in the context of maritime domain awareness (MDA).



Agnieszka Lukaszczuk, DG Growth, EC, a guest lecturer for the „Space Security in the 21st Century” MA Course

ENERGY SECURITY PROGRAM

PSSI has long been concerned about Russian predations in the energy sectors of Central and East European countries and the undue level of gas dependency on the Kremlin of a number of these post-communist states. The Nord Stream2 pipeline project is just one of several examples of Moscow seeking to reverse the progress being made to reduce such inordinate European dependencies, as mandated by the EU's Third Energy Package. Russia's annexation of what some have estimated to as much as \$1 trillion in Crimean offshore oil and gas reserves is another emerging flashpoint that the Institute is tracking carefully and reporting on.

ENERGY SECURITY ACADEMY

PSSI's Energy Security Academy, was established in 2012 in cooperation with the Masaryk University in Brno. This highly selective and rigorous course aims to provide an elite group of seventeen Czech and international students with a comprehensive introduction to this emerging portfolio in security studies. In 2016, the course was entitled, “Innovative Technologies Advancing Energy Security” and was

convened from February 8–12. At present, Masaryk University is the only Czech University offering a graduate degree program in energy security. The program launched its English-language curriculum in September 2014, and PSSI plans to continue partnering with Masaryk University as it expands its educational offerings.

Lecture topics included, smart grids, energy efficiency, cyber security in the energy sector, innovative technologies in energy systems and electricity trading. The class of 2016 of the Energy Security Academy was invited to visit the Research Centre Řež, focusing on research, development and innovation in the field of power generation.

Notable lecturers included: Marko Velikonja, Senior Economic Officer at the US Embassy in Prague; Jan Sádlo, Head of Unit at the Department of International Cooperation in Energy at the Ministry of Industry and Trade; Lukáš Lehotský, Lecturer on Energy Security Studies at the Masaryk University; Veronika Zapletalová, Researcher at the International Institute of Political Studies at the Masaryk University; Tomáš Ivančík, Dessault Systems; Stanislav Hes, ČEZ Distribution; and Milan Smrž, President of Eurosolar Czech Republic. The intensive course was also the beneficiary of valuable contributions from its partners at Masaryk University, specifically the team of lecturers from the Faculty of Social Sciences.



Students of PSSI's Energy Security Academy 2016

ROUNDTABLE ON ENERGY INFRASTRUCTURE IN CENTRAL EUROPE

On November 22, 2016, PSSI organized a joint session for two projects supported by the International Visegrad Fund: “Energy Market in Central Europe - New Opportunities, New Challenges” led by the Jagiellonian Club, and “Energy Efficiency and Security Nexus (EESN)” led by the Institute for Energy Efficiency of Ukraine.

Attracting participants from Poland, Slovakia and Hungary as well as local energy experts, the roundtable was an excellent forum that addressed timely issues in the energy security field. Topics included, the current state of recent regional gas infrastructure investments realized in the past few years, future development plans, and the postures of V4 countries towards major gas infrastructure projects influencing the regional gas markets (e.g. Nord Stream II, Easting and developments on the Southern corridor). Participants were given the opportunity to compare approaches for enhanced energy efficiency in their respective countries and touched upon lessons learned that could be shared with Ukrainian counterparts.

TRANSNATIONAL SECURITY PROJECTS

PSSI's Transnational Security Program seeks to identify and analyze emerging foreign policy and security-related issues that will increasingly affect and influence the transatlantic security policy community. These challenges exceed the scope and capabilities of traditional political-military agenda that effectively dominated the previous century. Less visible and increasingly unconventional methods are gaining traction among adversaries, including sophisticated cyber-attacks, disinformation campaigns, counterspace activities and hybrid warfare methods which are all propelled by a sizeable economic and financial component.

DEVELOPMENT OF THE SERBIAN CAPABILITIES FOR CIVILIAN CONTRIBUTIONS TO PEACE OPERATIONS

In September 2016, PSSI launched the “Development of the Serbian National Capabilities for Civilian Contributions to Peace Support Operations and Civilian Crisis Management.” The main objective of this 16-month project is to enable Serbia to actively and efficiently contribute to the civilian components of peace operations



Participants in the seminar "Civilians in Multilateral Missions" held in November 2016 in Fruška Gora, Serbia

and crisis management. The project is supported by the Czech Development Agency and the principal project partner on the Serbian side is the ISAC Fund, a think-tank that promotes the transition of Serbia towards the EU and Euro-Atlantic membership.

The project will primarily address necessary adjustments to Serbia's existing strategic and legal frameworks, for the development of an adequate system of coordination, training, recruitment and deployment of experts. PSSI will work to transfer the Czech experience by sending civilian experts and overseeing the realisation of the project under the Interagency Civilian-Military Training program in cooperation with the Czech Ministry of Foreign Affairs – a partnership that PSSI has sustained since 2012.

In November 24–25, PSSI participated in the "Civilians in Multilateral Missions Seminar" held in Serbia, which served as an opening event for this project. The seminar, organised by the ISAC Fund, aimed to introduce the Czech experience, and acquaint them with practical lessons learned. This information was supplemented by the German experience presented by a representative of the ZIF Centre for International Peace Operations.

Among the participants were PSSI and ISAC Fund representatives, a delegate from the Ministry of Foreign Affairs of the Czech Republic, Serbian stakeholders

from the Ministry of Defence, the Ministry of Foreign Affairs, the Cabinet of the Minister without Portfolio Responsible for EU Integration and a representative of the ZIF Centre for International Peace Operations in Germany.

CYBER SECURITY: CITIZENS' AND CUSTOMERS' DATA PROTECTION

On February 11, 2016, PSSI hosted the "Cyber Security: Citizens' and Customers' Data Protection" conference, to discuss cyber security challenges and appropriate policies related to data management in state institutions or private companies operating large databases of clients and customer, with an emphasis on privacy protection in e-commerce. The conference consisted of a series of closed-door debates on selected topics of cyber security with experts from different sectors and knowledge domains representing business and industry from the Czech Republic, Slovakia, Hungary, Poland, and other countries.

Speakers addressed the discrepancies in compatibility between national and business approaches toward cyber security, examined how to mitigate cyber risks through proper allocation of investments into hardware and software protection tools, and explored the nexus between critical infrastructure protection and cyber security. Notable speakers included: Jaroslav Šmíd, Deputy Director of the National Security Authority of the



Seminar "Civil Society as an Important Partner of the Police and Citizens" in Uzhorod, Ukraine

Czech Republic; Mark Camillo, Head of Cyber and Professional Indemnity at the AIG; Jani Antikainen (Sparta Consulting, Finland), Zsolt Illési (College of Dunaújváros), Richard Otevřel (Havel, Holásek & Partners – Law Firm), and Michał Czerniawski (Ministry of Administration and Digitization, Poland), Tomáš Čupr (entrepreneur, investor) and Jan Kameníček (HP Enterprise).

CIVIL SOCIETY PARTNERSHIP WITH THE POLICE AND CITIZENS

In 2016, PSSI, with support from the Czech Ministry of the Interior, conducted the “Civil Society as an Important Partner of the Police and Citizens” project in Uzhorod, Ukraine. The project worked to strengthen interaction between the population and law enforcement to enhance community policing, confront the human trafficking issue, and support Ukrainian police reform. Over one-hundred policemen and cadets along with, several hundred NGO personnel and volunteers, attended PSSI's lectures and training sessions addressing these issue areas.

In April, PSSI's experts conducted a two-week research trip to eastern Ukraine to identify local needs and key security challenges. Meetings were held with local authorities, security, police agencies, members of civil society, activists and local journalists to identify these issues.

In October, a number of Czech experts held a series of discussions with Ukrainian counterparts at an informational gathering at the Uzhorod National University about the role of communications between civil society and law enforcement. Coordinated by PSSI Fellow Petr Pojman, these seminars and trips fell within the project supported by the Ministry of the Interior of the Czech Republic.

Among the Czech representatives were Soňa Svobodová, Chief Commissioner and lecturer in the Department of Police and Service Training, Czech Police; Markéta Hronková, Director of La Strada, an organization that systematically tackles the problems of human trafficking and exploitation; and Ondřej Skalník, Project Coordinator at the Otevřená Společnost.

THE SECURE AND STRONG: V4 GOES CYBER

In this fast-paced, digital age, where much of what we do is connected to a computer and the internet — from personal banking, communications, government sites and even medical histories — it is essential to raise awareness about the downside risks involved.

Increased reliance on information and communications technology (ICT) necessitates a cross-border and cross-sectoral approach. As incidents in cyberspace have become an everyday occurrence, an ongoing dialogue and enhanced cooperation are now essential



Public Lecture "Media Freedom at the EU Borders"

in order to strengthen mutual trust and develop common practices. Regional alliances, like the Visegrad Group, constitute a useful platform in this regard.

In 2016, PSSI participated in a research project called "Secure and Strong: V4 Goes Cyber", which sought to improve the policy coordination and efficiency of Visegrad group countries on the matter of cyber security. Through the use of partner organizations from Slovakia (Slovak Security Policy Institute), Poland (Kasimir Pulaski Foundation), and Hungary (Centre for Euro-Atlantic Integration and Democracy), the project endeavored to strengthen the collective capacity of Visegrad countries to effectively contribute to the creation of sound EU/NATO policies. Through the course of this initiative, research and discussions were held across universities in Bratislava, Budapest, Prague and Warsaw.

President, Václav Havel. The public discussion focused on the experiences of four young journalists: Safie Ablyaeva, Václav Havel Journalism Fellow, Ukraine; Zaur Gurbanli, Václav Havel Journalism Fellow, Azerbaijan; Daina Munasipova, Václav Havel Journalism Fellow, Russia; Jasmina Lazic, Jiří Dientsbier Journalism Fellow, Serbia.

PUBLIC LECTURE: "MEDIA FREEDOM AT THE EU BORDERS"

On February 18, 2016 PSSI, in cooperation with the Radio Free Europe/Radio Liberty and the American Center in Prague, organized a public discussion entitled "Media Freedom at the EU Borders" about the state of the media in countries lacking a free press: Russia, Ukraine, Azerbaijan and Serbia.

The discussion was moderated by Pavel Fischer, Director of STEM Institute and former political advisor to the late Czech



Closed roundtable "Countering Pro-Russian Disinformation" May 2016, Prague

UNDERSTANDING RUSSIA'S INFLUENCE ACTIVITIES IN CEE

Since Russia's annexation of Crimea, there has been an alarming volume of evidence of Russian efforts to influence public policy-making in the Czech Republic, other European states and the United States. Indeed, these efforts have been deployed on a scale not seen since the end of the Cold War. The basic aim of these activities is twofold: to influence public opinion; and to manipulate the political and business environment of the targeted country in a direction that better accommodates the Kremlin's foreign policy objectives. Although Russia engages selectively with Western counterparts on a variety of pressing security challenges, it simultaneously endeavours to fragment and weaken European unity by actively challenging the pro-Western, pro-NATO and pro-EU orientation of certain Central and East European countries.

PSSI is seeking to educate audiences on the perilous consequences of underestimating the Kremlin's ability to penetrate political and business elites, influence decision-making, and gain control of strategic infrastructure across the region. Russia utilizes a broad variety

of influence activities, many of which are discreet and often take place without being systematically monitored or analysed.

PSSI has actively sought to illuminate this reality by launching several projects, initiatives, and events to advance this under-developed area of security policy.

The primary objective of these initiatives is to raise public awareness about these unconventional hybrid tactics employed by Russia, and to counter them with robust policy recommendations, and network-building that strengthens cooperation and the exchange of best practices among expert communities, academics, policy-makers, and journalists.

COUNTERING PRO-RUSSIAN DISINFORMATION

In 2015, PSSI launched a new initiative to highlight the pro-Russian disinformation modalities and their pattern of conduct across the CEE region. On May 31, 2016 PSSI organized a one-day conference titled, "Countering Pro-Russian Disinformation: Current Challenges and the Way Forward." The two closed-door sessions were reinforced by a public discussion that involved three Ukrainian activists.

Among the participants were Roman Shutov, Program Director at Detector Media and Telekritika, Ukraine; Natalia Kurdiukova, Head of the Nakipelo and Kharkiv Crisis Infocenter, Ukraine; Ivan



A session in the project „Raising Awareness of Russian Soft Power in Central Europe“

Syniepálov, Head of Gramadske TV of Azov, Ukraine; Péter Krekó, Director of Political Capital Institute, Hungary; Ivana Smolenova, Fellow, Communication and Outreach Manager, PSSI, Czech Republic; Ondřej Soukup, Journalist, Hospodářské noviny, Czech Republic; Adam Reichardt, Editor-in-Chief, New Eastern Europe, Poland; Peter Jančárik, Co-founder of Konspiratori.sk, Slovakia Dušan Fischer, Fellow, Slovak Foreign Policy Association, Slovakia Tomáš Čížík, Director, Centre for European and North Atlantic Affairs, Slovakia and Maryana Drach, Director, Ukrainian Service, Radio Free Europe/Radio Liberty, Czech Republic. The conference was followed by a public lecture titled, “Russian Propaganda and Disinformation in Ukraine” held at the Václav Havel Library in Prague. The project was supported by the Czech Ministry of Foreign Affairs and The Open Society Fund Prague.

RAISING AWARENESS OF RUSSIAN SOFT POWER IN CENTRAL EUROPE

This project, launched in September 2016, is designed in response to the Kremlin’s growing interventionism in the domestic political affairs of select European states. It will analyse and raise awareness of Russia’s influence activities to disrupt democratic transitions in Central Europe and undermine European unity. With our partners from

the Visegrad countries, PSSI will conduct an in-depth monitoring of V4 countries and examine the variety of influence measures consistently leveraged by Moscow.

This ongoing research seeks to achieve a better understanding of the Kremlin’s regional plays through the comparative analysis of varying country-specific strategies used by the Kremlin to influence different Central European countries. It will focus on three discrete but related areas: economic and financial tools, including asset purchases and enterprise acquisitions by Kremlin-affiliated entities that foster trade and energy dependencies; political and cultural methods, including the activities of Russian Centers of Science and Culture, as well as financial support for local NGOs, political parties, and other pro-Kremlin groups. The research will also assess the use of disinformation tools, including support for illiberal outlets and coordinated online trolling activities within the broader context of other influence activities.

Project partners for this initiative include, the Hungarian Centre for Euro-Atlantic Integration and Democracy (CEID) of Hungary; from the Slovak Foreign Policy Association (SFPA) and the Polish Centre for International Relations Foundation (CIR). The project is supported by the National Endowment for Democracy.



Public lecture on Russian propaganda in Ukraine at Václav Havel Library in Prague

ASSESSMENT OF ECONOMIC RELATIONS BETWEEN THE VISEGRAD COUNTRIES AND RUSSIA

In the framework of this project, PSSI together with its partners, the Centre for Euro-Atlantic Integration and Democracy (CEID), the Slovak Foreign Policy Association (SFPA), the Centre for Polish-Russian Dialogue and Understanding (CPRDiP), is undertaking a thorough assessment of the current state of economic and financial (E&F) relations between Russia and the individual Visegrad countries. We seek to highlight shifts in E&F policy following the invasion of eastern Ukraine and also examine the extent of energy dependencies, trade linkages, and the loss of strategic infrastructure to Russian state-controlled enterprises and Kremlin-friendly oligarchs. Lastly, the project will assess the avenues available to Visegrad countries to foster benign economic cooperation with Russia and illuminate E&F ties most vulnerable to impact political decision-making in efforts to protect the freedom of action for these countries.

This project is supported by the International Visegrad Fund.

INFORMATION WARFARE

Since July 2016, PSSI has worked alongside think tanks from Poland, Slovakia, Hungary, Moldova, and Ukraine, to gain a better understanding of the pro-Krem-

lin disinformation campaign underway across Central and Eastern Europe. The research initiative focuses on monitoring online media and identifying how behavioural patterns are used to manipulate perceptions of key issues. The goal is to capture and record comparative disinformation strategies tailored to penetrate individual countries participating in the project. Conclusions from comparative research, as well as recommendations concerning how to counter such propaganda, will be presented in a report distributed to decision-makers in the region as well as the EU and NATO.

LECTURE BY DR. MARK GALEOTTI

On September 8, 2016, PSSI, in cooperation with the cultural centre Containall, organized a public lecture by Dr. Mark Galeotti entitled, "What is the real threat from Russia?" The lecture focuses on discrepancies in the perception of current Russian politics and Putin's foreign policy, as some observers see his objective as an expansionist policy, while others assert that his policy measures are purely defensive in nature.

Dr. Galeotti is an expert on modern Russia, transnational crime, espionage and security. Transitioning from his former role as Professor of Global Affairs at New York University, Dr. Galeotti is currently a senior research fellow at the Institute of International Relations in Prague.



Dr. Mark Galeotti delivering his lecture at Containall in Prague

DEBATE WITH PETER POMERANTSEV

On December 19, 2016, the Institute, in co-operation with the Václav Havel Library, organised a debate with Peter Pomerantsev, renowned journalist and British expert on Russian propaganda. He discussed in detail the West's susceptibility to be seduced by the Kremlin's growing influence in the region and the Middle East. He also shared his experiences from life in Moscow, where he spent almost a decade and introduced the Czech edition of his book "Nothing is True and Everything is Possible: The Surreal Heart of New Russia".



Ivan Gabal, Member of the Czech Parliament, addressing RMSSP students

ALUMNI PROGRAM

PSSI's Alumni Program is designed to connect, support, acknowledge and benefit the growing PSSI "extended family" and facilitate information exchanges among the student graduates and young professionals. Today, PSSI's "extended family" includes some 800 graduates worldwide.

These graduates have successfully completed one or more of PSSI educational initiatives: the Robinson-Martin Security Scholars Program; our co-sponsored Charles University's Master's Degree Program in International Security Studies; PSSI's long-running NATO Summer School; our Interagency Civilian-Military Training Program or our Energy Security Academy. Our Alumni project is primarily communicated and organized through social media platforms such as Facebook and LinkedIn. The Institute organizes a number of informal alumni events and gatherings annually to facilitate career-related exchanges and informal interactions between our present students and distinguished alumni.

PSSI WASHINGTON

In the fall of 2006, the Prague Security Studies Institute Washington (PSSI Washington) was established in Washington, DC. Its mission is to strengthen U.S. understanding of the security challenges facing Central and Eastern Europe, and other post-communist states. PSSI Washington also seeks to enrich the public policy debate on both sides of the Atlantic with respect to the growing predations of China in Europe and elsewhere. It is also a leading resource in the expanding fields of space security and the economic and financial dimensions of hybrid warfare. Finally, PSSI Washington is committed to helping communicate, explain and predict official U.S. perceptions and policy options concerning key global flashpoints. It will continue to convene periodic, co-sponsored conferences and roundtables in Washington and elsewhere.



PSSI's NATO Summer School Students

PSSI PERFORMANCE RANKINGS

PSSI MOVES UP TO 6TH RANKING IN CENTRAL AND EASTERN EUROPE IN PRESTIGIOUS UNIVERSITY OF PENNSYLVANIA "2016 GLOBAL GO-TO THINK TANK INDEX"

In January 2017, the Think Tank and Civil Society Program (TTCSP) at the University of Pennsylvania released its 2016 "Global Go-To Think Tank Index Report". This is the most comprehensive annual survey of public policy institutions available and evaluates the work of more than 6,500 think tanks worldwide. Over 1,900 experts and peer institutions are involved in the production of this survey, including academic institutions, journalists, international organizations and key stakeholders.

In 2016, PSSI has improved its global ranking in Central and Eastern Europe from seventh (a year ago) to sixth and remains the No.1 think tank in the Czech Republic for the sixth consecutive year.

Below is a summary of PSSI's achievements over the past year:

- 6th "Top Think Tank in Central and Eastern Europe" (for the second consecutive year)
- 53rd among the "Top Foreign Policy and International Affairs Think Tanks" in the world
- 88th among the "Top Defence and National Security Think Tanks" in the world (a first-time PSSI presence)
- 17th in the category of "Think Tanks to Watch" (3rd in Europe)
- 63rd among "Best Managed Think Tanks"

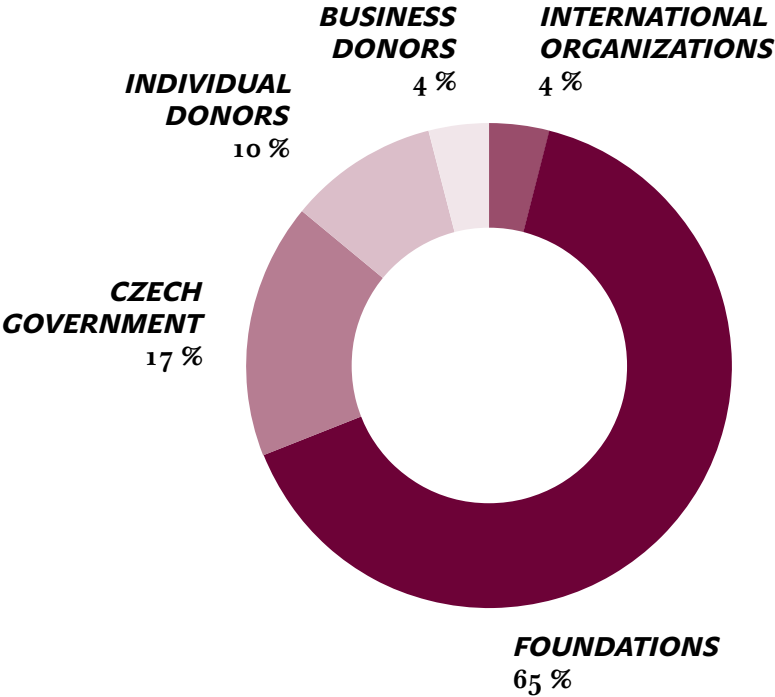
PSSI would like to express our sincere appreciation to our partners, donors, staff, researchers, alumni and other supporters for their generous time and resources, without which we would not be able to maintain this upward trajectory in the fulfillment of our mission.

FINANCIAL OVERVIEW

FUNDING SOURCES

- Smith Richardson Foundation
- Carthage Foundation
- Czech Development Agency
- Diana Davis Spencer Foundation
- Donner Foundation
- Dr. James Q. Whitaker
- Bawd Foundation
- Secure World Foundation
- AIG
- National Endowment for Democracy
- Frank Madsen
- International Visegrad Fund
- Ministry of Foreign Affairs of the Czech Republic
- NATO Public Diplomacy Division
- European Space Agency
- AGI
- Ministry of Interior of the Czech Republic
- Jackson Family

STRUCTURE OF REVENUES



ABOUT PSSI

THE PRAGUE SECURITY STUDIES INSTITUTE (PSSI) is a non-profit, non-governmental organization established in early 2002 to advance the building of just, secure, democratic, free market societies in the Czech Republic and other post-communist states. PSSI's mission is to educate and train an ever-growing number of informed and security-minded policy practitioners dedicated to the development and protection of democratic values, principles and institutions. PSSI offers programs that help meet the critical requirements associated with equipping new generations of young leaders to manage the complex, security-related challenges of the 21st century.

To advance its mission, PSSI conducts a broad range of activities under its Security Scholars Program, Space Security Program, Economic & Financial Threat Program, Energy Security Program and Transnational Security Program. PSSI concentrates on identifying and analysing geopolitical flashpoints and emerging threats regionally and globally and to propose sound and achievable policy options to deter and defeat hybrid warfare strategies and other forms of external aggression or extortion. The Institute is highly selective in the issue areas it covers and focuses on less developed security portfolios that are, nonetheless, vital.

in memoriam

- Václav Havel, *International Advisory Board Member (2002–2011)*
- Oldřich Černý, *Co-Founder and Executive Director (2002–2012)*
- Elie Wiesel, *International Advisory Board Member (2002–2016)*

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Queries about PSSI activities and projects can also be directed to
Petr Lang (lang@pssi.cz), Program Director.

Your Support is Appreciated

As the Institute is expanding its activities and regional outreach, we would welcome your support for these efforts.

Tax deductible contributions from the US can be made to PSSI through the Atlas Economic Research Foundation, 1201 L Street, NW, 2nd Floor, Washington, D.C. 20005. Our primary contact at the Foundation is Mr. Bradley Lips, Chief Executive Officer (e-mail: brad.lips@atlasusa.org, tel. +12024498449). Such donations can also be directed to the Institute's tax-exempt partner organization, PSSI Washington, 1002 Wisconsin Ave, Townhouse Levels 3 & 4, Washington, D.C. 20007.

Bank Account

Our direct PSSI Account is located at the Komerční banka, a.s.
(Na Příkopě 33, 11407 Prague 1, Czech Republic):
IBAN CZ7401000000512281850237 BIC/SWIFT Code: KOMBCZPP