

**OLD GAMES, NEW RULES:
CONFLICT ON THE
ISRAEL-LEBANON BORDER**

18 November 2002



TABLE OF CONTENTS

EXECUTIVE SUMMARY AND RECOMMENDATIONS	i
I. INTRODUCTION	1
II. THEATRE OF CONFLICT: SOUTHERN LEBANON IN HISTORICAL PERSPECTIVE	2
A. THE EMERGING FRONT	2
B. ISRAEL, THE RISE OF HIZBOLLAH AND THE “SECURITY ZONE”	3
C. ISRAEL WITHDRAWS	6
III. AFTER THE WITHDRAWAL: OLD GAMES IN SEARCH OF NEW RULES ...	8
IV. DYNAMICS OF THE CONFLICT: FACTORS FUELLING ESCALATION	11
A. ISRAEL’S ERODED DETERRENCE CREDIBILITY VERSUS SYRIA’S INCREASED MARGINALISATION	12
B. HIZBOLLAH’S “PALESTINIANISATION”	13
C. HIZBOLLAH’S MILITARY CAPABILITY	15
D. THE IMPOVERISHED SOUTH: BUILDING SITE OR WAR-ZONE?.....	16
E. WARPED COMMUNICATION AND A SILENT LEBANON	19
F. THE REGIONAL WILD CARD: 11 SEPTEMBER, THE WAR ON TERRORISM AND IRAQ	20
V. TOOLS FOR CONTAINING THE CONFLICT	23
A. POLITICAL STEPS TO DEFUSE THE UNDERLYING CONFLICT.....	23
B. INTERNATIONAL STEPS TO MANAGE THE CONFLICT.....	25
C. STEPS TO THICKEN THE SOUTHERN LEBANON CUSHION	26
APPENDICES	
A. SOCIO-ECONOMIC INDICATORS FORMERLY OCCUPIED SOUTHERN LEBANON	32
B. FLASHPOINTS ON THE BLUE LINE.....	33
C. UNITED NATIONS MAP OF SOUTHERN LEBANON: UNIFIL DEPLOYMENT JULY 2001	38
D. UNITED NATIONS MAP OF SOUTHERN LEBANON: THE BLUE LINE JULY 2000.....	39
E. LEBANESE-ISRAELI FRONTIER.....	40
F. ABOUT THE INTERNATIONAL CRISIS GROUP.....	41
G. ICG REPORTS AND BRIEFING PAPERS.....	42
H. ICG BOARD MEMBERS	47



OLD GAMES, NEW RULES: CONFLICT ON THE ISRAEL-LEBANON BORDER

EXECUTIVE SUMMARY AND RECOMMENDATIONS

The Israel-Lebanon border is the only Arab-Israeli front to have witnessed continuous violence since the late 1960s and it could become the trigger for a broader Arab-Israeli conflict. Yet, in recent times it has been the object of very little international focus. Amidst raging warfare between Israelis and Palestinians and mounting war-talk surrounding Iraq, there is scant energy to devote to a conflict that, since Israel's May 2000 withdrawal from Lebanon, appears devoid of justification and which neither of its principal protagonists seems interested in escalating. But ignoring it could be costly. Neither its roots nor its implications have ever been purely local. Israel's withdrawal has lessened the immediate costs but in some ways rendered the problem more unpredictable. Stripped of its cover as an Israeli-Lebanese border dispute, it has laid bare both the underlying Israeli-Syrian confrontation and Iran's involvement in the conflict.

The past two years have seen a proliferation of small disputes over territory and resources along the "Blue Line," the demarcation line between the two countries drawn by the UN in 2000 to confirm that Israel's withdrawal complied with relevant UN Security Council resolutions. In other circumstances, disputes of this nature could be managed or even resolved with a modicum of ease. Yet in the absence of a comprehensive peace deal between Syria and Israel, southern Lebanon will remain both an instrument of and a possible trigger for broader regional disputes. Concrete, practical steps are urgently needed to minimise the risk of a dangerous conflagration.

Lebanon is not a major actor in Arab politics. Even its most potent political/military actor, Hizbollah, though it can inflict heavy casualties in Israel, has

only a few hundred full time fighters. But Lebanon's role in the Arab-Israeli conflict has principally been as a theatre in which various actors – mainly Syria, Iran, Israel, Hizbollah and the Palestinians – believe they can wage surrogate battles. Hizbollah and southern Lebanon in particular gained importance by becoming ideal proxies for the larger regional conflict, inflicting and absorbing military blows intended by and for others. Paradoxically, it is precisely Lebanon's relative military insignificance that has made it and continues to make it so volatile and crucial an actor. Despite Israel's withdrawal from Lebanon in May 2000, little has changed in this respect.

Since Israel's withdrawal, the casualty rate has been dramatically reduced and the burden of the occupation lifted for both Lebanese and Israelis. Many factors that helped contain the conflict during the years of the occupation remain, notably that the protagonists, each for its own reason, do not appear to desire a full-scale war. Moreover, UN personnel and principally Western embassies continue to encourage restraint. As a result, occasional border skirmishes so far have been limited and localised.

However, the withdrawal also has introduced a dangerous sense of uncertainty. Two flashpoints have special potential to trigger major confrontation. First, Syria and Lebanon insist Israel still occupies a 25-square km. area, the Shab'a Farms, which, on flimsy evidence and despite considerable proof to the contrary, they claim to be Lebanese. Over the last two years, the area has seen repeated exchanges of fire. Twice Israeli reprisals have hit Syrian military installations deep inside Lebanon. Secondly, there is the lingering dispute over water rights in the Hasbani River and the adjacent Wazzani Springs.

Israel insists that Lebanon's decision to install pumping installations infringes on its rights to use shared water resources, threatening a forceful reaction and reminding Lebanon that Arab attempts to divert the sources of the Jordan River were a factor leading to the 1967 War.

The Blue Line and the Hasbani River contain ample sources of friction but the reasons for continued tension evidently lie elsewhere. The withdrawal removed the most obvious and apparent source of tension (Israel's two-decades old occupation of Lebanese territory) without removing its underlying cause (the Israeli-Syrian conflict). In addition, it terminated both the old rules of the game and its accompanying international mechanism of conflict management (the Israel-Lebanon Monitoring Group, ILMG) without introducing alternative rules, redlines or mechanisms. Syria still wants to maintain tension on the border to remind Israel that their conflict continues and to retain leverage in future negotiations over the Golan Heights. But Israel's willingness to limit its military responses to Lebanese targets has been reduced now that its occupation of Lebanese territory is over, bringing the conflict closer to its Syrian-Israeli-core.

Other factors also exacerbate tension. Lack of a realistic short-term prospect even for negotiations on that core dispute coupled with its sense of isolation give Damascus motive to find ways to bring itself back to Israeli and U.S. attention. As a result of its own regional calculations and the hybrid nature of its leadership, Iran remains an unpredictable and potentially menacing actor. The conviction shared by Prime Minister Sharon and high echelons of Israel's military establishment that Israel's deterrence credibility has been badly eroded – by absorbing Iraq's Scud attacks in 1991, unilateral withdrawal from Lebanon, and continued negotiations with the Palestinians after the intifadah began – means Israel is less likely to show restraint in the face of provocation from Hizbollah. Nor can one exclude that Israel might seize upon Hizbollah activity or a U.S. attack against Iraq to try to deal Hizbollah a crushing blow. At the same time, mounting Palestinian casualties, and the reoccupation of West Bank cities have further radicalised Hizbollah and increased its desire to take action against Israel, while the possibility of war against Iraq only further inflames its rank and file. U.S. allegations of Hizbollah involvement in global terrorism and hints it may be Washington's next target arguably moderate the group's actions but

could also produce the opposite effect or embolden Israel to take matters into its hands.

Domestic interests may well have compelled Hizbollah to reduce its military operations in southern Lebanon but the party enjoys a special status and a degree of insularity vis-à-vis Lebanon's society and political system enabling it to carry out actions against Israel despite local criticism. Both Beirut and the international community missed the chance of Israel's withdrawal to turn the South into a populous, economically active area. The constraints everyday civilian life and economic activity should present failed to materialise, enabling the belligerents to treat the area less as a hindrance to military activity than as a relatively cost-free shooting range.

The international community also should reiterate and emphasise its two-pronged position on the Blue Line: first, that it cannot suffer any challenge; but secondly, that it is not a final boundary but only a temporary point of reference to be adhered to while efforts for a comprehensive peace are undertaken. Moreover, international mediation mechanisms tend to be ad hoc, set in motion only when escalation threatens.

The list of possible catastrophic scenarios is long – for example, a deadly Hizbollah attack followed by Israeli retaliation against Syrian targets, then ever stronger counteractions as Syria seeks to maintain its credibility and Israel its deterrence. Any military act risks spiralling out of control, as one cannot be sure of the opponent's resilience or intent.

In the long term, conflict management cannot substitute for a comprehensive solution of the wider conflict in which Israel, Syria and Lebanon have been embroiled for more than 50 years¹ but that is not immediately realistic. Nor is a total cessation of hostilities. Still, the conflict in southern Lebanon must be addressed. This report outlines a variety of concrete, practical steps that can diminish the impact of the underlying political dispute, bolster

¹ For ICG's view of that comprehensive solution, see ICG Middle East Reports N°s 2, 3, and 4: *Middle East Endgame I: Getting to a Comprehensive Arab-Israeli Peace Settlement*; *Middle East Endgame II: How a Comprehensive Israeli-Palestinian Settlement Would Look*; and *Middle East Endgame III: Israel, Syria and Lebanon – How Comprehensive Peace Settlements Would Look*, all 16 July 2002.

constraints, amplify and institutionalise international mediation and so minimise the risks of escalation that could spiral out of control.

RECOMMENDATIONS

On containing and defusing the conflict

To members of the UN Security Council and the wider international community:

1. Seek to minimise the impact of the underlying conflict by:
 - (a) inviting Syria and Lebanon to participate or assist in any mechanisms aimed at resuscitating the Middle East peace process, for example by institutionalising their consultative role in talks held by the Quartet and setting a clear framework for negotiations and a timetable for their completion. The U.S. in particular should engage Syria on this and other issues, such as the future of Iraq;
 - (b) stating publicly and emphatically that while the Blue Line is not a final demarcation of the international border, it is the internationally recognised reference point for purposes of compliance with UNSCR 425, and challenges to it are unacceptable;
 - (c) while not endorsing or legitimising the perpetuation of any part of the Israel-Lebanon-Syria border conflict, but recognising that in the short term achieving a complete cessation of hostilities is not realistic, continuing to work to contain such conflict as does occur to the Shab'a farms area;
 - (d) while meeting all existing financial commitments to UNIFIL so it can satisfy conflict management and military observation needs, reduce its size to a level that will induce the Lebanese government to send its regular troops to the southern border; and
 - (e) initiating regular talks between, on the one hand, U.S., EU and Russian ambassadors in Lebanon and the UN Personal Representative for Southern Lebanon, and, on the other hand, representatives of the Lebanese and Syrian governments to discuss

developments in the conflict in southern Lebanon.

To Hizbollah:

2. In the spirit of the April 1996 understanding, refrain from carrying out or supporting attacks against civilians and publicly so declare.
3. Fully respect the Blue Line as the provisional demarcation of the Israel-Lebanon border; insofar as Hizbollah challenges the Blue Line, under no circumstances should it further extend the conflict beyond the Shab'a Farms area.

To the government of Israel:

4. In the spirit of the 1996 understanding, refrain from carrying out attacks against civilians and seek to limit the conflict to the Shab'a Farms area.
5. Cease intrusive violations of Lebanese airspace and territorial waters by the Israeli air force and navy in accordance with UNSCR 425.

To the government of Lebanon:

6. Continue the process of deploying the army throughout southern Lebanon to the Blue Line in accordance with UNSCR 425 and subsequent resolutions.

To the governments of Israel, Lebanon and Syria:

7. Publicly recognise the Blue Line for the purpose of verifying compliance with Resolution 425 while, in the case of Israel, underscoring that this will not affect the final location of the border to be established in future peace negotiations.

To the governments of Lebanon and Israel:

8. Resolve peacefully the dispute over water resources derived from the Hasbani River and Wazzani Springs, with Lebanon in the first instance coordinating any initiative regarding use with the UN Personal Representative for South Lebanon, the U.S., and the bilateral European Partnership Commissions to prevent any misreading of intentions.

To the governments of Syria and Iran:

9. Refrain from any action that encourages, supports or endorses Hizbollah attacks against Israeli civilians or that further extend the conflict beyond the Shab'a farms and press Hizbollah to cease such attacks.
10. Do not provide or help Hizbollah obtain weapons that can be used to extend the conflict, not least longer-range rockets or missiles, and publicly inform the Security Council of that commitment.

To the government of Syria:

11. Allow Lebanon to undertake the measures mentioned in these recommendations in accordance with Syria's commitment to Lebanon's sovereignty as stated in the Ta'if Accord.

On creating economic conditions for conflict prevention

To the government of Lebanon:

12. Accelerate reconstruction efforts in the South by:
 - (a) strengthening and reforming local institutions of government, initially by releasing fees due from centrally kept funds earmarked for the municipalities;
 - (b) establishing a "Permanent Conference for Development in the South" to supervise and coordinate reconstruction and provide a platform for improving sectarian relations;
 - (c) pressing for the international donors conference to be convened urgently; and
 - (d) establishing an "International Solidarity Fund for Development in the South" to solicit donations from Lebanese expatriates and be managed by a new Ministry of the South and/or the UNDP Coordination Forum for southern Lebanon, in coordination with the World Bank.
13. Reverse and stop handing out sentences that prevent convicted SLA members from returning to their homes and instead introduce sentences that include community service, thus encouraging local projects and the former convicts' reintegration.

To other members of the international community:

14. Support efforts at economic reconstruction in the South by:
 - (a) urgently convening the international donors conference. Assistance should focus on schools and irrigation infrastructure;
 - (b) indicating interest in expanding economic relations when security conditions permit; the EU should use the particular leverage of its Partnership with Lebanon to engage in a dialogue on the economic and fiscal crisis;
 - (c) improving coordination between individual development projects by taking part in the UNDP Coordination Forum and following its guidance regarding international assistance; and
 - (d) supporting the demining process without insisting that Lebanon first join the Mine Ban Treaty.

To the World Bank:

15. Conduct a comprehensive survey of the economic consequences of continuing conflict, or the threat thereof, in southern Lebanon, including by polling expatriate businessmen on what it will take for them to return and Arab and other international businessmen regarding the impact on investment decisions.

To Hizbollah:

16. Advocate in parliament a "Permanent Conference for Development in the South" to supervise and coordinate government reconstruction efforts, in accordance with the party's own proposals.

On creating political conditions for conflict prevention

To the government of Lebanon:

17. Give independent and moderate candidates with strong grassroots support in southern Lebanon a fair chance by respecting Ta'if Accord and constitutional stipulations for parliamentary elections based on the smaller constituency of the single governorate (muhafaza), not the merged governorates of Sidon and Nabatiya.

18. Increase Hizbollah's stake in the South's development by offering it a government portfolio (a new "Ministry for the South").

To the government of Syria:

19. Allow Hizbollah to run independently in the South, rather than having it run on a joint list with Amal. This will enable Hizbollah's share of parliamentary seats to more accurately reflect its popularity.

To other members of the international community:

20. Increase the role and voice of constituencies in southern Lebanon by:
 - (a) using the demining process to establish contacts with local municipalities and notables and initiating debate on the economic costs of the continuing conflict at the Blue Line; and
 - (b) carrying out development projects in direct cooperation with municipalities.

To Hizbollah:

21. Take better into account the views and interests of its constituencies by:
 - (a) Modifying the composition of its governing *Majlis as-Shura* to reflect the party's wider political and social role in Lebanon; and
 - (b) Soliciting and abiding by the views of community representatives and village elders regarding any attacks staged within the vicinity of their villages near the Blue Line and regarding the desires of villagers living on the Israeli/Syrian side of the Blue Line not to be "liberated" by any Lebanese party.

Amman/Brussels, 18 November 2002

OLD GAMES, NEW RULES: CONFLICT ON THE ISRAEL-LEBANON BORDER

I. INTRODUCTION

More than two years after Israel withdrew from southern Lebanon in May 2000, the situation at the border is far short of peace. In June 2000 the United Nations Security Council confirmed that Israel had complied with Resolution 425 (1978), which called on it to end its occupation of Lebanese territory. Yet today Lebanon maintains in conjunction with its Syrian ally that Israel still occupies pockets of Lebanese territory and that it is, therefore, justified in allowing non-state forces – fighters belonging to the “Islamic Resistance” or Hizbollah – to continue their “holy war” against Israel. Confronted with recurrent attacks by Hizbollah’s highly motivated and experienced combatants, Israel has made clear that it reserves the right to retaliate inside Lebanon and even to attack Syrian targets since it holds Damascus directly responsible for Hizbollah’s actions.

The resulting skirmishes between Israeli and Hizbollah units pale in comparison with the intensity of the conflict prior to May 2000. Between May 2000 and September 2002, limited exchanges have occurred on average every six to eight weeks, killing thirteen combatants and nine civilians.² For now, and each for specific reasons, Syria, Hizbollah and Israel appear eager to avoid a major confrontation. But

² These figures are derived from reports prepared by the UN Secretary-General and submitted to the Security Council between May 2000 and July 2002. The fatalities include six Israeli soldiers and five civilians, three Lebanese combatants and four civilians, and one Syrian soldier. The Israeli government presumes that three of its soldiers taken prisoner by Hizbollah in October 2000 are dead. It reported in early September 2002 that one soldier died from his wounds following an attack by Hizbollah. The figures exclude casualties caused by mines and booby-traps in the area.

with Syria and Hizbollah determined to keep the conflict at a low boil to maintain pressure, with Israel determined to retain credible deterrence, with Iran determined to keep a hand in the conflict by boosting Hizbollah’s arsenal, and without new rules of the game to govern the changed situation, the possibility of large-scale fighting due to a miscalculation cannot be ruled out.

Such conflicts typically ought to be addressed by serious efforts to resolve border issues. However, tensions at the Israeli-Lebanese border have far less to do with the border itself than with a set of political factors ultimately beyond Lebanon’s control. As through much of its modern history, Lebanon essentially provides a theatre in which proxies and outside forces pursue a broader struggle. So long as the underlying Israeli-Syrian conflict is unresolved, peace along Israel’s border with Lebanon will remain elusive. The most recent effort to negotiate the conflict took place in 1999-2000, under the authority of U.S. President Bill Clinton.³ Since then, the peace process has been at a standstill, and any prospect for renewed talks seems remote.

This report assesses the risk that the low-intensity conflict in southern Lebanon will escalate into a major armed confrontation. It aims to propose modest and immediately achievable steps that would address some of the parties’ underlying concerns while strengthening those factors that typically have constrained their actions so as to contain and manage the conflict pending a comprehensive settlement.⁴

³ For an account of these negotiations, see ICG Middle East Report N°4, *Middle East Endgame III: Israel, Syria and Lebanon – How Comprehensive Peace Settlements Would Look*, 16 July 2002.

⁴ ICG outlined a possible comprehensive settlement of the Israeli-Syrian conflict in its report *Middle East Endgame III*, op. cit.

II. THEATRE OF CONFLICT: SOUTHERN LEBANON IN HISTORICAL PERSPECTIVE

A. THE EMERGING FRONT

Since the early 1970s various armies and militias involved in the Arab-Israeli conflict have sought control of southern Lebanon to gain leverage over their opponents. The once quiet border began developing into a major frontline when, in 1970, the Palestinian Liberation Organisation (PLO) transferred its headquarters to Lebanon in the wake of Jordan's clamp-down on armed Palestinian groups operating from within its territory.⁵ Lebanon, which harbours several hundred thousand Palestinian refugees, was a natural staging ground for the PLO.⁶ Together with other Palestinian factions and Lebanese volunteers, the PLO developed a major force capable of attacking Israel across its northern border. For much of the 1970s, forces loyal to Yasser Arafat controlled southern Lebanon – which came to be known as Fatah-land – from which they carried out frequent cross-border raids and artillery attacks on Israel. These triggered Israeli reprisals against Palestinian bases and refugee camps, as well as Lebanese villages. Any pressure the weak and divided Lebanese government may have been able to exert on the PLO evaporated when, in 1975, Lebanon slid into civil war, initially opposing Palestinian factions and Christian militias. That war led to the virtual collapse of most state institutions and of the Lebanese army.

Fearing that a Palestinian-Muslim victory would trigger attempts by Israel to impose its full control over Lebanon, Damascus responded to a request by Lebanon's Christian president for help by sending its troops into the country. Syria's intervention saved

the Christian forces from defeat and, after October 1978, it continued this mission under the banner of a peace force (subsequently named Arab Deterrent Force or ADF) mandated by the Arab League. One ADF task was to oversee withdrawal of all foreign troops, including Syrian. But when other Arab states failed to contribute sufficient peacekeepers, the Syrian troops already present in Lebanon provided the bulk of the force, thus retaining its presence under the Arab League banner.

Meanwhile, Palestinian fighters frequently struck Israel from southern Lebanon. On 14 March 1978, a Palestinian commando killed over 30 bus passengers on a motorway near Haifa. Three days later, Israel invaded Lebanon up to the Litani River with the objective of wiping out Palestinian armed groups based in the South. Lebanon had thus become the surrogate theatre for a war between Palestinians and Israelis that produced many casualties and the exodus of an estimated 25,000 refugees.⁷ On 19 March 1978, the UN Security Council adopted Resolution 425, calling on Israel to cease its military actions against Lebanon immediately and “withdraw forthwith its forces from all Lebanese territory”. It also established the United Nations Interim Force in Lebanon (UNIFIL) “for an initial period of six months” in order to verify Israel's withdrawal. At first Israel seemed willing to comply, but, in June 1978 it handed over a ten-kilometre-wide strip along the border – or “security zone” – to a pro-Israeli militia led by former Lebanese Army officer Sa'ad Haddad. In May 1980, this militia became known as the South Lebanon Army (SLA). Awkwardly positioned in the crossfire, UNIFIL's mandate was renewed semi-annually. Its “temporary” mission lasts to this day.

Haddad's militia failed to provide Israel with security as Palestinian fighters continued to shell northern Israel. On 6 June 1982, the Israeli Army again marched into Lebanon in what was initially described as a measured retaliation for the attempted assassination of the Israeli ambassador in London.⁸ Yet it soon became clear that the aim was far more ambitious and included forcing Palestinian

⁵ The Palestinian-Jordanian clashes in the autumn of 1970 became known as ‘Black September’. In July 1971 all Palestinian guerrillas had left Jordan. An estimated 3,000 Palestinians, military and civilians, were killed and several Palestinian refugee camps destroyed. See Helena Cobban, *The Palestinian Liberation Organization. People, Power and Politics*, (Cambridge, 1987), pp. 51-52.

⁶ The exact number of Palestinian refugees in Lebanon is hard to assess. The United Nations Relief and Works Agency (UNRWA) estimates that over 300,000 are registered but the actual number of refugees living in Lebanon is almost certainly significantly lower. See UNRWA in Figures, 31 December 2001.

⁷ See Theodor Hanf, *Coexistence in Wartime Lebanon, Decline of a State and Rise of a Nation*, (London, 1993), p. 230.

⁸ Israel blamed the PLO even though it emerged that a rival splinter group, led by Abu Nidal, masterminded the assassination attempt. See Ze'ev Schiff & Ehud Ya'ari, *Israel's Lebanon War*, (New York, 1994), pp. 97-100.

commandos further north, destroying the PLO and setting up a friendly, Christian-dominated government in Beirut. Syrian and Israeli forces engaged in brief but heavy fighting during which Syria's missile installations in Lebanon were destroyed and its air force decimated. Israeli troops besieged West-Beirut, and a bloody showdown with the PLO seemed inevitable. However, after receiving international guarantees regarding the safety of Palestinian civilians, the PLO evacuated its armed forces and leadership to Tunis. On 16 September 1982, Israel's Lebanese allies, militia of the pro-Maronite Lebanese Forces, entered the Palestinian refugee camps of Sabra and Shatilla in Beirut and killed over 1,000 civilians.⁹

B. ISRAEL, THE RISE OF HIZBOLLAH AND THE "SECURITY ZONE"

While Israel had rid southern Lebanon of armed Palestinian groups, the invasion produced an unexpected and, ultimately, more damaging effect among Lebanon's Shi'ite population. It had begun to mobilise as early as the 1970s, initially through the Movement of the Dispossessed (*Harakat al-Mahrumin*), the protest movement of the charismatic Shi'ite cleric Sayyid Musa as-Sadr. Born in Iran (Qom) and educated in Iraq (Najaf), as-Sadr drew thousands of followers with a strong political message that mixed denunciation of the Shi'ites' relative social deprivation in Lebanon, Islamist discourse and support for the Palestinians.¹⁰ The Amal party emerged in 1975 from the Movement of the Dispossessed. However, under the leadership of Nabih Berri, it was gradually dominated by a largely secular middle-class elite more interested in the Beirut power struggles than as-Sadr's populist legacy. Israel's invasion brought to the fore latent tensions within Amal. The leadership came under increasing pressure from its rank and file, particularly in the South and in the southern suburbs of Beirut, to actively resist Israel's armed presence. The first signs of this internal conflict emerged in the

early days of the Israeli invasion in June 1982, when Amal split over Berri's decision to take part in the National Salvation Committee set up by Lebanese President Elias Sarkis.¹¹ Amal's deputy leader and official spokesman, Hussayn al-Musawi, viewed this as a deviation from as-Sadr's line and acquiescence to Israeli/U.S. plans.

Musawi went on to found Islamic Amal, apparently with the blessing of Iran, whose leader Ayatollah Khomeini, saw in Lebanon's imbroglio – and his country's historic ties with its Shi'ite community – an opportunity for Iran's Islamic Revolution. With Musawi, many important officials split from Amal, including many who became most influential in Hizbollah.¹² Other disgruntled Amal members joined smaller, highly secretive groupings, including Islamic Jihad (not to be confused with the Palestinian Islamic Jihad also founded in the 1980s), which similarly received support from Iran. Islamic Jihad has been widely held responsible for several violent acts, including the bombings of the U.S. embassy and U.S. Marine and French barracks in Beirut in 1983 and the U.S. embassy's annex in 1984, which killed hundreds, and the kidnapping and murder of several U.S. and other Western citizens.¹³ Connections between Islamic Jihad and Hizbollah remain murky. According to Hizbollah's own account and, more importantly, serious studies of the party, Islamic Jihad was never part of Hizbollah's organisational structure.¹⁴

Aided by the arrival of 1,500 Iranian Revolutionary Guards (*Pasdaran*), a loose alliance of several Islamist Shi'ite individuals and groupings that included Islamic Amal undertook joint attacks against Israeli forces. Between August and September 1982, the leaders of this umbrella organisation established the "Committee of Nine", which became the *Majlis as-Shura*, or Consultative

⁹ An official Israeli inquiry established that Ariel Sharon, then Minister of Defence, bore "personal responsibility" for the massacre. *The Complete Kahan Commission Report*, (Princeton, 1983), p. 104.

¹⁰ As-Sadr's popularity gained almost mythical proportions when he mysteriously "disappeared" during a visit to Libya in September 1978. His fate remains unknown. For details see Fouad Ajami, *The Vanished Imam: Musa Sadr & the Shia of Lebanon* (London, 1986), pp. 181-188.

¹¹ The Committee was officially set up to supervise the replacement of PLO forces in Beirut by the Lebanese Army. It contained members of the various political forces on the ground, including Bashir al-Gemayel, the leader of the Lebanese Forces, which were allied with Israel.

¹² All three future Hizbollah secretary-generals – Subhi al-Tufayli, Abbas al-Musawi, and Hassan Nasrallah – as well as many high-ranking future Hizbollah high-ranking officials – Ibrahim Amin al-Sayyid, Muhammad Yazbeq, Hussein al-Khalil, Na'im Qassim, Muhammad Ra'id – were among those who split from Amal.

¹³ Hala Jaber, *Hezbollah: Born with a Vengeance* (New York, 1997), pp. 79-80, 114-118.

¹⁴ *Ibid.*, pp. 99, 115-16.

Council, of what in 1984 became a newly established party named Hizbollah¹⁵ that soon developed into one of Lebanon's most disciplined and best organised. Iran's support, which included weapons and money believed to range between U.S.\$65 million and \$100 million annually, was instrumental in Hizbollah's rapid rise.¹⁶ In accordance with its sponsors' radical beliefs, Hizbollah's ideology evolved around two main convictions. First, it aimed at emulating Iran's notion of the *velayat-e faqih* ("rule of the Islamic Jurist").¹⁷ Secondly, its stated aims included the ultimate destruction of Israel. Depicting the conflict with Israel as "existential", Hizbollah consistently ruled out reconciliation and vowed to "liberate" al-Quds (Jerusalem).¹⁸

Meanwhile, the Israeli army had become increasingly entangled in Lebanon's internal political violence. After a failed attempt in 1983 to conclude a peace agreement with the Lebanese government,¹⁹ Israel ordered a phased and partial withdrawal. In 1985, all Israeli troops moved south to join the strengthened SLA – now led by the former Lebanese Army General Antoine Lahad. Together they patrolled an 850-square kilometre "security zone", which extended beyond the border to include the regions of Jezzine and Hasbaya.

In October 1989, Lebanon's surviving members of parliament gathered in the Saudi resort of Ta'if to sign the Document of National Reconciliation (Ta'if Accord). Brokered by the Arab League, it set in motion a peace process that concluded the civil war

by the end of 1990. Three elements had a lasting impact on southern Lebanon.²⁰ First, the Accord consolidated Syria's influence over Lebanon's internal politics. It granted Damascus substantial leverage to ensure that the government would not do a unilateral deal with Israel regarding the occupied South. Any peace had to be "comprehensive", i.e. include an Israeli-Syrian agreement on the Golan Heights. Secondly, it called for liberation of the South pursuant to UNSCR 425, which it considered made armed resistance there legitimate and in accordance with international law. Thirdly, it set in motion the dismantling of all militias. However, groups resisting the Israeli occupation, notably Hizbollah, became in effect exempted from having to surrender their weapons. Together, these elements formed the joint Syrian-Lebanese approach to southern Lebanon. As long as Israel occupied Lebanese territory and Syria was in a state of war with Israel, Hizbollah was free to carry out armed attacks on Israeli troops in the South.

The Ta'if Accord and Syria's predominance also began the normalisation of Lebanon's political order and Hizbollah's awkward and uneven integration within it. The party's leadership was suspicious of Syria's intentions, if only because Damascus supported Amal during its bloody confrontations with Hizbollah in 1987-1989. Furthermore, Hizbollah at first opposed the Accord because it failed to radically transform Lebanon's unequal sectarian political system and, in its view, reinstated the "hegemonic" role of the Maronite community.²¹ Finally, the party at this stage was still fully committed to the idea of establishing an Islamic republic in Lebanon.

Nevertheless, in 1992 Hizbollah began participating in parliamentary elections. Since then, it often has secured one of the largest blocs of members. In elections between 1992 and 2000, it obtained ten to twelve of the parliament's 128 seats and won a majority of Shi'ite seats in the municipal council votes held in May-June 1998 and June 2001. Besides the credit and broad support it received for resisting the Israeli occupation, Hizbollah's popularity derived from wide-ranging social

¹⁵ ICG telephone interview with a Lebanese academic specialized in the history and ideology of Hizbollah, 1 November 2002; Amal Saad-Ghorayeb, *Hizbu'llah, Politics & Religion* (London, 2002), pp. 14-15.

¹⁶ In 1996, U.S. Secretary of State Warren Christopher claimed that Iran provided Hizbollah with roughly \$U.S.100 million per year. See Kenneth Katzman, "Terrorism: Near Eastern Groups and State Sponsors, 2002", *CRS Report for Congress*, 13 February 2002, p. 10. The CRS report notes that the State Department's annual report on terrorism does not mention a specific figure.

¹⁷ For the *velayat-e faqih* in Iran, see ICG Middle East Report N°5, *Iran: The Struggle for the Revolution's Soul*, 5 August 2002.

¹⁸ Amal Saad-Ghorayeb, *Hizbu'llah, Politics & Religion*, pp. 134-167.

¹⁹ The agreement was initialled on 17 May 1983 and called for mutual recognition between Lebanon and Israel and an end to the violence provided Israeli, Syrian and Palestinian troops simultaneously withdrew from Lebanon. It was backed by Lebanon's President Amin Gemayel but rejected by Syria.

²⁰ The text of the Ta'if Accord can be found in Albert Mansur, *al-Inqilab 'ala at-Ta'if* (Beirut, 1993), pp. 249-265. For an English translation see *The Beirut Review* 1, spring 1991 & <http://www.mideastinfo.com/documents/taif.htm>.

²¹ *Hizbu'llah, Politics & Religion*, pp. 26-27.

activities. Its charity and support organisations include *Jihad al-Bina'* (a construction company that assists those rebuilding war-damaged homes in the South); the Islamic Health Committee; hospitals and pharmacies; NGOs supporting women; a research centre focusing on socio-economic issues; various social welfare organisations; schools; and mosques.²²

In other words, following its acceptance of the post-Ta'if political order, Hizbollah developed into a broad-based party whose civilian and military activities coexisted. Although it frequently asserted that these roles did not contradict each other, its accommodation to Lebanon's political realities in the 1990s carried a price in both ideology and organisational independence. The notion of the *velayat-e faqih* became increasingly distant and impractical in Lebanon's multiconfessional and pluralist political system.²³ Moreover, in order to be able to carry out armed operations in the South, Hizbollah ultimately had to defer to the bounds set by Syria.

Israel's "security zone" in southern Lebanon proved a failure, unable to protect Israelis living adjacent to the northern border. The violence followed a familiar pattern that was most costly to Lebanese civilians. Hizbollah attacked both SLA and Israeli troops in southern Lebanon, frequently using civilian areas as the staging ground. Israel's retaliation often targeted Lebanese villages in which Hizbollah fighters took refuge, setting off another cycle of Hizbollah attacks, this time into Israel itself. On several occasions, the situation verged on full-scale war. In July 1993, following the killing of seven Israeli soldiers in southern Lebanon, Israel launched "Operation Accountability" and attacked a number of villages in southern Lebanon harbouring Hizbollah fighters. Israeli armed operations resulted in the deaths of about 120 civilian Lebanese and forced thousands of villagers and Palestinian refugees to flee northwards, and material destruction ran into the millions of dollars.²⁴ A cease-fire on 31 July was followed by a U.S.-brokered unwritten understanding pursuant to which Israel and

Hizbollah would refrain from civilian targets. Syria and Iran were involved in the negotiations and reportedly committed to respect its terms and urge Hizbollah to do the same.²⁵ Both Hizbollah and Israel systematically violated this 1993 understanding, and Syria later denied having been a party to it.²⁶

In March 1996, Hizbollah fired Katyusha rockets into northern Israel in reprisal for the killing of several Lebanese civilians in the "security zone". Several Israeli civilians were injured. On 11 April, Israel began repeated air raids and shelling. Israel hit a UN-compound in Qana where Lebanese villagers were sheltering, causing the death of over 100 civilians.²⁷ Israel's operation ("Grapes of Wrath"), lasted seventeen days and triggered another civilian exodus northwards. Over 150 Lebanese, mainly civilians, were killed.²⁸ In response, Hizbollah fired hundreds of Katyusha rockets into northern Israel.

Under U.S. and French auspices, and after a vigorous diplomatic campaign, the parties reached a new set of understandings, written but unsigned.²⁹ These acknowledged the parties' "right of self-defence" but committed them to refrain from targeting civilians and created an Israel-Lebanon Monitoring Group (ILMG) in which the U.S., France, Israel, Lebanon and Syria were to take part. All could report alleged violations to the Monitoring Group, which would then meet to study the claims, issue conclusions and repeatedly call for restraint. The ILMG was a relative success. The rules – a prohibition on targeting civilians and firing from

²² *Hizbollah: Born with a Vengeance*, pp. 145-169; Wadah Sharara, *Dawlat Hizb Allah, Lubnan mujtami'an Islamiyyan* (Beirut, 1998), pp. 338, 376-377.

²³ *Hizbu'llah, Politics & Religion*, op. cit. pp. 34-58.

²⁴ Human Rights Watch, *Civilian Pawns, Laws of War Violations and the Use of Weapons on the Israel-Lebanon Border*, May 1996.

²⁵ *Ibid.*

²⁶ See *Report of the Secretary-General on the United Nations Interim Force in Lebanon*, 22 January, 1996.

²⁷ Israel claimed that the UN compound was hit by mistake. An inquiry led by Franklin van Kappen, a military expert dispatched by the Secretary-General concluded: "While the possibility cannot be ruled out completely, it is unlikely that the shelling of the United Nations compound was the result of gross technical and/or procedural errors". *Report of the Secretary-General's Military Adviser concerning the shelling of the United Nations compound at Qana on 18 April 1996*, 1 May 1996. Human Rights Watch has pointed out that Hizbollah shared responsibility for the incident as it had fired Katyushas from sites close to the compound. See Human Rights Watch, *Israel/Lebanon, "Operations Grapes of Wrath" The Civilian Victims*, September 1997.

²⁸ See Human Rights Watch, *"Operations Grapes of Wrath"*, op. cit.

²⁹ Israel-Lebanon Ceasefire Understanding, 26 April 1996. http://www.usembassy-israel.org.il/publish/peace/documents/ceasefire_understanding.html.

civilian areas – were clear and agreed by all. The inclusion of both the U.S. and France was considered a guarantee of impartiality. Participants – mainly Syria and Israel – felt they could score small diplomatic victories by raising grievances and showing their constituencies that they had achieved something.³⁰ This simple mechanism meant that shelling enemy positions was not the only means of communication. Attacks on civilians were drastically reduced and there were no major escalations of the type that occurred in 1993 and 1996.³¹

For Israel, however, the human and political toll was increasingly costly. SLA morale plummeted, and growing numbers of Israelis questioned a military occupation that still led to the deaths of their soldiers. To many in Israel, the sole justification for the presence, and its fatalities, was to protect the presence itself. Yossi Beilin, then a member of the Knesset and an advocate of immediate withdrawal, accused Minister of Defence Yitzhak Mordechai of “everyday, every minute gambling with the lives of our soldiers”.³² Although heavily outnumbered by combined Israeli and SLA forces, Hizbollah reduced the gap in loss of life to one Israeli soldier killed for 2.7 of its own fighters.³³

C. ISRAEL WITHDRAWS

During his campaign to be elected prime minister in the spring of 1999, Ehud Barak vowed to withdraw Israeli forces from Lebanon by July 2000.³⁴ His strong preference, he explained, was for withdrawal in the context of a political agreement with Syria and Lebanon. That way, Israel could leave in an orderly manner and secure its borders, while Syria would not feel that it had been deprived of its remaining pressure card (armed resistance in the South) in dealings with Israel. But, he implied, both as a promise to his people and a veiled warning to

Syria, Israel was ready to withdraw unilaterally.³⁵

As a first step, Barak instructed the SLA to pull out of the 36 villages of the Jezzine region in May and June 1999. Over 200 fighters handed themselves in to the Lebanese authorities, and by the end of June the government had regained full control of Jezzine. The partial withdrawal triggered new fighting. Hizbollah attacked the retreating SLA and fired rockets into Israel, killing two civilians. In response, Israel’s air force raided power stations, phone installations and bridges throughout Lebanon, killing ten civilians.³⁶

Over the following months, Israel and Syria conducted their most vigorous and promising attempt to reach a peace agreement since 1996. In January 2000, Barak, President Clinton, and Syrian Foreign Minister Faruq as-Shara’ met in Shepherdstown, Maryland (U.S.) but failed to produce a breakthrough. Throughout this period, Barak pressed the Syrians to allow the resumption of Israeli-Lebanese negotiations, aware that quiet in the North would be his strongest asset for selling a deal to Israelis alarmed by continuing skirmishes on the border. Alleging that Lebanon decided independently, Damascus demurred but it was clear Syria had no interest in allowing the Lebanese track to proceed until it was convinced that return of the Golan Heights was at hand.

The pivotal moment occurred in Geneva in March 2000. Clinton, after lengthy consultations with Barak, met with Syria’s ailing President Hafez al-Asad to present what he called his best assessment of what Israel could accept. The proposal fell short of Syria’s demands, and the Syrian track, which had resumed with promise three months earlier, was over.³⁷

³⁰ ICG interviews with several European diplomats in Beirut, August 2002.

³¹ From Hizbollah’s perspective, the key provision of the Understanding was that it legitimised its continued attacks against Israeli forces in southern Lebanon.

³² Cited in: *Ha’aretz*, 1 December 1998.

³³ See David Hirst in *The Guardian*, 31 July 1999.

³⁴ *The Jerusalem Post*, 3 March 1999. Barak vowed to “get the boys out of Lebanon within a year of being elected Prime Minister”. *The Jerusalem Post*, 4 March 1999.

³⁵ In the fall of 1999, Barak made clear that his campaign promise to withdraw the Israeli army from southern Lebanon by the summer of 2000 remained valid: “We will remove the IDF [Israel Defence Forces] within [the framework] of an agreement. This obligation is valid. The government that I head is determined to put an end to the tragedy that has continued for seventeen years in Lebanon....For obvious reasons, I will not discuss today. . . the question of what will happen if we get close to the month of July 2000 and we still don’t have an agreement with the Syrians”. Cited in *The Jerusalem Post*, 1 October 1999.

³⁶ See *Report of the Secretary-General of the United Nations Interim Force in Lebanon*, 21 July 1999.

³⁷ Interpretations as to why the negotiations failed vary widely. According to some, Barak’s hesitation at Shepherdstown and reluctance to treat that meeting as a decisive moment

Almost immediately, and fulfilling his pledge, Barak announced his government's intention to withdraw unilaterally and unconditionally from southern Lebanon by July. Israel's impending departure led to the SLA's precipitous collapse on 16 May, and the Israeli army accelerated its withdrawal timetable. By 24 May all Israeli forces had left southern Lebanon. About 6,500 SLA members and their families crossed into Israel while others surrendered, either to Hizbollah or to the Lebanese authorities.³⁸ Lebanese detainees held in al-Khiyam, a prison run by the SLA, were freed. Fears of large-scale reprisals by Hizbollah and civilians against SLA members did not materialise, though there were several incidents of looting and twenty alleged SLA members were abducted by Hizbollah.³⁹

In the period that followed, the UN discussed with Israel, Lebanon and Syria demarcation of the withdrawal line and whether it fulfilled UNSCR 425.⁴⁰ While Terje Roed-Larsen, UN Special Envoy for the Middle East, shuttled between Tel Aviv, Damascus, Beirut and New York, UN cartographers verified and helped negotiate the course of the demarcation fence on the ground with Israeli and Lebanese counterparts. Though Israel initially appeared intent on a minimal presence north of the UN-sanctioned demarcation line, it quickly understood that an international stamp of approval would legitimise its withdrawal and de-legitimise any Hizbollah attacks. The UN team demarcated what came to be known as the Blue Line, and, on 16 June 2000 UN Secretary-General Kofi Annan confirmed that Israel had fully complied with Resolution 425 and called on Lebanon to respect the

fundamentally altered the mood in Damascus; from then on, Asad turned to the issue of his succession and put the peace process aside. Others believe that a deal was still possible in Geneva had Asad been offered a full withdrawal from the Golan. See, e.g., Charles Enderlin, *Le Rêve Brisé* (Paris, 2002). See also ICG Middle East Report N°4, *Middle East Endgame III: Israel, Syria and Lebanon – How Comprehensive Peace Settlements Would Look*, 16 July 2002, pp. 4-5.

³⁸ See United Nations High Commission for Refugees, UNHCR Global Appeal 2001, December 2001.

³⁹ See Human Rights Watch, *Hizballah Implicated in South Lebanon Kidnappings*, 26 June 2000.

⁴⁰ After invading Lebanon in 1982, Israel pushed the border fence northward and westward a few hundred meters in several locations. The new fence was moved to what came to be known as the "Purple Line." The task of the UN in the aftermath of the withdrawal was to determine the border that existed prior to the 1982 invasion, which came to be known as the Blue Line.

Blue Line.⁴¹ For the international community, Israel's withdrawal was complete.

Yet the conflict was not over. On 4 May the Lebanese government informed the Secretary-General that it considered Israel's withdrawal incomplete so long as it remained in a 25-square kilometre area called the Shab'a Farms, which the Lebanese claimed as theirs. Israel's position, and the Security Council's, was that this area was occupied Syrian territory and thus within the purview of UNSCR 242 (governing the Israeli-Syrian conflict), not UNSCR 425.⁴² Syrian Foreign Minister As-Shara' backed Lebanon in a telephone conversation with Kofi Annan.⁴³ The Syrian and Lebanese claim allowed them to maintain that their conflicts with Israel remained open and should move in tandem. Alleging that the occupation continued, the Lebanese government refused to deploy its army along the Blue Line and allowed Hizbollah to attack Israeli positions in the Shab'a area. These predictably triggered Israeli counter-attacks. The old practice of tit-for-tat had merely entered another phase, with a collective "testing of the rules" by Syria, Israel and Hizbollah.⁴⁴

⁴¹ *Report of the Secretary-General on the Implementation of Security Council Resolutions 425 (1978) and 426 (1978)*, 16 June 2000. Aside from the withdrawal, Israel met the other two requirements of UNSCR 425, namely dismantling the SLA and freeing all detainees held at al-Khiyam prison. The UN Security Council repeated its call for Lebanon to respect the Blue Line in numerous resolutions extending UNIFIL's mandate: UNSCR 1308 (17 July 2000), 1310 (27 July 2000), 1337 (30 January 2001), 1365 (31 July 2001), 1391 (28 January 2002) and 1428 (30 July 2002).

⁴² The Shab'a Farms are an uninhabited area of 25 square kilometres in the southeast tri-border region, a collection of farms attached to the nearby Lebanese village of Shab'a, formerly cultivated by the village's residents and occupied by Israel during the 1967 war. Lebanon's claim to the area is at best very thin, with both Lebanese and Syrian maps consistently identifying it as Syrian territory: see Appendix B, section A. ICG's position is that Israel should withdraw from the land in question in the context of a negotiated peace with Syria, with its ultimate disposition then being up to Syria and Lebanon: see *Middle East Endgame I*, op. cit., p.18, and *Middle East Endgame III*, op. cit.

⁴³ *Report of the Secretary-General on the Implementation of Security Council Resolutions 425 (1978) and 426 (1978)*, 22 May 2000.

⁴⁴ ICG interview with Lebanese journalists, April 2002.

III. AFTER THE WITHDRAWAL: OLD GAMES IN SEARCH OF NEW RULES

The Israeli withdrawal was supposed to end cross-border attacks and defuse tensions. Yet, in some sense, it did neither. Previously, armed confrontations had been fierce, bloody and often in violation of the April 1996 understanding⁴⁵ but the parties played by rules with which they were familiar. After the withdrawal, the frequency and intensity of clashes diminished, but so did their predictability. With Hizbollah fighters and Israeli troops literally facing each other at multiple locations on the border, the new rules had to be discovered by trial and error.

The period immediately following the withdrawal was characterised by verbal sabre rattling and efforts to test the limits. On 24 May 2000, the Israeli government publicly stated its position:

If, after the withdrawal, terrorism continues, Israel will react forcefully....This reaction will be directed against both the terrorist organisations and those parties [i.e. Syria] which extended aid to these organisations.⁴⁶

The implicit threat against Syria made clear that, contrary to past practice, neither Hizbollah nor Lebanon would be the sole targets of retaliation, while use of the undefined term "terrorism" left room for some flexibility in implementation. In his "victory speech" two days later, Hizbollah Secretary-General Hassan Nasrallah warned that Israel could expect "additional defeats and disappointments" as the resistance planned to "complete the liberation". His demands included withdrawal from the Shab'a Farms, release of all Lebanese prisoners in Israeli jails,⁴⁷ and – in an

admission that the conflict transcended Lebanon – return of Palestinian refugees.⁴⁸ Meanwhile, the Lebanese and Syrian governments launched a largely unsuccessful diplomatic offensive to reiterate that Shab'a was Lebanese, and armed resistance would continue unabated. On 20 July 2000, the UN secretary-general concluded: "While an enormous improvement compared to the past, the situation in the Israel-Lebanon sector falls well short of peace, and the potential for serious incidents still exists."⁴⁹

The first serious clashes occurred in early October 2000 when Hizbollah attacked an Israeli position in the Shab'a Farms and kidnapped three soldiers whom it offered to exchange for Lebanese prisoners in Israel. A month later roadside bombs were detonated in the Shab'a area, killing an Israeli soldier. Though it resumed over flights into Lebanese airspace, thereby signifying that any operation beyond Shab'a would have far-reaching consequences, Israel did not respond to the attacks. Overall, the incidents seemed to suggest that, as one UNIFIL official put it, "the new rules of the game designated the unpopulated Shab'a Farms as a firing area to let off steam".⁵⁰ It appeared that armed operations would be tolerated if confined there.⁵¹

However, on 15 October 2000 Hizbollah pushed the envelope in its search for new ways to challenge Israel. It announced the capture of an Israeli intelligence officer following a "complex security operation".⁵² Speculation followed whether Hizbollah had now "in kidnapping an Israeli citizen abroad...crossed a red line".⁵³ With Ariel Sharon's election as prime minister in February 2001, the

Report, "Israel and the Occupied Territories", 2001 & 2002 issues.

⁴⁸ Hizbollah Secretary-General Sayyid Hassan Nasrallah's Victory Speech, Addressing the People at Bent Jbeil Mass Celebration, 26 May 2000.

⁴⁹ *Report of the Secretary-General on the United Nations Interim Force in Lebanon* (for the period from 17 January to 17 July 2000), 20 July 2000.

⁵⁰ ICG interview with UNIFIL official in southern Lebanon, 7 August 2002.

⁵¹ That is, if skirmishes occurred only between the Shab'a Farms and, on the Lebanese side of the Blue Line, the adjacent Shab'a village and Kfar Shuba. ICG interview with UN official in Beirut, 8-14 August 2002.

⁵² Al-Manar, 15 October 2000. The Israeli government confirmed the kidnapping, explaining that the person involved, former Colonel Elhanan Tannenbaum, was a businessman based in Switzerland, who had apparently been lured into Lebanon on false pretences.

⁵³ Ze'ev Schiff in *Ha'aretz*, 16 October 2000.

⁴⁵ Between 1978 and 2000, Israeli military actions are estimated to have cost the lives of 20,000 Lebanese civilians. See Nicholas Blanford, *Israeli Occupation of South Lebanon*, Information brief N°8, Center for Policy Analysis on Palestine, (Washington, 1999). Between 1982 and 2000, Israel lost 889 soldiers in Lebanon. ICG telephone interview with Israeli Defence Forces Spokesperson, 5 November 2002.

⁴⁶ Israel Foreign Ministry, Information Division, *The Israeli withdrawal from Southern Lebanon: Background Points*, 24 May 2000.

⁴⁷ Sixteen Lebanese nationals continue to be held in Israel, including Hizbollah leaders Shaykh 'Abd al-Karim 'Ubayd and Mustafa al-Dirani, abducted from Lebanon in 1989 and 1994 respectively. See Amnesty International, Annual

Israeli government adopted a harder line. Following a missile attack by Hizbollah on a tank in Shab'a, the Israeli air force bombed a Syrian radar post 45 kilometres east of Beirut on 16 April.

The rules of the game, it was now generally believed, had dramatically changed.⁵⁴ Israeli government spokesman Ra'anana Gissin explained: "[T]here is a new 'price list', which...points out to the Syrians that there is a need for them...to make a reassessment regarding Israel's readiness...to react".⁵⁵ Not only was the implicit "Shab'a-versus-Shab'a" understanding questioned, but Israel also signalled refusal to acquiesce in proxy attacks and its readiness to strike at Syria, which it held directly responsible. The new policy was confirmed at the end of June and early July when, in retaliation for Hizbollah attacks on Shab'a, Israel again bombed a Syrian radar post in the Biqa'a Valley. Subsequently, Hizbollah and Israel engaged in heavy artillery duels in Shab'a. Nasrallah warned the Israelis they were "playing with fire" and vowed new attacks to "liberate the Shab'a Farms".⁵⁶ A full-scale war no longer seemed a remote possibility.

Presumably under instructions to calm matters from a Damascus both fearful of a devastating Israeli offensive and, after the 11 September attacks on the World Trade Centre and Pentagon, uncertain about U.S. policy, Hizbollah refrained from military action for three months in late summer and early fall.⁵⁷ But long-term inaction threatened both Syria's leverage and Hizbollah's position in Lebanon. Hizbollah's renewed limited attacks on Shab'a in October 2001 likely were aimed at forcing Israel to accept the *status quo ante* in which skirmishes in this area were more or less tolerated. The strategy seemed to work as the Israeli army this time returned fire strictly at Hizbollah positions in Shab'a village and Kfar Shuba. A now customary lull set in, disturbed only by Hizbollah actions that seemed more psychological than military – for example, explosions on the Lebanese side of the border and the launch into Israeli airspace, at the height of the Palestinian intifada, of balloons carrying Yasser

Arafat's effigy.⁵⁸

This time, too, however, a sustained lull ran against Syria's and Hizbollah's fundamental interests. In February 2002, Hizbollah upped the ante. Responding to Israel's continued illegal flights into Lebanese airspace, it began to fire anti-aircraft shells into Israeli airspace that exploded over Israeli kibbutzim, often more than half an hour after Israeli warplanes had flown by. Falling shrapnel caused minor damage and injuries. Nasrallah commented:

Once [the inhabitants of northern Israel] hear the explosions of anti-aircraft fire, all the schools close their doors and the people seek shelter in their underground bunkers. Panic overwhelms the northern territory.... If you don't want to hear the sound of anti-aircraft fire, then don't fly in our skies. From now on we are using this new method.⁵⁹

By indirectly targeting civilians, Hizbollah was deliberately pushing the conflict on a new collision course.

In March and April 2002, hostilities took a turn for the worse, in terms of both intensity and their unprecedented nature. The development apparently was sparked by Syria's annoyance at Saudi Crown Prince Abdullah's proposal for a comprehensive peace that was launched without inter-Arab consultation and Damascus interpreted as focusing more on the Palestinian than the Syrian front. On 12 March, a small group of Palestinian fighters slipped into Israel and killed five civilians and one soldier. On 31 March and 7 April, Palestinian gunmen on the Lebanese side of the Blue Line exchanged fire with Israeli troops and launched Katyusha rockets into Israel far removed from the designated firing area of Shab'a. Lebanon's Prime Minister Rafiq al-Hariri described the attacks as the work of "undisciplined" and "rogue refugees" and declared the authorities had arrested several.⁶⁰ This hardly seemed credible, given Hizbollah's firm control over the border area.⁶¹ Rather, Hizbollah seemed to have found its own proxy to attack Israeli targets.

⁵⁴ ICG interview with UN official in Beirut, 8-14 August 2002.

⁵⁵ Cited in *Ha'aretz*, 16 April 2001.

⁵⁶ *Al-Manar*, 2-4 July 2001.

⁵⁷ ICG interviews with several journalists covering southern Lebanon, Beirut, August 2002.

⁵⁸ ICG interview with Timor Göksel in Naqura, 7 August 2002. See also *An-Nahar*, 2 January 2002.

⁵⁹ Interview with Hassan Nasrallah, Al-Jazira, 14 February 2002.

⁶⁰ Cited in *The Daily Star*, 13 April 2002.

⁶¹ ICG interview with international diplomat in Beirut, 8 August 2002.

Ignoring stern Israeli warnings, Hizbollah launched a major offensive against positions in Shab'a from 30 March through 13 April, firing more shells and rockets than during the entire period since the Israeli withdrawal.⁶² The Israeli army returned fire only within the Shab'a area. No casualties were reported on either side. In a statement, Hizbollah dedicated the attacks to Palestinians resisting Israel's invasion of the West Bank, Operation Defensive Shield.⁶³ After holding fire for nearly five months, on 29 August Hizbollah again targeted a military outpost in Shab'a with anti-tank missiles and mortars, killing one soldier. Israeli aircraft and artillery returned fire.

Tensions in the border area remain high with a real risk that fighting will resume at any moment. This recently was underscored by the dispute concerning water rights in the Hasbani River, which runs from Lebanon into Israel, where it discharges into Lake Kinneret. In September 2002, Lebanon's Council of the South, a governmental body that promotes local development, announced that installation of a pump for diverting water from the Wazzani Springs adjacent to the river was nearly complete. Israel protested that diversion would be illegal. On 9 September, Sharon warned that diverting water from the Hasbani River was a "casus belli,"⁶⁴ and later went so far as to warn of a regional conflict.⁶⁵ Although the amount of water involved is relatively small, Israel is concerned that the precedent could lead to more substantial Lebanese water projects that could impact on Israel's limited supplies and increase the salinity of Lake Kinneret.⁶⁶

In response, Lebanon accused Israel of "aggression" and violation of its sovereignty, pointing out that the Wazzani project's consumption would be significantly less than what Lebanon was allocated under the Johnston Mission, a failed U.S. attempt in

the 1950s to achieve a water sharing agreement.⁶⁷ Although Hizbollah is not directly involved, it threatened to retaliate if Israel bombed the pumping station.⁶⁸ Since then, mediation efforts have intensified. In mid-September, U.S. water experts arrived in Lebanon to study the pumping installation; France also sent experts, and both the EU and Russia made clear their desire to help settle the dispute.⁶⁹ Tensions appear to have abated for the time being, particularly in the wake of U.S. Assistant Secretary William Burns' October 2002 visit, as Lebanon gave private assurances that for now it would not further develop the water project and Israel gave private assurances that for now it would not take military action. But neither side gave guarantees regarding the future and a stable solution remains elusive.⁷⁰

The Hasbani River and Shab'a Farms are only the most notable and active of many flash points on the Israeli-Lebanese border. Most relate to controversies regarding the "Blue Line", which the UN drew "pursuant to the 1923 Agreement between France and Great Britain"⁷¹ Even though Secretary-General Annan repeatedly stated that in the absence of an agreed international boundary, the Blue Line should be regarded as a provisional demarcation line only, its exact coordinates have been the object of heated

⁶² *Report of the Secretary-General on the United Nations Interim Force in Lebanon* (for the period from 17 January 2002 to 12 July 2002), 12 July 2002.

⁶³ Statement by the Islamic Resistance, 10 April 2002: http://www.moqawama.tv/page2/f_report.htm.

⁶⁴ Cited in *Ha'aretz*, 10 September 2002.

⁶⁵ Quoted in "A Chat with Sharon", William Safire in *The New York Times*, 21 October 2002.

⁶⁶ See *Ha'aretz*, 18 September 2002 and 7 October 2002 and Appendix B below. This was the second time that a dispute over the Hasbani River led to an exchange of threats. In the spring of 2001, tension similarly heightened following the installation of two smaller pumps by private Lebanese individuals.

⁶⁷ See *An-Nahar*, 2 October 2002. According to Lebanese authorities, the installation could extract at most 4.8 million cubic metres per year, bringing the total of water extracted from the Hasbani by Lebanon to 11 million cubic metres annually – far less than the 35 million cubic metres allocated by the Johnston Mission. See *Le Monde*, 18 October 2002.

⁶⁸ Hashim Safi ad-Din, a high Hizbollah official, threatened to "cut off the hands of Sharon or any Zionist if he is in any way going to touch the Wazzani project". Cited in *As-Safir*, 11 September 2002.

⁶⁹ See Appendix B.

⁷⁰ ICG interview with Lebanese and U.S. officials, November 2002. On 16 October 2002 Lebanese officials inaugurated the pumping station in a ceremony attended by representatives of the UN and several ambassadors including those of the EU. The U.S. boycotted the ceremony, protesting Lebanon's failure to inform third parties of its initiative and restating its position that "unilateral action by either party undermines efforts to reach an understanding. U.S. Embassy statement cited in *The Daily Star*, 17 October 2002. Lebanon's Speaker of Parliament declared that the current pumping station "is just the beginning". Cited in *The Daily Star*, 17 October 2002.

⁷¹ Report of the Secretary-General on the Implementation of Security Council Resolutions 425 (1978) and 426 (1978), 16 June 2000. A description of these various flash points can be found at Appendix B.

disputes from the beginning.⁷² These disputes have focused on locations that lie at the Israel, Lebanon and Syria tri-border area and where certain villages were divided into Lebanese and Israeli-occupied Syrian territory. Moreover, insofar as the Blue Line was drawn solely for verifying Israel's withdrawal from southern Lebanon, no effort was made to address several other controversies, such as the allocation of cross-border water resources. Most of these disagreements are trivial and, under different circumstances, would barely merit attention. In Southern Lebanon, however, their political significance far outweighs their territorial or economic merit. In the situation following Israel's withdrawal and given the strategic calculations of the parties, they are liable to trigger dangerous confrontations. Openly acknowledging the political significance of these flash points, Hizbollah stated that "the Islamic Resistance's decision is that the Lebanese-Palestinian borders remain a cause of anxiety and pain for the Israeli enemy".⁷³

IV. DYNAMICS OF THE CONFLICT: FACTORS FUELLING ESCALATION

Israel's withdrawal was a gambit. By putting an end to the occupation, it removed the most immediate trigger for a major confrontation and set in motion some moderating pressures. For now, absorbed by its conflict with the Palestinians and reluctant to open a second front – particularly given the record of its prior interventions – Israel seems to have accepted that limited attacks on its positions in Shab'a are generally insufficient cause for major retaliation. As an official at the Israeli Defence Ministry put it: "Hizbollah wants to provoke Israel by opening a front in Shab'a, but we are not going to fall in this trap."⁷⁴ This view was echoed by U.S. and UNIFIL officials who spoke of Israel's "flexible, elastic" threshold, accounting for an "uncharacteristic restraint" in the face of Hizbollah provocations.⁷⁵

Given Israel's overwhelming military superiority, Damascus should have reason to prevent Hizbollah from provoking retaliation against its vital interests in Lebanon or at home. Although the precise degree of Syrian influence over Hizbollah is a matter of debate, it is clear that the party depends on Syrian consent to carry out armed attacks, if only because it relies heavily on Damascus for weapon supplies. According to UN officials, the Syrian leadership tightened its control over Hizbollah after the Israeli withdrawal and began interfering in daily operational matters that had earlier been left to the discretion of Hizbollah's military commanders.⁷⁶ In addition, Syria can count on numerous political allies within Lebanon, including Nabih Berri, the leader of the rival Shi'ite group, Amal, and former Hizbollah leader Subhi at-Tufayli, who would be willing to undermine Hizbollah should Damascus need to restrain its activities. In an interview with ICG, a Hizbollah official acknowledged this imbalance in interests and power:

⁷² Ibid; *Report of the Secretary-General on the Implementation of Security Council Resolutions 425 (1978) and 426 (1978)*, 22 May 2000.

⁷³ Hizbollah's military commander Nabil Qa'uk as cited in *The Daily Star*, 15 January 2001.

⁷⁴ ICG telephone interview with an official at the Israeli Ministry of Defence, 10 September 2002.

⁷⁵ ICG interview with UNIFIL officials, Naqura, April 2002. U.S. officials felt strongly that Israel, even under its current Right-wing government, would not take the risk of once again entering the Lebanese quagmire unless they felt forced to do so. ICG interview with U.S. official, Washington, November 2002.

⁷⁶ ICG interview with UNIFIL official in southern Lebanon, 7 August 2002.

We are aware of certain differences between us and Syria [when it comes to a Syrian-Israeli agreement]. But that does not mean that Hizbollah will actively oppose Syria's decisions. They are a state, we are a resistance group.⁷⁷

Senior Lebanese officials interviewed by ICG were confident that Hizbollah and Syria knew what they were doing – playing within the new contours of the conflict – and that Israel would understand that they did not want escalation.⁷⁸

And yet, by leaving unresolved the underlying Israeli-Syrian conflict, the withdrawal left the protagonists at odds and without a convenient and (for their purposes) expendable combat zone. The southern Lebanon battlefield cushioned a confrontation – allowing Syria to fight by proxy and Israel to respond in kind. The withdrawal lowered Israel's tolerance for cross-border attacks while simultaneously increasing Syria's fear that without such attacks it would have no leverage with which to regain the Golan Heights. The Shab'a Farms emerged as the chosen focal point – an alternative way for Syria and Hizbollah to pursue military struggle albeit in a radically changed context. Moreover, the escalating Israeli-Palestinian conflict, a possible war with Iraq, and other regional and international tensions have added new and potentially volatile variables.

A. ISRAEL'S ERODED DETERRENCE CREDIBILITY VERSUS SYRIA'S INCREASED MARGINALISATION

In the wake of its UN-sanctioned withdrawal, Israel's tolerance for cross-border attacks was bound to drop. Barak's justification for withdrawing was that the occupation was unnecessarily costing Israeli lives; continued deaths would raise serious questions about the decision and set a dangerous precedent for other possible internationally-sanctioned withdrawals.⁷⁹ As Barak said months

before the withdrawal, "I don't advise anybody to test our reaction after we return to the international border".⁸⁰

Perhaps most importantly, and particularly once Ariel Sharon came into office, Israel was adamant not to appear weak and so encourage its opponents to open a new front at the northern border. Sharon and high echelons of Israel's military establishment were convinced that Israel's deterrent posture had been severely eroded by actions going back a decade: the decision not to respond to Iraq's Scud attacks during the Gulf War; the decision to withdraw unilaterally from Lebanon; and, finally, Barak's decision to continue to negotiate with the Palestinian Authority "under fire", once the intifada began.⁸¹ The Lebanon decision is regarded as key. Indeed, a strong view within Israeli defence circles is that the withdrawal encouraged Palestinian militants to believe that the success of Hizbollah's armed resistance could be emulated on the West Bank and in Gaza.⁸² As numerous Israeli officials have put it, Hizbollah cross-border attacks under these new circumstances will trigger a reaction not only against the organisation, but also against Syrian targets in Lebanon and Syria proper. Major General Benny Gantz, chief of the army's Northern Command, explained:

Israel doesn't have to deal with Hizbollah as Hizbollah. This is the Hizbollah tail wagging the Syrian dog. As far as I'm concerned, Hizbollah is part of the Lebanese and Syrian forces. Syria will pay the price. I'm not saying when or where. But it will be severe.⁸³

Yet, while Israel's threshold for forceful reaction was decreasing, Syria's need for military pressure was not. The failure of the negotiations, the vanishing prospects of a renewed peace process and the focus of regional attention on the Palestinian conflict heightened Syria's concern that it had lost all leverage on Israel. Aware of the imbalance of forces in any conventional confrontation, Damascus

⁷⁷ ICG interview with Hizbollah official in Beirut, 15 August 2002.

⁷⁸ ICG interview with senior Lebanese official, Beirut, April 2002. One Lebanese official likened Hizbollah's operations in the South to "une esclade dans les marges" (an escalation within bounds).

⁷⁹ Israel at the time was engaged in intensive negotiations with the Palestinians that foresaw such withdrawals.

⁸⁰ Cited in *The Jerusalem Post*, 1 October 1999.

⁸¹ See, e.g., Michael Freund, in *The Jerusalem Post*, 16 October 2002.

⁸² ICG telephone interview with an official at the Israeli Ministry of Defence, 10 September 2002. See also the remarks made by Israel's chief of staff, Moshe Ya'alon, as cited in *The Guardian*, 28 August 2002.

⁸³ Quoted in Jeffrey Goldberg, "In the Party of God", *The New Yorker*, 14-21 October 2002, p. 195.

may have seen Hizbollah's actions as a relatively cost-free way to equalise strengths and remind Israel of the need to deal with Syria's demands. In short, the struggle was stripped down to its basics, without a legitimate Lebanese cover: a projection on to Lebanese soil of Syria's fight to regain the land lost in 1967.

The correlation between Syrian feelings of diplomatic isolation and support for Hizbollah was manifest during the first half of 2002 when the Arab League, the U.S. and, from March onwards, the "Middle East Quartet" – an informal grouping designed to coordinate steps by the U.S., the United Nations Secretary-General, the European Union and Russia – took various initiatives to address the Israeli-Palestinian conflict. The Saudi peace proposal, launched by Saudi Crown Prince Abdullah in mid-February, sought Israel's withdrawal from "all the occupied territories".⁸⁴ The Saudi plan, which garnered wide international support, failed to mention the Golan Heights specifically (by contrast, it cited Jerusalem), and it promised Israel "full normalisation", which Syrian policy would leave for later negotiations. Moreover, Abdullah advanced his ideas without consulting Syria. In the run-up to the 27-28 March Arab Summit in Beirut and as if to underscore Syria's reservations, military actions in southern Lebanon resumed.⁸⁵

U.S. diplomacy even more clearly excluded Syria and, in the wake of the events of 11 September 2001, was marked by concerns regarding support for Hizbollah and other organisations labelled as terrorist.⁸⁶ Vice-President Dick Cheney omitted Damascus in his March 2002 tour of the region as did, initially, Secretary of State Colin Powell in April. The Quartet began coordination with Egypt, Saudi Arabia and Jordan, again leaving Syria out.⁸⁷

⁸⁴ First referred to by Thomas L. Friedman in *The New York Times*, 17 February 2002.

⁸⁵ The Saudi-inspired peace plan, adopted by the Arab summit, eventually did include an explicit call for an Israeli withdrawal from the Golan. See Arab League, Arab Peace Initiative, 28 March 2002.

⁸⁶ These tensions were at least partially abated by Syria's cooperation on the issue of al-Qaeda, which U.S. diplomats have acknowledged. ICG interviews with U.S. officials, Washington, Beirut, April-September 2002. The impact of 11 September is further discussed below.

⁸⁷ Foreign Minister Faruq as-Shara' reportedly expressed Syria's wish to be involved in the multilateral contacts on the Middle East. See *The Jordan Times*, 15 July 2002. Shara' subsequently issued an angry condemnation of U.S.

Hizbollah's renewed offensive in Shab'a arguably was aimed at refocusing attention on Syria, and it succeeded to an extent. The Quartet issued a statement on 10 April urging restraint at the border,⁸⁸ and Powell made unscheduled stops in Damascus and Beirut to further calm the situation.⁸⁹

How Syria will balance Israel's lowered threshold for retaliation with its own need to keep the conflict at low boil is made all the more uncertain by the fact of new leadership. Unlike his father, Bashar al-Asad has little experience dealing with Israel, which could lead to miscalculation. Officials who have recently dealt with him have strikingly different views. Some see a highly cautious, risk-averse approach;⁹⁰ others describe a reckless, unseasoned leader under the sway of Hizbollah's Nasrallah and dangerously underestimating Israel.⁹¹

B. HIZBOLLAH'S "PALESTINIANISATION"

Since its establishment in the early 1980s, Hizbollah has defined itself as a staunch opponent of Zionism and the state of Israel. Israel's withdrawal from southern Lebanon has, in this sense, done little to change what one observer called "its inveterate antipathy towards Israel which stems from its occupation of Palestine".⁹² As pointed out by Hizbollah Deputy Secretary-General Na'im Qasim in March 1998, "even if Israel withdraws ... it will

policies in the Middle East. See AFP, 24 July 2002; Ibrahim Hamidi in *The Daily Star*, 26 July 2002.

⁸⁸ Joint Statement by United Nations, Russian Federation, European Union and the United States, Madrid, 10 April 2002.

⁸⁹ On the eve of Powell's visit, a senior Lebanese official who has been at odds with Hizbollah told ICG that he was making a "big mistake" by ignoring Syria. ICG interview, Beirut, April 2002.

⁹⁰ ICG interview with French official, Paris, October 2002; ICG interview with former U.S. official, September 2002.

⁹¹ ICG interview with Jordanian official, September 2002; ICG interview with U.S. official, Beirut, April 2002. Dennis Ross, the former U.S. Special Envoy, subscribes to this latter view, see Goldberg, "In the Party of God", op. cit., p. 195, as does Ariel Sharon: "Assad's son is completely under the influence of Hizbollah, helping them more than his father ever thought about, integrating the terrorists into Syria's front-line forces". Safire, "A Chat with Sharon", *The New York Times*, 21 October 2002. Syrian officials interviewed by ICG responded defiantly to suggestions that Israel might target their country. ICG interview, New York, September 2002.

⁹² *Hizbu'llah, Politics & Religion*, op. cit., p. 134.

remain an occupier in our eyes and the duty to liberate Palestine will remain incumbent upon us".⁹³ But as crucial as these aspirations are to Hizbollah, the impossibility of militarily defeating Israel is readily acknowledged. Its leaders have repeatedly stressed that they will embark on a scheme to "liberate Jerusalem" only if a range of favourable – and unlikely – regional circumstances were to prevail. The aim of "liberating Palestine", it is added, may, therefore, take generations to fulfil.⁹⁴ In practice, as a result, its armed operations traditionally were concentrated on Israeli troops stationed in Lebanon.

Hizbollah began to focus more heavily on Palestine with Israel's withdrawal from Lebanon. In August 2000, its highest decision-making body, the *Majlis as-Shura*, convened to discuss the party's course in the new situation.⁹⁵ Some advocated using Hizbollah's victory in the South to consolidate its role in Lebanese politics. Others, including the party's leader Nasrallah, wanted to increase the party's regional role in Arab-Israeli affairs. After consultations with Iran's Supreme Leader, Ayatollah 'Ali Khamenei, the latter view prevailed.⁹⁶ Ever since, Hizbollah has re-emphasised its mission to "liberate" Palestine, both rhetorically and through active support for the intifada. Soon thereafter, Hizbollah's less compromising clergymen began to dominate the *Majlis as-Shura*.⁹⁷

In October 2000, Hizbollah dedicated its first attacks on the Shab'a Farms to "the martyrs of the Al-Aqsa Palestinian uprising", which had broken out a month

earlier.⁹⁸ Hizbollah offered to release three Israeli soldiers captured in this raid in exchange for not only Lebanese prisoners in Israel but all Palestinian detainees. Nasrallah gave a lengthy interview to the Qatari television station Al-Jazira in which he explained that Hizbollah sees itself as the "vanguard" (*tali'a*) of the Palestinian struggle and refuses to distinguish between its roles in Lebanon and Palestine, let alone prioritise Lebanese interests.⁹⁹ At the annual "Day of Jerusalem" commemoration on 14 December 2001, Nasrallah expressed the party's full support for the intifada, justifying suicide attacks against Israeli civilians by pointing out that "there are no citizens [*madaniyin*] in the Zionist entity [as] all of them are aggressors and participants in the onslaught against the [Palestinian] people".¹⁰⁰ During the Shi'ite festival of 'Ashura in March 2002, Nasrallah vowed to "liberate the whole of Palestine from the sea to the river".¹⁰¹ A few days later, with events in the West Bank again at boiling point, he presented renewed attacks on Shab'a as a contribution to the Palestinian uprising.¹⁰²

The support went beyond rhetoric. On 1 April 2002, Nasrallah pledged to provide the intifada with "money, weapons and people",¹⁰³ and there is increasing evidence that Hizbollah has tried to assist armed operations in Israel and the Palestinian territories. In November 2001, two Hizbollah members were arrested in Jordan for trying to smuggle Katyusha rockets into the West Bank. After their release, Hizbollah admitted it had sent the two men on an arms mission.¹⁰⁴ Moreover, as suggested above, Hizbollah was involved in the March 2002 Palestinian attack which killed six in northern Israel. This incident was especially significant insofar as it suggested that Hizbollah was reactivating its long-standing threat that without a solution to the

⁹³ Ibid., p. 162.

⁹⁴ Citations in *ibid*, pp. 163-167.

⁹⁵ ICG telephone interview with Nizar Hamzeh, professor in political studies at the American University in Beirut, 10 September 2002. See also Nicholas Blanford in *The Daily Star*, 1 September 2000.

⁹⁶ In 1997, Hizbollah pledged its loyalty to Iran's highest religious leader 'Ali Khamenei by accepting his status as *marja' at-taqlid*, or "model of emulation". In matters specific to Hizbollah's strategies, the *marja' at-taqlid* only delivers rulings after being requested. Such rulings are rare and in practice only function to confirm existing positions within the party. For more details see *Hizbu'llah, Politics & Religion*, op. cit., pp. 62-68.

⁹⁷ In the internal elections of the *Majlis as-Shura* held at the end of June 2001, conservative clergymen took six out of seven seats. Earlier, the party's laymen and MPs took at least three seats. ICG telephone interview with Nizar Hamzeh, Beirut, 10 September 2002.

⁹⁸ *Al-Anwar*, 9 October 2000. This demand for the release of Palestinian captives was repeated in April 2002 when Hizbollah offered to exchange its prisoners for Palestinian fighters under siege in Jenin and Bethlehem. *The Daily Star*, 12 April 2002.

⁹⁹ Al-Jazira transcript of interview with Hassan Nasrallah, 30 November, 10 and 12 December 2000.

¹⁰⁰ Cited in *As-Safir*, 15 December 2001.

¹⁰¹ Cited in *Al-Bayraq*, 26 March 2002.

¹⁰² See statement by Hizbollah, 30 March 2002, at: http://www.moqawama.tv/arabic/f_report.htm.

¹⁰³ See statement by Hassan Nasrallah, 1 April 2002 at: http://www.moqawama.tv/arabic/f_report.htm.

¹⁰⁴ Interview with Hassan Nasrallah in Al-Majalla, 30 March 2002.

Palestinian refugee problem in Lebanon, Israel would not enjoy calm on its northern border. Hizbollah also is blamed for training Palestinian groups in the use of roadside devices against Israeli tanks.¹⁰⁵ It also appears to have recruited spies in Israel. An alleged espionage ring was uncovered in September 2002 that reportedly comprised eleven Israeli citizens, including an Israeli Army officer.¹⁰⁶ In July 2002, four Arab Israelis were arrested for transmitting intelligence to Hizbollah.¹⁰⁷ Only a few weeks earlier an Israeli citizen of Lebanese origin was indicted for espionage and, particularly worrying, providing detailed maps of power plants in Tel Aviv to Hizbollah.¹⁰⁸ Finally, Hizbollah has made no secret of its “coordination” of armed operations with representatives in Lebanon of the Palestinian groups Hamas and Islamic Jihad.¹⁰⁹ In June 2002, Israeli Police arrested a man described as a “senior Hizbollah militant” who entered Israel with a forged passport.¹¹⁰ He is alleged to have made contacts with local militants to stage terrorist attacks within Israel.

Hizbollah’s Palestinian focus appears to be motivated by several factors. Most importantly, it compensates for the party’s virtual loss of its central cause and original *raison d’être* – the liberation of Lebanon from Israeli occupation. Many leaders are said to have feared that without a military dimension, it would lose its special status among Lebanese and be forced to compete for clients with its Shi’ite rival Amal.¹¹¹ Hizbollah, in other words, was eager to retain the unique role it carved for itself during its confrontation against Israel and uncertain how to cope with the transition toward a more conventional role on the Lebanese political

scene. As one Lebanese journalist put it, “Hizbollah thrives on perpetual conflict. They are Lebanon’s Trotskyites”.¹¹² The focus on Shab’a Farms helped defer questions about Hizbollah’s future – it was dubbed the “designated keep-Hizbollah-alive zone” by a UNIFIL official¹¹³ – but the issue enjoys limited and probably fleeting resonance in Lebanon. As time went on, Shab’a became increasingly “devalued, unsexy, and boring”.¹¹⁴ Hence the resort to other, potentially far more evocative attacks in the name of Palestinian solidarity, including the enlistment of Hizbollah’s own proxies – so-called “rogue” Palestinian militants.

Observers point to other potential explanations. The escalation in the Palestinian territories, closely followed by the local and satellite media, created pressure on the organisation to demonstrate that it would not remain inactive in the face of Israeli military pressure; indeed, there are reports that Hizbollah’s rank and file are more determined to take the battle to Israel than is its leadership.¹¹⁵ Hizbollah also is said to have wanted to show that it was not a sectarian, Shi’ite-only movement, and that it was fighting for Sunni Palestinians as well.¹¹⁶

However minimal in material terms, Hizbollah’s “Palestinianisation” has added a dangerous component to the conflict in southern Lebanon. It may well provoke Israeli retaliatory actions or it may be used to justify such actions. Moreover, Hizbollah’s discovery of Palestine as a main focus of its armed operations constitutes a serious escalation insofar as it suggests that the organisation’s strategy goes beyond the “Shab’a-versus-Shab’a” equation and threatens to destabilise the current precarious equilibrium.

C. HIZBOLLAH’S MILITARY CAPABILITY

Over the past several months, reports have suggested that Hizbollah has considerably augmented its

¹⁰⁵ ICG interview with European security official, Jerusalem, May 2002.

¹⁰⁶ The officer is accused of transmitting information to Hizbollah on troop deployments along the border and the movements of Israeli area commanders in exchange for drugs and cash. See *The Jerusalem Post*, 24 October 2002

¹⁰⁷ *The Jerusalem Post*, 28 June 2002.

¹⁰⁸ Gary C. Gambill, “Hizbollah’s Israeli Operatives”, in: *Middle East Intelligence Bulletin*, September 2002.

¹⁰⁹ ICG interview with Hizbollah official in Beirut, 15 August 2002. For example, Nasrallah recently met with a Hamas representative in Beirut to discuss the need for “continuing the resistance and the intifadah”. See *Al-Bawaba*, 6 November 2002.

¹¹⁰ Israel Prime Minister’s Adviser, ISA Arrests Senior Hizbollah Terrorist, 30 October 2002.

¹¹¹ ICG interview with Lebanese journalists, Beirut, April 2002. Hizbollah’s special status is reflected in the fact that its fighters are exempt from military service.

¹¹² ICG interview with Lebanese journalist, Beirut, April 2002.

¹¹³ ICG interview with UNIFIL official, Naqura, April 2002.

¹¹⁴ ICG interview with international diplomat, Beirut, April 2002.

¹¹⁵ ICG interview with Lebanese journalist, Beirut, April 2002. A senior Lebanese official echoed that interpretation. ICG interview with Lebanese official, Beirut, April 2002.

¹¹⁶ ICG interview with international diplomat, Beirut, April 2002; ICG interview with Lebanese journalists, Beirut, April 2002.

military capability. For some, these reports suggest that Hizbollah may be aiming at more ambitious goals than just “liberating” the Shab’a Farms. In contrast, others believe that the arms build-up is designed less to wage war than to prevent it, with Hizbollah (and through it, Syria) seeking to establish a clear deterrence capacity to dissuade Israel from taking military action.¹¹⁷ Yet, even if the reports are exaggerated, and regardless of Hizbollah’s actual intent, their constant repetition heightens tensions and could at some point prompt Israel to take large-scale pre-emptive military action.¹¹⁸

Although sources on Hizbollah’s military capability are extremely unreliable, conservative estimates put its standing force at 300 to 400 highly experienced, full-time fighters, supplemented by around 3,000 reservists.¹¹⁹ Since the 1990s, its weaponry, mainly of Russian origin and imported from Iran via Syria, has become increasingly sophisticated. By 2000, its arsenal included short-range Katyushas, Sagger and Strella anti-tank missiles, anti-aircraft guns, and (albeit quite ineffective) anti-aircraft missiles. Independent sources estimate that Hizbollah has enough artillery to inflict major damage on northern Israeli towns.¹²⁰ There are indications that, since May 2000, it has further increased its arsenal. Reliable eyewitness accounts suggest a large number of trucks arrived in southern Lebanon between May 2000 and December 2001, presumably filled with weaponry.¹²¹ Abundant supplies seem confirmed by the firing of unusually numerous anti-tank missiles before and during major raids in April 2002.

According to some reports, Hizbollah recently acquired more sophisticated and lethal weaponry – such as Fajr 5 ground-to-ground rockets with a range of 70 kilometres and Stinger anti-aircraft

missiles¹²² – and Iranian Revolutionary Guards have been familiarising its fighters with the new weapons in training camps in Lebanon. Another report claimed that Hizbollah is trying to obtain missiles with a range of 300 kilometres.¹²³ These reports have been based on anonymous, principally Israeli, “intelligence sources”, and so far none has been further substantiated.

But even unsubstantiated, these accusations appear to be taken very seriously by many in Israel who claim that the current situation is not sustainable and hint at the need for pre-emptive action.¹²⁴ The accusations also tend to take on a life of their own, contributing to an atmosphere of fear and potential escalation. Ironically, they also serve Hizbollah’s interests by at least leaving ambiguous the nature of its military capability. Hizbollah typically refuses to either confirm or deny them; thus, Secretary-General Nasrallah declined to comment about possible longer-range missiles:

If we had them, we won’t say so because we don’t want to reveal our capabilities to the enemy. If we don’t have them, we won’t say anything either as this would reassure our enemy for free. So we leave them guessing.¹²⁵

D. THE IMPOVERISHED SOUTH: BUILDING SITE OR WAR-ZONE?

The absence of any serious economic reconstruction in southern Lebanon helps keep the conflict going.

¹¹⁷ This was the view expressed by one U.S. official. ICG interview, Washington, November 2002.

¹¹⁸ One Israeli intelligence official said, “It’s not tenable for us to have a jihadist organisation on our border with the capability of destroying Israel’s main oil refinery”. Quoted in Goldberg, “In the Party of God,” op. cit.

¹¹⁹ Anthony H. Cordesman, *Israel and Lebanon: The New Strategic and Military Realities*, draft paper prepared for the Center for Strategic and International Studies, Washington DC, August 2000, p. 33.

¹²⁰ ICG interview with UNIFIL official in southern Lebanon, 11 April 2002.

¹²¹ Following the arrival of these trucks, UNIFIL found empty pallets used for transporting weaponry. ICG interview with Timor Göksel in Naqura, 7 August 2002 and Daily Star journalist Nicholas Blanford in Beirut, 9 August 2002.

¹²² See for example, Aluf Benn in *Ha’aretz*, 1 September 2002; a report prepared by the internet-based Middle East Newswire (<http://www.menewswire.com>) and issued in mid-August 2002 (for excerpts see *The Daily Star*, 13 August, 2002); Murray Kahl, “Terror Meeting in Iran”, at <http://www.free-lebanon.com/LFPNews/terr/terr.html>; Lenny Ben-David, “Iran, Syria and Hizbollah – Threatening Israel’s North”, *Jerusalem Issue Brief* (Jerusalem Center for Public Affairs), 17 July 2002; Michael Rubin, “No Change, Iran Remains Committed to Israel’s Destruction”, in: *National Review*, 1 July 2002; Alex Fishman in *Yediot Ahronot*, 28 June 2002; and Israeli Foreign Minister Shimon Peres’s allegations as cited in *The Jerusalem Post*, 6 and 7 February 2002.

¹²³ See *Ha’aretz*, 18 October 2002.

¹²⁴ Goldberg quotes Israeli intelligence officers to that effect in “In the Party of God,” op. cit. See also, “Clashes on Border Drive Israeli Fears,” *The Washington Post*, 2 November 2002.

¹²⁵ Interview with Hassan Nasrallah, Al-Jazira, 14 February 2002.

As UN officials have long argued, were basic socio-economic conditions in border villages and towns to improve, their original inhabitants would have an incentive to return; this would likely lead local constituents to lobby against Hizbollah military operations in their vicinity to avoid Israeli reprisals.¹²⁶ As long as the area remains largely deserted, Hizbollah and the Israelis have at their disposal a shooting range in which they can operate more or less at will.

Unfortunately, more than two years after the Israeli withdrawal, southern Lebanon still has very little to offer to those who aspire to return home. Poverty, unemployment, basic services and entrepreneurial activity lag far behind the national average (See Appendix A).

The high density of landmines is a further disincentive to return. According to Lebanese Army sources, there are 1,617 identified mine fields in the formerly occupied zone – three times more than believed immediately after the withdrawal.¹²⁷ The number of landmines and booby-trapped devices is, therefore, also likely to be much higher than the 130,000 originally estimated by UNIFIL. Minefields seriously restrict civilian movements and possible employment activities, for instance by ruling out land cultivation. From 2000 until mid-2002, 227 civilians were injured by exploding landmines and booby-traps, 35 fatally.¹²⁸

A third disincentive relates to the prosecution and reintegration of those who collaborated with the Israeli forces or were members of the SLA. Initial fears of massive revenge killings proved unfounded, allowing Hizbollah's Nasrallah to claim that the withdrawal was a "civilised victory".¹²⁹ However, the military tribunals that have tried around 2,700 former members of the SLA failed to satisfy anyone.¹³⁰ The sentences (on average one to three

years' imprisonment) generally have been perceived locally as too lenient, leading prisoners to fear reprisals from fellow villagers upon their return.¹³¹ Hizbollah expressed dismay over the first "ludicrous" sentences given to SLA members, warning that "when the collaborators finish serving their sentences, it will be hard to protect them from the wrath of the people".¹³² Defence lawyers told ICG that to prevent such "private justice", the tribunals banned many former SLA members from returning to their villages for up to five years.¹³³ The net effect of the judicial process has been to discourage the return of those convicted of collaboration and war crimes.

Principally responsible for the failure to improve socio-economic conditions in southern Lebanon has been the inability of the Lebanese government and the international community to initiate sufficient development projects. Indeed, the funds channelled into the South pale in comparison with the U.S.\$1.32 billion that was estimated to be required for a comprehensive five-year redevelopment plan.¹³⁴ Scant Lebanese funds have been forthcoming. With a budget deficit of 45 per cent and a net total debt amounting to 170 per cent of GDP, the government can hardly afford a major reconstruction program.¹³⁵ Since May 2000, the governmental Council for Development and Reconstruction (CDR) and the Ministry of Social Affairs together have spent less than U.S.\$50 million.¹³⁶ Between 2000 and 2002, the state's Council of the South has been allocated the more substantial sum of U.S.\$299 million, which was mainly spent on subsidies for private individuals to rebuild homes.¹³⁷ Greater involvement has been seriously hindered by this institution's alleged record

¹²⁶ ICG interviews with UN official in Beirut, 8-14 August 2002, and UNDP official in Beirut, 15 August 2002.

¹²⁷ Cited in: Landmine Monitor, "Lebanon", in The International Coalition to Ban Landmines, *Landmine Monitor Report 2002: Toward a Mine Free World*, September 2002.

¹²⁸ Ibid.

¹²⁹ Hizbollah Secretary-General Sayyid Hassan Nasrallah's Victory Speech, Addressing the People at Bent Jbeil Mass Celebration, 26 May 2000.

¹³⁰ ICG interviews with defence lawyers of former SLA members, Beirut August 2002. For the tribunals' failure to provide fair trials see Human Rights Watch, Lebanon: Letter to President Emile Lahoud, 31 July 2000; Amnesty

International, *Lebanon: Guilt and Innocence Blurred in Summary Trials*, 21 June 2000.

¹³¹ *An-Nahar*, 8 May 2001. In actual fact such reprisals have been rare. A series of car bombings against former SLA convicts was reported in the spring of 2001 but no one was killed.

¹³² Shaykh Muhammad Kawtharani, a member of Hizbollah's politburo, in a statement cited in *The Daily Star*, 7 June 2000.

¹³³ ICG interviews with defence lawyers of former SLA members, Beirut, August 2002.

¹³⁴ République Libanaise, Repubblica Italiana, PNUD, Conférence des organisations non-gouvernementales pour le développement du Sud Liban, Beirut 28-29 September 2000.

¹³⁵ Banque du Liban, *Quarterly Bulletin*, 4th quarter 2001.

¹³⁶ ICG interview with UNDP official in Beirut, 15 August 2002.

¹³⁷ ICG interview with official at the Ministry of Finance, 14 August 2002.

of rampant corruption and by political rivalries regarding the sectarian apportionment (*muhasissa*) of public funds.¹³⁸ Finally, local municipalities failed to receive substantial funds from Beirut, thereby preventing them from carrying out even routine activities, let alone initiating small-sized community projects.¹³⁹

International donors have been equally reluctant, allocating a total of roughly U.S.\$30 million, the lion's share by the U.S.¹⁴⁰ An international donors conference scheduled for October 2000 to kick-start an ambitious reconstruction plan was postponed and may have fallen off the agenda. A principal reason lies in the demand made by most Western donors that the Lebanese government first take full control of the border area, mainly by deploying its Army in accordance with UNSCR 425.¹⁴¹ Furthermore, most European donors limit bilateral development assistance to the world's poorest countries. Since Lebanon is classified as a (low) middle-income country, the South is not eligible to receive substantial aid.¹⁴² However, what is missing from these calculations is the added political value of socio-economic assistance to the South.¹⁴³ As one UNIFIL official remarked: "the area went too quiet too quickly; the

international community simply lost interest".¹⁴⁴

The few funds that did reach the South appear to have had far lesser impact than would have been the case with better prioritisation, coordination and enforcement of mechanisms to ensure efficiency. The government has been criticised for failing to set clear priorities, for corruption, and for spending relatively large sums on projects with symbolic – as opposed to practical – impact, such as ceremonially removing bunkers and compounds left by the occupying forces instead of building new roads.¹⁴⁵ A proposal by Hizbollah to remedy these institutional flaws by establishing a "Permanent Conference for Development of the Liberated Areas" and granting it supervisory and coordinating functions has been ignored, in all likelihood because this would marginalize the Council of the South, which is controlled by Nabih Berri, and because the government is unwilling to allow a larger public say in decisions affecting how resources are allocated.¹⁴⁶ Similarly, coordination among Lebanese and international NGOs in the area is haphazard, leading to duplication and the spending of scarce resources on projects of dubious developmental value.¹⁴⁷ Corruption, too, is believed to permeate NGO activities.¹⁴⁸

In May 2000, an opinion survey among Lebanese from the South indicated that 59 per cent were willing to return but only if the "social and political situation" significantly improved and there was money to rebuild homes.¹⁴⁹ More than two years later, few have returned. According to the UNDP, only 30 per cent of the region's total population (70,000) currently live in their registered area of residence. This is up from 22 per cent before Israel's

¹³⁸ ICG interview with a journalist of *An-Nahar* in Beirut, 13 August 2002. On alleged corruption in the Council of the South, see Najah Wakim, *al-Ayadi al-Sud, Shirkat al-Matbu'at li at-Tawzi' wa an-Nashr* (Beirut, 1998), pp. 119-120.

¹³⁹ ICG interview with a researcher of the Lebanese Association for Democratic Elections (LADE), Beirut, 15 August 2002.

¹⁴⁰ ICG interview with UNDP official in Beirut, 15 August 2002.

¹⁴¹ U.S. officials acknowledged to ICG that the Lebanese military presence at the border is higher now than at any time since Israel's withdrawal, and saw this as a very positive step. Still, they continue to argue for a more robust presence. ICG interview, Washington, November 2002.

¹⁴² There also is an ongoing debate among developmental experts about the wisdom of heavy investment in areas like the South that, in their view, lack long-term, sustainable economic potential. (In the South's case, the principal crop is tobacco).

¹⁴³ European diplomats in Beirut and government aid officials in Europe interviewed by the ICG stated that southern Lebanon does not qualify for aid because of Lebanon's relatively high average income and because "poverty in the South is not worse than in other regions of Lebanon such as 'Akkar and Hermel".

¹⁴⁴ ICG interview with UNIFIL official in southern Lebanon, 7 August 2002.

¹⁴⁵ See Hizbollah's Consultation Centre for Studies and Documentation, *Al-Wathiqah al-Khitamiyya li-al-Mu'tammar al-'inma' lil-Nuhud bil-Manatiq al-Muharirra wa al-Mutakhima wa 'idat 'imariha* (Beirut, 18-19 January 2001), pp. 4-6.

¹⁴⁶ As a result of the desire by political elites to guard their prerogatives or "share" (*hissa*) of power, a similarly broad-based institution to guide policies to encourage the return of the country's war displaced never got off the ground.

¹⁴⁷ ICG interview with UNDP official in Beirut, 15 August 2002.

¹⁴⁸ *Ibid.*

¹⁴⁹ Information International SAL, *Opinion Poll: Attitudes, Perceptions, Expectations and Frustrations, Liberated Area, May 27-June 1, 2000* (Beirut, June 2001).

withdrawal but far lower than the 70 per cent of Lebanese in their registered place of residence nation-wide.¹⁵⁰ Other sources estimate there are even fewer returnees. The end result is that constraints generated by normal civilian life against turning the region into a new war zone have not materialised.

E. WARPED COMMUNICATION AND A SILENT LEBANON

The combination of Syria's role in Lebanon, its goals vis-à-vis Israel, and Hizbollah's own calculations have contributed to a perilous situation in which the Arab parties are incapable of sending clear messages of moderation to Israel, even when that is their intent. Instead, they must rely on Israel accurately reading what they choose to do and not to do, thereby increasing the risk of misinterpretation. Syria, claiming not to have a hand in Hizbollah's decisions, prefers to talk about the bigger regional picture and regaining the Golan Heights. Moreover, statements designed to calm the situation would be seen as undermining the goal of maintaining pressure on Israel. Hizbollah is well versed in expressing maximum demands via numerous media outlets.¹⁵¹ But given its image as the militant vanguard of the Arab world, it is far less skilled when it comes to assuring its opponent that its armed operations are not meant to provoke all-out war. UNIFIL-spokesman Timor Göksel cautions that "after all these years, [the parties] still don't really understand what the other is up to".¹⁵² Under these conditions, the motivation for limited armed operations risk being misread and triggering massive strikes.

Amid this potentially lethal state of miscommunication stands the Lebanese government. It has the least to gain from escalating violence. Yet

it also has been the least effective in expressing its views. Clearly, it operates under heavy constraints, not least because its official policies on the South are largely set in Damascus. However, given that both Syria and Hizbollah have an interest in avoiding serious escalation, the government has some leeway to get its point across – leeway it has barely used.

Examples abound. When early in 2002 Israeli and international media began to circulate reports of a massive Hizbollah arms build-up and hint at the need for Israeli counter-measures, the Lebanese initially made no denials. Only after it was pointed out that silence appeared to validate the allegations did they try to defuse the situation with an official statement denying that Hizbollah had longer-range rockets.¹⁵³ In July 2002, the UN Security Council studied a proposal by Kofi Annan to reduce UNIFIL troops in southern Lebanon. Prime-Minister Rafiq al-Hariri told the Lebanese daily *As-Safir* that he opposed the proposal and preferred to retain UNIFIL's strength, but, according to UN sources in Beirut, no one actually communicated, let alone explained, this to the Security Council.¹⁵⁴ In fact, Lebanon has not had a UN ambassador since March 2002, and the post is not expected to be filled soon. As a result, Lebanon did not take part in the public discussion at the Security Council in April, which was largely devoted to the escalation of violence in southern Lebanon.

¹⁵⁰ ICG interview with UNDP official in Beirut, 15 August 2002. For the 1999 figure see République Libanaise, Le Haut Comité de Secours, PNUD, *Programme régional de développement économique et social du Sud-Liban* (Beirut, July 1999).

¹⁵¹ Hizbollah operates a radio station (An-Nur) and a terrestrial and satellite television station (Al-Manar) that broadcast in Arabic, Hebrew and English. Its press office is efficient and helpful to both Lebanese and foreign journalists. Its websites are updated daily and accessible in Arabic and English. See <http://www.moqawama.tv>, <http://www.nasrollah.org> and <http://www.hizbollah.org>.

¹⁵² ICG interview with Timor Göksel in Naqura, 7 August 2002.

¹⁵³ ICG interview with international diplomat, Beirut, 8-14 August 2002.

¹⁵⁴ Ibid. Further evidence of the Lebanese deficiency and the difference with Israel in this regard comes from the treatment of an ICG analyst visiting the region to investigate problems at the border. Upon contacting the Israeli government press office, the analyst was provided with multiple suggestions for interlocutors. In contrast, the Lebanese official – who was difficult to reach -- insisted on elaborating the official procedures for formal accreditation and was unable to offer any helpful suggestions as to whom to talk with to obtain the government's view on the recent troubles. Interestingly, when typing "Lebanon Foreign Affairs Ministry" at major internet search engines, what comes up first is Israel's Foreign Affairs Ministry. In fact, Lebanon's Foreign Affairs Ministry does not appear to have a website, other than a limited and specialised one operated by its Directorate of Emigrants. The former government of Salim al-Huss (1998-2000) did set up a website documenting its policies regarding the South but it does not seem to have been updated since. See <http://www.southernlebanon.gov.lb>.

F. THE REGIONAL WILD CARD: 11 SEPTEMBER, THE WAR ON TERRORISM AND IRAQ

The 11 September 2001 attacks inevitably affected Hizbollah's calculations and those of its principal sponsors. Washington asserted that its subsequent campaign extended to all terrorist organisations "with global reach" – a characterisation it applied to Hizbollah.¹⁵⁵ On 3 November 2001, it classified Hizbollah as a Foreign Terrorist Organisation, thereby authorising unilateral sanctions against any third party that fails to freeze its assets or extradite its operatives. Lebanon was urged to act against Hizbollah and Syria to "choose the right side in the war on terror by closing terrorist camps and expelling terrorist organisations".¹⁵⁶ The U.S. has indicated it will consider sanctions if Lebanon and Syria continue to defy demands to freeze Hizbollah assets and hand over operatives.¹⁵⁷ Concern about what a possible U.S. strike against Iraq might augur for Syria and Iran (identified by some as future targets in the war against terrorism) is another important factor.

The indictment against Hizbollah relies on suspected involvement in the series of operations during Lebanon's civil war in the 1980s that include bombings of the U.S. embassy and annex and Marine barracks and kidnapping of Westerners.¹⁵⁸ The U.S. holds three alleged members of Hizbollah, including Imad Mughniye, responsible for hijacking

TWA flight 847 in 1985.¹⁵⁹ Other charges include responsibility for bombing Israel's embassy and a Jewish community centre in Buenos Aires in 1992 and 1994 respectively.¹⁶⁰ Although "no major terrorist attacks have been attributed to [Hizbollah] since 1994",¹⁶¹ recent public complaints concern support for Palestinian groups such as Hamas and Islamic Jihad for whom Hizbollah is said to provide training facilities in the Bekaa Valley and weapons.¹⁶² After visiting Lebanon, Senator Bob Graham, chairman of the Senate's Intelligence Committee, described the camps as "where the next generation of terrorists are being prepared".¹⁶³ In January 2002, the U.S. Department of State said it had "compelling evidence" of Hizbollah involvement in a major arms shipment intended for the Palestinians (the "Karina A affair").¹⁶⁴

Senior U.S. officials hint at al-Qaeda ties¹⁶⁵ – a meeting with a group of al-Qaeda members said to have visited southern Lebanon training camps and an alleged bin Laden meeting with Mughniye in Sudan.¹⁶⁶ U.S. Secretary of Defense Rumsfeld said: "We know that Iran is actively sending terrorists down through Damascus into the Bekaa Valley where they train as terrorists".¹⁶⁷ A later press report cited unnamed U.S. intelligence sources and a "senior law enforcer" as having found ties to al-Qaeda that were "ad hoc and tactical and [involving] mid- and low-level operatives".¹⁶⁸ Secretary of State Powell reportedly said he took the reports "very

¹⁵⁵ Hizbollah "continues to maintain the capability to target U.S. personnel and facilities [in Lebanon] and abroad". U.S. Department of State, *Patterns of Global Terrorism 2001*.

¹⁵⁶ U.S. President George W. Bush in his speech on the Middle East, 24 June 2002. Full text in *The Guardian*, 25 June 2002. The organisations Syria is accused of supporting include Hizbollah, Hamas, Palestine Islamic Jihad, the Popular Front for the Liberation of Palestine – General Command, and the Popular Front for the Liberation of Palestine. See U.S. Department of State, *Patterns of Global Terrorism 2001*, 21 May 2002.

¹⁵⁷ ICG interview with U.S. official, August 2002. At the same time, the administration made it known that it will apply "flexibility to determine what combination of incentives and disincentives will maximise cooperation [with Syria] and advance our goals". Statement of Deputy Assistant Secretary of State for Near Eastern Affairs David Satterfield before the House International Relations Committee Subcommittee on the Middle East and South Asia, 18 September 2002.

¹⁵⁸ See *Patterns of Global Terrorism 2001*, op. cit.

¹⁵⁹ These individuals are Imad Mughniye, Ali Atwi and Hassan Izzidine. The United States considers Mughniye one of the world's most dangerous terrorists and has vowed to bring him and the others to justice. ICG interview with U.S. official, Washington, November 2002.

¹⁶⁰ Argentina formally blamed Hizbollah for the March 1992 embassy bombing and is preparing an international arrest warrant on Hizbollah's Nasrallah stemming from alleged involvement in the 1994 bombing. See Katzman, "Terrorism", op. cit.

¹⁶¹ Ibid.

¹⁶² *Patterns of Global Terrorism 2001*, op. cit.

¹⁶³ Cited in *The Daily Star*, 11 July 2002.

¹⁶⁴ Cited in *The Daily Star*, 14 January 2002.

¹⁶⁵ This belief apparently is not shared by the UK. ICG telephone interview with Foreign Office official, 2 August 2002.

¹⁶⁶ Daniel Benjamin and Steven Simon describe this in *The Age of Sacred Terror* (New York, 2002), pp. 127-128, though they add that "there is little evidence that a long-term bond between the Sunni and Shi'ite groups was ever formed".

¹⁶⁷ Cited in *The Jerusalem Post*, 3 February 2002.

¹⁶⁸ See Dana Priest and Douglas Farah in *The Washington Post*, 30 June 2002.

seriously”.¹⁶⁹

In February 2002, U.S. Deputy National Security Advisor Steven Hadley charged Hizbollah had “dormant cells” in the U.S.¹⁷⁰ The U.S. also accuses Hizbollah of using criminal networks to finance terrorism. These, it said, raise illicit funds from drugs and other goods in the tri-border area of Argentina, Brazil and Paraguay, and from “conflict diamonds” in the Congo, Liberia and Sierra Leone.¹⁷¹ U.S. officials go further and point to what they say is overwhelming evidence of current and ongoing Hizbollah support for terrorist activity in the tri-border area and in Southeast Asia.¹⁷² Deputy Secretary of State Armitage even asserted that “Hizbollah made the A-team of terrorists, maybe al-Qaeda is actually the B-team”.¹⁷³

Syria, Lebanon and Hizbollah have denied these accusations. Hizbollah says its support for Palestinian armed groups is justified help to national liberation movements but denies running training camps for militants.¹⁷⁴ It says its military operations are not “global” but confined to Lebanon and the Israel conflict¹⁷⁵ and denies that it “at any point of time went to the U.S. to fight them there or in any part of the world”.¹⁷⁶ It rejects the accusation that it was behind the Argentine bombs, claiming it is “against the killing of innocent civilians”.¹⁷⁷ The party applauded the embassy and Marine barracks bombings while refuting allegations of its participation or of its links to Islamic Jihad¹⁷⁸ and

takes a similar position on kidnappings during Lebanon's civil war.¹⁷⁹ It has declined comment on Mughniye but denied the existence of the “external security wing” he supposedly heads.¹⁸⁰

Hizbollah has been particularly outspoken in denying an al-Qaeda tie. One official interviewed by ICG elaborated on doctrinal and political differences.¹⁸¹ To demonstrate that these are not political conveniences after 11 September, he cited statements by Secretary-General Nasrallah sharply denouncing the killing of Iranian diplomats and massacres of Shi'ite Hazaras in Afghanistan.¹⁸² As a result of these differences, the official claimed, Hizbollah restricts its military role to its fight against Israel while all other “oppression”, such as Arab state authoritarianism, should be resisted peacefully. Mainly for this reason, Hizbollah has condemned Islamist group violence against civilians

¹⁶⁹ Cited in *An-Nahar*, 3 July 2002.

¹⁷⁰ Cited in *The Daily Star*, 15 February 2002.

¹⁷¹ See CNN, 8 November 2002; Goldberg, “In the Party of God,” Part II, *New Yorker*, 28 October 2002; Douglas Farah in *The Washington Post*, 2 November & 30 December 2001.

¹⁷² The motives behind Hizbollah's alleged involvement in overseas activity is a matter of debate; some have suggested that it essentially is pecuniary motive as Hizbollah exchanges its considerable expertise in violent operations for money. See also Goldberg, “In the Party of God,” Part II, *New Yorker*, 28 October, 2002.

¹⁷³ Cited by Reuters, 9 September 2002.

¹⁷⁴ Interview with Hassan Nasrallah in *Al-Watan*, 19 March 2002.

¹⁷⁵ Interview with Hassan Nasrallah in *Al-Majalla*, 30 March 2002.

¹⁷⁶ Interview with Hassan Nasrallah in *Al-Watan*, 19 March 2002. See also citations in *Hizbu'llah, Politics & Religion*, op. cit., pp. 101-102, 106-107.

¹⁷⁷ Hassan Nasrallah cited in *Al-Massira*, 24 August 1998.

¹⁷⁸ Statement by Hizbollah politburo member Shaykh Hassan Ezzeddine cited in *The Daily Star*, 3 October 2002; interview with Hassan Nasrallah to *Al-Jazira*, 14 February

2002; *Hizbu'llah, Politics & Religion*, op. cit., pp. 100-01. Lebanese authorities have shown no inclination to find and bring to justice the perpetrators of these bombings, ostensibly on the ground that a general amnesty law adopted in August 1991 exempts Lebanese citizens from prosecution for war crimes committed prior to 1990.

¹⁷⁹ *Hizbu'llah, Politics & Religion*, op. cit., p. 101.

¹⁸⁰ Interview with Hassan Nasrallah in *Al-Watan*, 19 March 2002.

¹⁸¹ ICG interview with Hizbollah official in Beirut, 15 August 2002. According to the official, al-Qaeda doctrines originate in the Salafiya version of Sunnite Islam, which advocates recreating the “Golden Age” of the first three Caliphs. In accordance with Shi'ite Islam, Hizbollah does not consider any period in Islamic history worthy of emulation. The official pointed out that mainly for this reason, al-Qaeda supporters consider all Shi'ites “unbelievers” (kufr). Moreover, whereas al-Qaeda views the world as divided between a “world of Islam” (believers) and a “world of war” (unbelievers), Hizbollah's distinction is political: “oppressed” against “oppressors”. This is more than a theological divergence, as it compels Hizbollah to ally with non-Shi'ites in Lebanon and world wide and define its enemy by political actions, not religion. Also, Hizbollah considers al-Qaeda and the Taliban “excessively ritualistic and formalistic”. For instance, Hizbollah sees obligatory dress codes as contradicting Islam's refutation of religious compulsion. Thus, Nasrallah condemned Taliban views on women and other compulsory measures as a “disaster” and “destroying Afghanistan's religious life. Cited in *Al-Massira*, 24 August 1998. See also interview with Nasrallah in *al-Mujahid as-Siyyasi*, 21 May 2000.

¹⁸² Hassan Nasrallah cited in *Al-'Ahd*, 6 November 1998 and *Al-Anwar*, 16 September 1998. Nasrallah expressed moral outrage, describing the violence as a diversion from the fight against Israel.

and officials in, for example, Egypt and Algeria.¹⁸³

The relative merit of the contentions aside, Washington's accusations and sharply worded warnings to Hizbollah's sponsors have, according to some, moderated the conflict in Southern Lebanon – as has Washington's clear message to Damascus that, should the situation escalate, it would not stand in the way of Israeli retaliation against Syria.¹⁸⁴ Notwithstanding their rhetoric, Hizbollah and Syria are likely to have factored U.S. attitudes into their policies. The combination of these charges, a potential war against Iraq, and fear that Syria might be next in line could well have led Damascus to keep Hizbollah from engaging in provocative acts.¹⁸⁵ Hizbollah's denial of U.S. accusations contrasts with its usual silence over Israeli charges and indicates it understands it is under closer scrutiny. The same may hold for Iran. Despite Ayatollah Khamenei's rhetorical support for "jihad" in southern Lebanon, Foreign Minister Kamal Kharrazi (from the more reformist wing) publicly urged Hizbollah to exercise "self-restraint" during the fighting last April in Shab'a.¹⁸⁶ In any event, Syrian influence ultimately exceeds whatever Iran's conservative clergy may continue to exercise on Hizbollah.

However, the opposite case can be made. Increased regional polarisation and concerns over U.S. goals may trigger escalation, not the reverse. The spectre of an attack on Iraq and steps to change regimes in Damascus or Tehran could lead some to gamble on a wider Arab-Israeli confrontation. As former U.S. Middle East negotiator Dennis Ross describes it, Iranian leaders "see encirclement" emerging from

an Iraq war, with pro-U.S. regimes in Baghdad, Kabul and Istanbul. "This explains the incredible flow of weaponry to Hizbollah after Israel left Lebanon."¹⁸⁷ Harder-line Iranians may be tempted to use foreign policy in the domestic struggle, as occurred with Lebanon.¹⁸⁸ Concern in the U.S. appears to stem less from Syria than from the non-state actor (Hizbollah) and the hybrid-state actor (Iran), though some have speculated about Bashar's possible calculations as well.¹⁸⁹

There are good reasons to doubt these scenarios. Neither Iran nor Syria cares much about Saddam Hussein, and they are more likely to lie low should he be attacked.¹⁹⁰ Iran's influence over Hizbollah tends to be exaggerated. The Islamic Revolution was instrumental in the party's creation and left a mark on its ideology. Financial and military ties have been crucial. But Syria remains by far the more important influence, and Iran's financial donations are believed to have diminished as Hizbollah's Iranian patron, 'Ali Khamenei, has faced increasing opposition against using Hizbollah as a foreign policy tool.¹⁹¹ Although Iran's arms supply to Hizbollah may have increased, shipments are believed to be via Damascus, which allows it to maintain control over Hizbollah.

Yet, as with allegations concerning Hizbollah's weaponry, mere mention of these scenarios and of Hizbollah's terrorist capabilities – with unsubstantiated suggestions it might use biological and chemical weapons against Israel once the U.S.

¹⁸³ Lebanese and Syrian authorities point out that the U.S. has failed to provide public evidence for its allegations and not identified, formally and precisely, which activities or capacities warrant Hizbollah's classification as a terrorist organisation and which allegations are still under investigation. U.S. officials point to the need to protect their sources in explaining the lack of precision. Asked which accusations his government formally ascribes to, a U.S. official in Beirut said he was only prepared to identify, in strict confidence, his approval or disapproval of several newspaper reports on Hizbollah's alleged terrorist activities. ICG interview, August 2002.

¹⁸⁴ ICG interview with U.S. officials, Washington, October-November 2002.

¹⁸⁵ ICG interviews with an international diplomat in Beirut, 8-14 August 2002, several Lebanese journalists in Beirut, August 2002; and a U.S. official, Washington, November 2002.

¹⁸⁶ Cited in *The Daily Star*, 13 April 2002; *Christian Science Monitor*, 22 April 2002.

¹⁸⁷ Quoted in Goldberg, "In the Party of God," op. cit., p. 195.

¹⁸⁸ According to an academic expert on Iran, "Lebanon is a domestic matter" for Iran and has been used in countless domestic power struggles. ICG interview, Paris, October 2002. For a discussion of the internal situation in Iran, see ICG Report, *Iran*, op. cit.

¹⁸⁹ Goldberg, "In the Party of God," op. cit. pp. 194-95; ICG interview with U.S. official, Washington, November 2002.

¹⁹⁰ A forthcoming ICG briefing paper will look at Iran's attitude toward a possible strike against Iraq. Syria's decision to vote for the U.S./UK Security Council resolution on Iraq provides further evidence of its desire not to hurt relations with the United States over this issue.

¹⁹¹ ICG interviews with various Lebanese journalists in Beirut and with academic Iran observers in Europe, August 2002. For a discussion of Hizbollah's loosening ties with Iran see *An-Nahar*, 17 November and 3 December 2001; *L'Orient – Le Jour*, 30 November 2001. Iran's worsening economic crisis appears to have made it harder to justify significant financial support for Hizbollah.

attacks Iraq,¹⁹² or of links to al-Qaeda¹⁹³ – could, even unwittingly, build pressure on Israel to act preemptively. Sharon has warned that “if war comes, we see what Syria-Iran-Hizbollah are preparing: they’ll be surrogates for Saddam, opening a second front to help him”,¹⁹⁴ giving rise to the no-less-dangerous Arab belief that Israel will use a U.S. attack to move against Hizbollah and Syria. Indeed, Lebanese officials and commentators in Beirut have voiced concern that Israel might take forceful action against Hizbollah at a time when international attention is focused on Iraq.¹⁹⁵

V. TOOLS FOR CONTAINING THE CONFLICT

The southern Lebanon situation remains one of manageable conflict, yet there are ingredients for uncontrollable escalation. Increased Israeli-Palestinian tension, movement toward war in Iraq, or simply a misstep by a party could provide the spark. As Israel’s withdrawal has brought the principal protagonists more directly – and dangerously – in contact, the intensity and frequency of skirmishes have diminished, but so has their predictability. There are three broad categories of steps the international community and regional actors can take to minimise risks.

A. POLITICAL STEPS TO DEFUSE THE UNDERLYING CONFLICT

□ *Engaging Syria and Facilitating Movement to a Comprehensive Settlement*

At the root of strife in southern Lebanon is the unresolved Israel-Syria conflict. While tension is likely to continue unless and until that is resolved, efforts to demonstrate international – and especially U.S. – seriousness in addressing it can help diminish the risks of escalation. Efforts should be made to include Syria and Lebanon in current Middle East diplomacy. The decision to include them in the 17 September 2002 Quartet consultations was positive.¹⁹⁶ The U.S. has included reference to Syrian and Lebanese tracks in its “roadmap” for the peace process.¹⁹⁷ However, more is needed to

¹⁹² See, e.g., Goldberg, op. cit., p. 194; Reuven Pedatzur in *Ha’aretz*, 5 November 2002.

¹⁹³ After a meeting with UN Secretary-General Kofi Annan in New York, Israeli Defence Minister Binyamin Ben-Eliezer was quoted as saying that there were “signs of increasing cooperation” between al-Qaeda and Hizbollah. He described Hizbollah as one of the “most aggressive, dramatic terrorist organisations in the world”. Cited in Israel National News, 6 February 2002; *The Daily Star*, 7 February 2002. Israeli press reports on extensive links between Hizbollah and al-Qaeda and the latter’s presence in Lebanon include: Douglas David in *The Jerusalem Post*, 3 February 2002; Murray Kahl, “Terror Meeting in Iran”, at <http://www.free-lebanon.com/LFPNews/terr/terr.html>; and Ze’ev Schiff in *Ha’aretz*, 2 September 2002.

¹⁹⁴ Quoted in Safire, “A Chat with Sharon”, op. cit.

¹⁹⁵ See Gareth Smyth in the *Financial Times*, 3 October 2002; Nicholas Blanford in *The Daily Star*, 5 November 2002.

¹⁹⁶ The Quartet publicly stressed the importance of a “comprehensive peace on all tracks, including the Syrian-Israeli and the Lebanese-Israel tracks”. Statement of the Middle East Quartet after the Meeting in New York City, 17 September 2002.

¹⁹⁷ Washington Institute for Near East Policy, “Elements of a Performance-based Road Map to a Permanent Two-State Solution”, 15 October 2002. According to the draft roadmap, Syrian and Lebanese involvement kicks in only with the first international conference, scheduled for the second half of 2003 which should be “inclusive, based on the goal of a comprehensive Middle East peace (including between Israel and Syria, and Israel and Lebanon.” It continues with the second international conference, scheduled for 2004-2005, which should “support progress toward a comprehensive Middle East settlement between Israel and Lebanon and Israel and Syria”. In lieu of a specific timetable, it evokes the need to achieve such a settlement “as soon as possible.” The document does not specify the parameters of an Israeli-

persuade Damascus that this is not merely an effort to assuage it in the run-up to a possible Iraq campaign.¹⁹⁸ In this respect, setting a clear framework for negotiations on the Israeli-Syrian track and a timetable for their completion will be crucial. U.S. leadership in putting forward a detailed settlement proposal for the Israeli-Syrian (and Israeli-Lebanese) conflicts remains in ICG's view the most promising way to proceed.¹⁹⁹

Beyond that, Washington ought to remain engaged with Syria on a number of regional and bilateral matters. Syria's cooperation with the United States on al-Qaeda is acknowledged by U.S. officials to be impressive.²⁰⁰ This could serve as the basis for further talks regarding the prospects for improved relations, particularly in the economic field, should Syria reciprocate with actions related to its support for groups engaged in violence against civilians in the Middle East. Also, while Damascus certainly will continue to oppose a U.S. war on Iraq – for both political and economic reasons, given the windfall Syria receives from trade with Iraq – issues like Syrian cooperation in eventual U.S. search and rescue operations arising from a war or Syria's interest in a post-Saddam regime that does not harm its interests could be on the table.

□ *Removing the Border and Water Pretexts*

Hizbollah, Syria and Lebanon have sought to use the status of the Blue Line to portray the conflict in southern Lebanon as a dispute over Lebanon's final, internationally recognised border. Although it has made it clear in the past, the international community, and above all the Security Council, should re-emphasise its unmistakable, two-part message: First, that the Blue Line reflects its definitive view that Israel complied with UNSCR 425, and challenges to that determination will not be countenanced. Secondly, that that line is temporary, and the final border will only be determined in peace

Syrian peace, though it mentions in its preamble the "Arab initiative proposed by Saudi Crown Prince Abdullah and endorsed by the Arab Summit in Beirut," which calls for Israel's withdrawal from the Golan Heights.

¹⁹⁸ Syrian Foreign Minister Faruq As-Shara' expressed his dissatisfaction with the roadmap, stating, "what's on offer does not provide for a comprehensive settlement." Cited in *The Daily Star*, 7 November 2002.

¹⁹⁹ See ICG Report, *Middle East Endgame III*, op. cit., for detailed proposals regarding such peace treaties.

²⁰⁰ ICG interview with U.S. official, Washington, November 2002.

negotiations between Israel, Lebanon and Syria. This would make it more difficult for Damascus and Beirut to make their claim while addressing the widespread concern in the region that provisional borders run the risk of becoming permanent. As a further indication of its view that the Blue Line is not necessarily the final boundary, and to remove any further pretext for confrontation, the UN could commission studies on the various existing or potential border flash points.

The conflict over the Hasbani waters would be best resolved according to the dual principles of comity and prior consultation. In other words, while the international community ought to recognise Lebanon's right to equitable use, it is equally important that Beirut not take action without informing if not Israel (which would be politically unrealistic) then at least third parties such as the UN, the U.S. or the EU.²⁰¹

The European Union's representative in Lebanon made an important move on the dispute over sharing the Hasbani River's water by suggesting reactivating a development plan for southern Lebanon.²⁰² This would not only increase disincentives to confrontation by encouraging local economic activity (see below), but also involve the European-Lebanese Association Council.²⁰³ As the EU also has a similar Council with Israel, it could become a "mediator by proxy", facilitating an indirect exchange of information and views.²⁰⁴ If Israel's warnings about the pumping installation at the

²⁰¹ Genuine Lebanese consultation with third parties before diverting water from the Hasbani River is consistent with the 1997 UN Convention on the Law of Non-navigational Uses of International Watercourses (Article 30), which Lebanon ratified. Whether Lebanon is legally bound to do so is subject to debate, given that Israel itself is not a party to the Convention. Lebanese experts have referred to the Convention, but instead highlighted that the Wazzani project met its requirement of "utilizing an international watercourse in an equitable and reasonable manner". (Article 5) ICG interview with Lebanese international jurist Chibli Mallat, 8 November 2002. See also Nicholas Blanford in *The Daily Star*, 14 September 2002. For the Convention see <http://www.un.org/law/ilc/texts/nnavfra.htm>.

²⁰² See the statement by the Head of the European Commission Delegation Patrick Renaud, in *The Daily Star*, 15 October 2002.

²⁰³ In October, French experts reportedly started surveying the South's water resources and needs for "the next ten years". *As-Sharq al-Awsat*, 25 October 2002.

²⁰⁴ ICG telephone interview with an official at the European Delegation in Beirut, 22 October 2002.

Hasbani are indeed primarily motivated by frustration with Lebanon's unilateral decisions, both association councils can promote transparency. ICG believes that EU member states ought to endorse this incipient initiative and make funds available to help kick-start it. To the extent that assistance is directed at making water use more efficient and at initiating irrigation projects along the Litani River, it also would diminish Lebanon's need to take water from the Hasbani.

□ *Strengthening the EU's Role*

The U.S. clearly plays the central role but there is room and need for more activity by the EU, which may have additional leverage with Hizbollah because it has not followed Washington in designating it a terrorist organisation.²⁰⁵ Since September 2001, the UK and Dutch ambassadors in Beirut have met on several occasions with Hizbollah officials, including Nasrallah, to "encourage those who want to transform Hizbollah into a political and democratically organised party".²⁰⁶ German intelligence officers reportedly are involved in indirect and confidential mediation efforts to facilitate a prisoner swap between Israel and Hizbollah.²⁰⁷ The EU can provide new momentum to this by publicly emphasising both parties' humanitarian responsibilities.

B. INTERNATIONAL STEPS TO MANAGE THE CONFLICT

□ *Containing the Scope of the Conflict*

While it probably is not possible at this time to halt the violence completely, it is imperative to hold it within bounds. Hizbollah and Israel should avoid provocations, in particular adhere to their undertakings under the 1996 understandings to

avoid civilian casualties. The role of foreign actors is also critical. Hizbollah is not simply a Syrian or Iranian pawn but both exert a powerful influence on its decisions and are critical sources of financial, logistical and military aid. At the least, they should minimise the risk that Hizbollah will either target Israeli civilians or extend the conflict beyond the Shab'a Farms. This includes refraining from providing weapons – such as longer range rockets or missiles – that can threaten areas deep inside Israel and, in order to defuse regional tension, publicly so informing the Security Council.

□ *Strengthening international conflict-management tools*

UN personnel and numerous diplomats – mainly Western – have pursued various strategies to reduce tensions at the Lebanese-Israeli border. While these have reduced the likelihood of a serious military confrontation, more could be done to render such constraints more effective.

Following Israel's withdrawal, UNIFIL continued to monitor and report on actions by both sides, thus helping verify adherence to UNSCR 425 and to the principle of not targeting civilians, in accordance with the spirit of the 1993 and 1996 "understandings", and so restrain retaliatory actions. UNIFIL also conveys messages to commanders on both sides concerning the likely impact of specific military operations, thereby reducing misunderstandings.²⁰⁸ Finally, its presence reduces military options, as neither side wants to be held responsible for hitting peacekeepers' positions.²⁰⁹

The Security Council decided in July 2002 to reduce UNIFIL troops gradually to 2,000 by the end of

²⁰⁵ The European Council's list of "persons, groups and entities involved in terrorist acts" was released on 28 December 2001 and updated on 2 May 2002. It does not include Hizbollah.

²⁰⁶ ICG telephone interview with UK Foreign Office official, 2 August 2002. Nasrallah later publicly denounced the UK ambassador's praise for Hizbollah's social activities as an attempt to persuade the party to lay down its arms. See *The Daily Star*, 16 January 2002.

²⁰⁷ In 1996, German mediation led to the release of 45 Lebanese prisoners in exchange for the remains of two Israeli soldiers. If the three soldiers captured in October 2000 are indeed dead, as presumed by the Israeli government, Hizbollah is known to hold one Israeli prisoner.

²⁰⁸ For example, during the April 2002 flare-up, UNIFIL informed Hizbollah commanders that the Israeli military was taking the attacks very seriously and was contemplating massive retaliation were they to continue. ICG interview with UNIFIL official in southern Lebanon, 7 August 2002. Inevitably, this liaison function also invites abuse as both parties convey their threats by putting UNIFIL mediation in motion.

²⁰⁹ Indeed, this buffer function has caused some disagreements, as in early 2001 when Hizbollah objected to UNIFIL building an observation post near Kfar Shuba. See *The Daily Star*, 21 April 2001. One year later a serious incident occurred when Hizbollah stopped UN observers near Kfar Shuba at gunpoint and assaulted them with rifle butts. *Report of the Secretary-General on the United Nations Interim Force in Lebanon* (for the period from 17 January 2002 to 12 July 2002), 12 July 2002.

2002.²¹⁰ A high-level UNIFIL official told ICG this would not affect existing operations.²¹¹ Provided the number is not further reduced, a smaller presence may helpfully induce the Lebanese government to further deploy regular troops. Yet to ensure that UNIFIL continues to carry out its functions, it should receive sufficient funds. Several Security Council members have been slow to pay their contributions to UNIFIL, causing a “serious shortfall in funding” amounting to U.S.\$106.5 million by July 2002.²¹² Removing arrears is also important to convey the message that the international community still insists on adherence to Resolution 425.

Kofi Annan created the position of Personal Representative of the UN Secretary-General for South Lebanon following the Israeli withdrawal both because the situation risked overburdening UNIFIL and to send a clear signal to the parties that the UN attached great importance to UNSCR 425. Staffan De Mistura has filled the position since January 2001, conveying messages to and from political leaders and diplomats that helped defuse tense situations. For example his condemnations of each violation of Lebanon’s airspace by Israel as inconsistent with UNSCR 425²¹³ may well have reduced Hizbollah’s perceived need to fire into Israeli airspace. In August 2001, after residents of Ghajar sent a letter to President Bashar al-Asad in which they stated that they considered themselves Syrian, De Mistura highlighted that “Syrian Alawites [of Ghajar] have verbally asserted that they have no intention of being ‘liberated’ by any Lebanese group.”²¹⁴ This made it difficult for Syria to ignore their position.

Other examples of creative diplomacy include the UN’s commissioning an Italian water engineering company, Acquedotto Pugliese, to do an independent study of water resources to help defuse the initial dispute over the Hasbani River in the spring of 2001.²¹⁵ UNIFIL further contributed

by pointing out to Israeli military officials that supplying villages on the Blue Line with water would repopulate the area and thus indirectly reduce Hizbollah’s military options.²¹⁶

However, the Personal Representative’s role could be strengthened. The initiative regarding the Hasbani River crisis in the spring of 2001 was possible only because the Italian company agreed to work for free. More donor commitments should be secured to finance the Personal Representative’s initiatives such as the current “tree for a mine” campaign and the mine removal programme carried out by the UAE, the Lebanese Army, UNIFIL and other international experts.

It cannot be assumed that the conflict-management mechanisms in place will continue to be effective in forestalling escalation. Aside from UNIFIL and the Personal Representative, they are ad hoc. High-level diplomatic efforts (whether U.S., UN or EU) are begun only when the conflict reaches a crisis point. Paradoxically, this may encourage Syria and Hizbollah to escalate in order to get international attention for their demands. More sustained mechanisms should be created to assess actions. One way is for the EU, U.S., and Russian ambassadors, the Personal Representative, and representatives of the Syrian and Lebanese governments to hold regular consultations.

C. STEPS TO THICKEN THE SOUTHERN LEBANON CUSHION

When planning attacks and anticipating Israeli reprisals, Hizbollah must take into account the reactions of the Lebanese public – both its constituency and its opponents. Since the 1990s, it has taken an active part in Lebanon’s multi-confessional political system. Its power derives not only from its appeal as a liberation movement, but also its image as a non-corrupt, efficient organisation (at least compared to the second-largest Shi’ite party, Amal), sustaining an extensive network of charity and social organisations. The reasons for this strategy of socio-political integration and accommodation are two-fold. First, Hizbollah has a comprehensive ideology in which notions of “the deprived” (*al-mahrumin*) and “the oppressed” (*al-mustad’afin*) refer not only to those living under

²¹⁰ Currently, UNIFIL comprises 3,628 troops and 470 civilian staff. See *Ibid.*

²¹¹ ICG interview with UNIFIL official in southern Lebanon, 7 August 2002.

²¹² *Ibid.*

²¹³ See for example *Report of the Secretary-General on the United Nations Interim Force in Lebanon* (for the period from 17 January 2002 to 12 July 2002), 12 July 2002.

²¹⁴ Naharnet.com, 17 August 2001.

²¹⁵ *The Daily Star*, December 2001.

²¹⁶ ICG interview with UNIFIL official in southern Lebanon, 7 August 2002.

occupation or facing aggression by the “oppressors” (*al-mustakbirin*), but also to the Shi’ite underclass in Lebanon. Armed action against Israel is part of a wider campaign to claim social and political justice for the (Shi’ite) oppressed. Secondly, Hizbollah realises that it needs support within Lebanese society to sustain its armed struggle, which it depicts as a national project not incompatible with its own mainly religious ideology. But the attempt to be an integral part of Lebanese society and politics inevitably places restraints on its armed actions against Israel.

Nor can Hizbollah ignore the economic repercussions of its actions. Its military activities and Israeli reprisals further damage an alarming economic situation in dire need of foreign investment.²¹⁷ Already, the ambitious plans of the early 1990s have foundered, partly because of the volatile situation in the South. Renewed Israeli attacks on power plants and bridges would place an unbearable fiscal burden on the Lebanese government as Prime Minister Hariri has publicly reminded Hizbollah.²¹⁸

Within the larger Shi’ite community, Hizbollah’s support is strong but far from unconditional. Its adherence to the Iranian notion of *velayat-e faqih* and its strict social codes are not widely shared.²¹⁹ The limited resonance of the Shab’a Farms issue

among the Shi’ite community and wide concern over the economic repercussions of continued military action compel Hizbollah to be cautious. Simmering internal tensions over the party’s identity and role within Lebanon may again come to a boil.²²⁰ Some Hizbollah members have deep roots in southern Lebanon villages that have not known peace for decades and desperately want a normal life. Others represent the Shi’ite population in densely populated southern and south-eastern suburbs of Beirut where hundreds of thousands of poor Shi’ite immigrants in urgent need of economic progress reside.

The constraints apply perhaps most vividly to Hizbollah’s standing in the Shi’ite community in the South. Because residents experience the consequences of Hizbollah’s actions first hand, the party cannot afford to ignore local wishes for more calm at the border. Local notables or village elders regularly meet with government figures and Hizbollah leaders in Beirut to discuss their concerns about attacks launched from near their villages.²²¹ Respected local Shi’ite political leaders, such as former MP Habib Sadiq, have openly questioned Hizbollah’s armed operations and Syrian – as opposed to Lebanese – interests they serve.²²²

Following Israel’s withdrawal, public opposition to Syria’s military presence in Lebanon and Hizbollah’s campaign to “liberate” the Shab’a Farms became more vocal. Syria’s hegemonic role has been a source of resentment for years, especially within the Maronite community. In September 2000 these criticisms gained momentum when the Maronite Patriarch, Nasrallah Butros Sfeir, issued a statement calling for a “phased” withdrawal of Syrian troops

²¹⁷ Foreign direct investment in Lebanon stands at 3.45 per cent of GDP, a figure far below those of Syria (7.96 per cent), Morocco (13.06 per cent), Jordan (16.53 per cent), Egypt (20.2 per cent), and Tunisia (26.6 per cent). See A.T. Sadik & A.A. Bolbol, *Mobilizing International Capital for Arab Economic Development with Special Reference to the Role of FDI, Arab Monetary Fund* (Abu Dhabi, November 2000), table 13, p. 67. Lebanon’s overall economic situation is critical, leading some to predict a total collapse. Lebanon’s net total debt soared from U.S.\$2.9 billion in 1992 to U.S.\$44.3 billion in 2002 (more than 170 per cent of GDP), making it one of the largest per capita public debts in any emerging market. Banque du Liban, *Monthly Public Sector Data, December 1993-August 2002*.

²¹⁸ Hariri’s daily openly criticised Hizbollah’s attacks in the South by questioning whether Lebanon “can bear the consequences of such an operation and its political, economic and social repercussions.” *Al-Mustaqbil*, 15 April 2001.

²¹⁹ See the opinion survey by Judith Harik, “Between Islam and the System: Sources and Implications of Popular Support for Lebanon’s Hizballah”, in: *Journal of Conflict Resolution*, Vol 40, N°1, March 1996. More recent but anecdotal evidence supports this view. ICG interview with Lebanese academic specialising in Shi’ite affairs, in Beirut, 5 August 2002.

²²⁰ In 1997, Hizbollah’s first Secretary-General, Sheikh Subhi al-Tufayli, launched what came to be known as the “revolution of the hungry”, demanding an end to years of government neglect of deprived areas in the Bekaa, threatening to march on Beirut and clashing with Hizbollah’s leadership. The movement was put down by the Lebanese army but Tufayli continues to agitate, and his actions constituted a wake-up call to party leadership, which has since devoted greater attention to social demands. As noted above, factions within Hizbollah opposed carrying the battle into Israel after the withdrawal. ICG interviews with Hizbollah members, April 2002.

²²¹ ICG interview with international diplomat in Beirut, 8-14 August 2002.

²²² ICG Interview with a member of the Qurnat Shehwan Group (see below) in Beirut, 12 August 2002. See also *The Daily Star*, 24 February 2002. Sadiq is close to the Lebanese Communist Party and a respected community leader in Marja’iyun.

from the country in accordance with the 1989 Ta'if Accord, a more balanced relationship between Lebanon and Syria, and a deployment of the Lebanese army in the South.²²³ Four months later, several Christian parties, politicians and intellectuals formed the Gathering of Qurnat Shehwan, building upon Sfeir's arguments.²²⁴ The Gathering pointed out that Lebanon should not be made to carry the burden of the Arab-Israeli conflict and that any Lebanese land remaining under occupation, including the Shab'a Farms, should be the subject of negotiations – not armed struggle. Presumably under Syrian instructions, Lebanese security forces cracked down by arresting scores of activists of the Lebanese Forces and the National Free Current (a group led by exiled former General Michel 'Awn), both of which had joined the Gathering.

Hizbollah's reactions to the initiatives of Sfeir and the Gathering were equally hostile. At a mass rally, Nasrallah declared that were Syria to think of withdrawing, the Lebanese would beg it to stay.²²⁵ Still, Hizbollah cannot ignore the fact that the demands of the Gathering are shared in Christian but also Muslim communities. Moreover, by underscoring Lebanon's 'Arab identity' (*al-'uruba*), the Gathering has made clear that it wants to transcend the long-standing opposition within the Maronite community to Lebanon's post-war order, the so-called "Maronite frustration" (*al-ihbat al-Maruni*). This evolution risks exposing Hizbollah to the accusation of being excessively aligned with Syria. Dramatic military operations at the Blue Line and Israeli reprisals against Lebanon's infrastructure could bring popular resentment of Lebanon's role as the unwitting victim of the Syrian-Israeli conflict to a crisis point. Not inconceivably Hizbollah would bear the brunt of anti-Syrian criticisms. Given the party's concern with sustaining its indigenous base, it has a vested interest in preventing such a political crisis by keeping its military operations within bounds.

Yet, these factors are insufficient to rein in Hizbollah fully and rule out escalation. To begin, the correlation between instability in the South and the

country's economic crisis has not been established by independent, indisputable sources. This has allowed Hizbollah to blame the recession entirely on other factors such as government corruption and fiscal policies. In April 2001 Hizbollah dismissed Hariri's criticisms of its attacks on Shab'a by pointing out that "the economy has been in recession since 1990" due to "past economic policy and not because of resistance operations".²²⁶

More importantly, Hizbollah's accountability to its Shi'ite constituency, nation wide and in the South – many of whom have a clear interest in economic reconstruction shielded from Israeli military action – is distorted by various factors. As a result of Syrian interference, Hizbollah candidates had to withdraw from certain constituencies or share electoral lists with Syria's other Shi'ite ally, Amal, some literally on the eve of elections. This has given Amal seats in parliament in the three elections since 1992 during which Hizbollah had been set practically to sweep the board in Shi'ite areas.²²⁷ Syria was thus able to keep Hizbollah in check. But the action also sheltered Hizbollah from some of the country's bread-and-butter issues, making it less receptive to its electorate's demands. The party's absence from all post-Ta'if governments only reinforced this trend.²²⁸ Hizbollah also enjoys much financial independence, which further lessens its answerability to local interests. Whereas local Shi'ite businessmen and state resources are the main source of Amal's financial support, Hizbollah supplements Iranian funding with donations from expatriate

²²³ *An-Nahar*, 21 September 2000. A forthcoming ICG report will examine the Syrian-Lebanese relationship in greater depth.

²²⁴ See the Gathering's pamphlet: *Liqa' Qurnat Shehwan fi Sanatihi al-Ula, Mawaqif wa Bayanat*, April 2001 – April 2002.

²²⁵ *Al-Hayat*, 21 March 2001.

²²⁶ Hizbollah Deputy Secretary-General Na'im Qasim at press conference on 18 April 2001. See http://www.moqawama.tv/arabic/f_report.htm. In a September 2002 speech, Nasrallah went further by describing those holding Hizbollah accountable for Israeli reprisals against Lebanon's economy as "traitors". Hassan Nasrallah, Speech on the Second Anniversary of the Palestinian Intifadah, 27 September 2002. <http://www.nasrollah.org/english/hassan/khitabat/khitabat061.htm>.

²²⁷ ICG interview with a researcher of the Lebanese Association for Democratic Elections (LADE), Beirut, 15 August 2002. The procedure has provoked considerable resentment among Hizbollah rank and file. ICG interviews in April 2002 with current and former Hizbollah members, some of whom resigned from the party to protest its alliance with Amal in the 1996 elections.

²²⁸ One Hizbollah official said the party was not aspiring to any ministerial posts because "the government is a bankrupt project...Joining them would be self-defeating". ICG interview with Hizbollah official in Beirut, 15 August 2002.

Lebanese in Africa and South America.²²⁹ While these may well be motivated by genuine solidarity with Hizbollah's struggle for the Shi'ites of southern Lebanon, only few of these benefactors bear the immediate material or political consequences of the party's military operations, thereby leaving it with considerable freedom to formulate policies.

Some of Hizbollah's and Syria's Shi'ite critics in the South also have been effectively gerrymandered out of parliament due to the way elections were conducted. In 2000 the two governorates (*muhafazat*) of Nabatiya and Sidon were treated as one voting district rather than the two stipulated by the Ta'if Accord. Smaller parties critical of Hizbollah, including the Democratic Choice List of Habib Sadiq, stood no chance in the much larger constituency.²³⁰

Finally, the Gathering of Qurnat Shehwan, risks becoming politically marginalised. Already branded by the Lebanese and Syrian governments as "unpatriotic" and a captive to right-wing Maronite circles, it undermined its national, cross-sectarian appeal when some of its participants associated themselves with the World Maronite Congress (WMC). In late June 2002, the WMC met in Los Angeles and endorsed a resolution²³¹ supporting (if only partially) the "Syria Accountability Act", a draft law calling on the U.S. government to impose sanctions on Syria for, among other things, involvement in terrorism.²³² Links to the WMC offered an easy target for the Gathering's opponents, leaving popular resentment of Syria's policies without an effective platform.

By intensifying economic development in the South and politically strengthening moderating influences in Lebanon, in particular among Hizbollah's own constituency, the costs of military escalation can be increased. This should not be designed as an effort to

curtail Hizbollah's influence as such, but rather to limit its military role by enhancing its political one.²³³ Steps could entail, inter alia:

- *Supporting the convening without precondition of an international donors' conference for Southern Lebanon*

This conference, originally meant to be held shortly after Israel's May 2000 withdrawal, was held hostage to a number of factors, notably Lebanon's failure to fully deploy its army at the Blue Line. According to U.S. officials, Lebanon has taken important steps in this regard; moreover, and while Beirut ought to be urged to do more, direct pressure on Lebanon is unlikely to yield results given Syria's influence. More importantly, it is counterproductive to delay economic assistance to the South, which would achieve much the same objective as those troops – namely, multiplying the disincentives to military escalation. Two priority areas should be providing schools, to ensure that children stay in the South year-round rather than migrate to Beirut during the school year, and helping improve the area's irrigation infrastructure. A conference for southern Lebanon would be complementary to but ought not be replaced by talks on rescheduling Lebanon's debt, which could take place as early as November or December 2002 in Paris. For purposes of conflict management, international economic assistance to Lebanon should be explicitly steered toward the South

The intention expressed by the European Commission to help prepare a comprehensive development plan for the South and provide financial assistance to implement it is a step in the right direction. However, an official at the European Commission's Delegation in Beirut told ICG it is difficult to persuade EU member states to modify their position that Lebanon does not meet criteria governing aid to the world's poorest countries, and until this happens, they will be reluctant to release desperately needed funds, which in turn is likely to

²²⁹ ICG interview with Lebanese academic specialising in Shi'ite affairs, in Beirut, 5 August 2002.

²³⁰ The Democratic Choice List won 26,389 votes, or 9.5 per cent of total votes cast in both governorates. In other (smaller) voting districts this number would have assured a seat in Parliament. Kamal Feghali, *Al-Intikhabat an-Niyabiyya al-Lubnaniyya 2000, Mu'asharat wa Nata'ij* (Beirut, 2001), p. 190.

²³¹ For the WMC resolution see http://www.maronet.org/congress_date_ann.htm.

²³² The Syria Accountability Act is currently under consideration in the U.S. Congress. For the full text, see <http://www.gotc.org/pdf/act2002.pdf>.

²³³ U.S. National Security Advisor Condoleezza Rice, arguably going further than any prior high-level U.S. official in giving her blessing to Hizbollah's non-violent activities, explained, "We recognise that Hizbollah has a side which conducts social and political activities, which is a good thing, but this leaves a terrorist branch which is responsible for many problems in the Middle East." Agence France Presse, 12 December 2001.

hinder the development plan.²³⁴ EU member states should recognise the potential political added value of socio-economic assistance to southern Lebanon and reconsider their positions.

□ *Actively Supporting Demining Efforts*

Demining is an important way both to spur economic activity and lessen the risk of conflict. The secondary economic activity the project itself generates helps fill the existing vacuum in the South. Removal of mines encourages residents to return and creates conditions for future investment. Perhaps most importantly, and unlike the call to redeploy the army, it is something that Hizbollah – however much it dislikes some collateral effects – simply cannot afford to resist since it would restore both safety and economic benefits to the region.²³⁵ In large part due to the efforts of the UN Secretary-General's Personal Representative, the International Support Group (ISG) for demining operations and the Mine Action Coordination Group for South Lebanon were established in November 2001.

One of the side effects already has been to increase involvement in reconstruction and rehabilitation by the Lebanese government and foreign donors, as witnessed by the establishment of a working group on Socio-Economic Development and Rehabilitation within the ISG framework. The U.S., the United Arab Emirates and several EU member states take part in the ISG and have helped finance demining operations, but additional funding is needed if these are to have longer-term economic and political consequences.²³⁶ Some countries, including Belgium, the Netherlands and Canada, have refused to participate because Lebanon is not a signatory to the 1997 UN Mine Ban Treaty.²³⁷ ICG believes that this precondition should be dropped, and a dialogue should proceed with the Lebanese government in tandem with the provision of assistance.

²³⁴ ICG telephone interview with an official at the European Delegation in Beirut, 22 October 2002.

²³⁵ ICG interview with UNIFIL official, Naqura, April 2002.

²³⁶ ICG interview with UNIFIL official, Naqura, April 2002.

²³⁷ ICG telephone interviews with a UN official in Beirut, 8 October 2002, and a Dutch Ministry of Foreign Affairs official, 8 October 2002. The Lebanese government's position is that it will not accede to the treaty unless Israel also does. ICG telephone interview with an official at the Lebanese Mission to the UN, New York, 8 October 2002.

□ *Pressing Lebanon to deploy its army to the Blue Line*

The UN Security Council should reduce (though not eliminate) UNIFIL to a level that will induce Lebanon to continue bolstering its presence in the South while meeting current conflict management and military observation needs.

□ *Boosting Hizbollah's Representation in Parliament*

Syria should cease pressuring Hizbollah candidates to withdraw from certain constituencies or share electoral lists with Amal. If its candidates can run freely on their own ticket, Hizbollah is likely to gain a larger parliamentary bloc, which would in turn have a greater say in determining party policies and priorities. This would likely produce a Hizbollah more sensitive to voter objections to armed operations in the South and the resulting negative economic effects. Of course, Hizbollah's further integration into Lebanon's parliamentary system likely will be resisted by Amal. It also could provoke uneasiness among Lebanon's Christian community that fears Hizbollah's religious agenda. However, making Hizbollah beholden to a wider constituency should moderate its ideological militancy.²³⁸

□ *Offering Hizbollah a Government Post*

In a similar vein, the Lebanese government should give Hizbollah a portfolio in the Council of Ministers, for example by creating a new Ministry for the South. Such a move would not only be in accordance with its electoral strength but also encourage the party to take responsibility for the region's bread-and-butter issues. While Hizbollah currently may not wish to assume a government post, it will find it difficult to indefinitely avoid taking responsibility and being more accountable for its actions, given both its popularity and the far-reaching consequences of military actions in the South.

□ *Strengthening Moderate Lebanese Political Forces by Ending Gerrymandering and Encouraging International Contacts with Local Municipalities and Moderate Parties.*

Aside from competition from Amal, Hizbollah has hardly needed to deal with independent and

²³⁸ ICG interview with Jeroen Gunning, expert in Islamist movements at Oxford University, 28 July 2002.

moderate Shi'ite critics in the South. The latter should have a fair chance to obtain seats in parliament. The Lebanese government accordingly should respect the stipulations in the Ta'if Accord and the constitution that call for parliamentary elections to be based on the constituency of the single governorate (*muhafaza*), rather than the much larger constituency now formed by the two southern governorates combined.

Amman/Brussels, 18 November 2002

APPENDIX A

SOCIO-ECONOMIC INDICATORS FORMERLY OCCUPIED SOUTHERN LEBANON

	FORMERLY OCCUPIED AREA	COUNTRY-WIDE (Where Applicable and Announced)	REMARKS
Households* living below national absolute poverty line (less than U.S./\$300 p.m.)	25 per cent	19 per cent	Poverty concentrated in Bint Jbayl and Marja'yun areas
Households living below national relative poverty line (less than U.S./\$530 p.m.)	54 per cent	32 per cent	
Households with no connection to drinking water network	40 per cent		
Households with no connection to sewage system	78 per cent		
Households with no access to basic health services	37 per cent	16 per cent	
Unemployment	11 per cent	7 per cent	As part of total labour population
Workers relying on irregular or seasonal employment	47 per cent	17 per cent	As part of active workforce
Full illiteracy	23 per cent (Bint Jbayl); 27 per cent (Marja'yun)	15 per cent	No figures available for entire liberated area
Residents aged 64 years and above	11 per cent	7 per cent	
Number of severely damaged and destroyed housing units	15,000 (severely damaged); 3,500 (destroyed)		
Received banking credit as part of total private credit	0.83 per cent		81 per cent (Beirut)

* An average household comprises 4.7 individuals. Sources: UNDP, Lebanon Council for Development and Reconstruction, Lebanon Ministry of Social Affairs, Consultation Centre for Studies and Documentation (affiliated to Hizbollah).

APPENDIX B

FLASHPOINTS ON THE BLUE LINE

A. THE SHAB'A FARMS

Twelve days before Israeli troops began their withdrawal, the Lebanese government declared that the Shab'a Farms should be regarded as Lebanese territory. This claim subsequently was backed by Syria in a telephone conversation between Syrian Foreign Minister Faruq as-Shara' and UN Secretary-General Kofi Annan.²³⁹ The Shab'a Farms are an uninhabited area of 25 square kilometres in the southeast tri-border region, a collection of farms attached to the nearby Lebanese village of Shab'a, whose residents cultivated them until they were occupied by Israel during the 1967 war. Since Israeli troops remained in this area, Lebanon took the position that Israel's withdrawal was not complete. In his 26 May 2000 "victory speech," Hizbollah's Secretary-General Nasrallah similarly referred to the Shab'a Farms as a "very dear piece of land to us".²⁴⁰ The unstated but clear implications were that continuing resistance against Israeli troops was justified there, and the Lebanese army, therefore, would not be deployed at the Blue Line. The Security Council rejected Lebanon's argument on the basis that all available maps and historical documentation showed Shab'a within Syria and that Israel's occupation of this area accordingly is not covered by UNSCR 425.²⁴¹ The Security Council has since repeatedly condemned Hizbollah's operations there as a violation of Resolution 425.²⁴²

Whatever strength Lebanon's legal and historical claim to the Shab'a Farms may have,²⁴³ it is patent that neither Lebanon nor Syria has provided compelling evidence to support it. Even official Lebanese and Syrian maps have consistently marked Shab'a as Syrian territory, and no written agreement exists that identifies it as Lebanese.²⁴⁴ Moreover, neither Lebanon nor Syria ever objected to the UNIFIL deployment zone mapped out in 1978. This unambiguously placed Shab'a outside Resolution 425 and within Israeli-occupied Syrian territory.²⁴⁵ This is not to say that in future boundary negotiations between the three countries Lebanon would have no legitimate claim whatsoever. An Israeli scholar recently contended that he had found historical evidence showing that immediately after the French-British border agreement of 1923, cartographers acknowledged having put Shab'a erroneously on the (British) Palestinian side of the border.²⁴⁶ Yet, as UNIFIL-spokesman Timor Göksel put it, until such boundary negotiations take place, "the Blue Line is the only game in town".²⁴⁷ In the aftermath of Israel's withdrawal, it became Hizbollah's "designated firing area,"²⁴⁸ selected as the primary basis for Lebanon's argument that the withdrawal was incomplete.

²³⁹ Report of the Secretary-General on the Implementation of Security Council Resolutions 425 (1978) and 426 (1978), 22 May 2000. In November 2000, Syria sent the UN Security Council a letter confirming its view that Israel "has not completed the withdrawal from southern Lebanon to the internationally recognized borders, including the Shab'a farms". Cited in *Al-Mustaqbil*, 21 November 2000.

²⁴⁰ Hizbollah Secretary-General Sayyid Hassan Nasrallah's Victory Speech, Addressing the People at Bent Jbeil Mass Celebration, 26 May 2000.

²⁴¹ The UN based its position on 81 maps, including those drawn by various Lebanese state institutions, all of which place the Shab'a Farms inside Syria. Moreover, in the Agreement on Disengagement between Israeli and Syrian forces of 31 May 1974 – which established the UN Disengagement Observer Force (UNDOF) – both Israel and Syria accepted that the Shab'a Farms fall within Syrian territory. See Report of the Secretary-General on the Implementation of Security Council Resolutions 425 (1978) and 426 (1978), 22 May and 16 June 2000.

²⁴² See, for example, Report of the Secretary-General on the United Nations Interim Force in Lebanon (for the period from 17 January 2002 to 12 July 2002), 12 July 2002.

²⁴³ For full details, see Marie Ghanous, *Les Hameaux de Chebaa et le droit international public* (Zalka, 2001); Frederic C. Hof, "Defining Full Withdrawal: Re-Marking the Lebanese-Israeli Border", in: *Middle East Insight*, May-June 2000.

²⁴⁴ One Lebanese official claimed that "a kind of oral agreement" in 1952 turned Shab'a into Lebanese territory. Cited in *The Daily Star*, 9 May 2000.

²⁴⁵ U.S. Ambassador Vincent Battle said Lebanon's claims regarding the Shab'a Farms "are simply an alibi". Cited in Gary C. Gambill, "Has American Pressure Sideline Hizbollah?", in: *Middle East Intelligence Bulletin*, December 2001.

²⁴⁶ See *Ha'aretz*, 9 July 2002. The study, by Asher Kaufman, is forthcoming in *The Middle East Journal*.

²⁴⁷ ICG interview with Timor Göksel in Naqura, 7 August 2002.

²⁴⁸ ICG interview with UNIFIL official in southern Lebanon, 4 April 2002.

B. THE DIVIDED VILLAGE OF GHAJAR

About 12 kilometres southwest of Shab'a lies the Alawite village of Ghajar.²⁴⁹ During the June 1967 war, Israeli forces occupied the entire village. Yet the Blue Line now cuts straight through it, leaving one-third on the Lebanese side and two-thirds in the Israeli-occupied Golan Heights.²⁵⁰ During the demarcation of the Blue Line in May 2000, Israel informed the UN secretary-general of its serious concerns that dividing the village would “pose ... a humanitarian problem of the first order”.²⁵¹ Fearful of potential security problems surrounding Ghajar, Kofi Annan called upon the Lebanese government not to send its troops to the Lebanese side of the village.²⁵² For its part, Hizbollah seemed keen to persuade Syria to declare Ghajar fully Lebanese, thereby enabling it to extend its campaign of “national liberation” to the village. Concerned that they might find themselves caught in a crossfire, notables in the Israeli-occupied portion of the village petitioned Syrian President Bashar al-Asad in the summer of 2001, saying they declined to be “liberated” by Hizbollah because “we are all Syrians and want to remain an integral part of the Golan Heights”.²⁵³ Damascus was left with no choice but to confirm that the occupied part of Ghajar was indeed Syrian, leaving its liberation to a resolution of its conflict with Israel. For the most part, Ghajar has not been an active flashpoint, though episodic controversies have erupted.²⁵⁴ But the issue remains open and may well become a pretext for future escalation.

C. THE DISPUTED TOMB OF SHAYKH 'ABBAD/RABBI ASHI

There is a tomb sacred to both Israelis and Lebanese on a hill between the Lebanese border village Hula and the Israeli settlement Manara. Jewish scholars claim that it contains the remains of Rabbi Ashi (C. 352-427), one of the best-known *amora'* (scholars of the Talmud).²⁵⁵ In Lebanon it is believed to be the tomb of Shaykh 'Abbad (C. 1641-1731), a Muslim mystic and a leading figure in the religious and literary life of Damascus in the late 17th and early 18th centuries.²⁵⁶ The Blue Line cuts straight through the grave. So far, the only skirmishes have been provoked by a small number of Orthodox Jews who have tried on a few occasions to break through Israeli military checkpoints to reach the tomb.²⁵⁷ But it may be a matter of time only before someone on either side decides to “liberate” the tomb on religious grounds.²⁵⁸

Tensions of a non-religious nature and arising purely from the tomb's location appear to be under control. From the very first day following Israel's withdrawal, the site became a favourite spot for Lebanese and Palestinian demonstrators to throw stones and firecrackers and shoot paint guns at Israeli soldiers only a few metres away, who occasionally responded by shooting and injuring several civilians.²⁵⁹ Similar incidents have

²⁴⁹ The Alawites constitute a small but politically dominant religious community in Syria to which President Bashar al-Asad belongs.

²⁵⁰ The decision to let the Blue Line cut through the village was based on historical data suggesting that, originally, there had been two villages. ICG telephone interview with former UN chief cartographer Miklos Pinther, 8 October 2002.

²⁵¹ Cited in: Report of the Secretary-General on the Implementation of Security Council Resolutions 425 (1978) and 426 (1978), 16 June 2000.

²⁵² Ibid.

²⁵³ Cited in *An-Nahar*, 15 July 2001.

²⁵⁴ For instance, in early 2001 Israel began to construct a fence around the entire village, thereby sealing it off from Lebanese territory. The measure seemed motivated by concerns that Hizbollah might use contacts between villagers on both sides of the Blue Line to smuggle weapons into Israel. The Lebanese government immediately accused Israel of violating the Blue Line. After UN intervention and initial Israeli refusals, building activity stopped. In August 2001, Hizbollah built an observation post near the village, a few hundred meters from an Israeli army post, allegedly following a request by the Lebanese inhabitants of Ghajar. In response, Israel declared the southern part of Ghajar a military zone accessible to its residents only. Hizbollah then vowed to “liberate” all “Lebanese” territory, including Ghajar. See Al-Jazeera, 20 and 26 August 2001; *The Jerusalem Post*, 27 August 2001.

²⁵⁵ *The Oxford Dictionary of Jewish Religion* (New York/Oxford, 1997).

²⁵⁶ *The Encyclopaedia of Islam* (London, 1997).

²⁵⁷ ICG telephone interview with a community leader of Misgav Am, 10 September 2002. Hizbollah does not (yet) seem to be preoccupied with the tomb. After asserting that the tomb indeed contains the remains of Shaykh 'Abbad, one Hizbollah official was unable to say who Shaykh 'Abbad actually was. ICG interview with Hizbollah official in Beirut, 15 August 2002.

²⁵⁸ ICG interview with international diplomat, Beirut, 8-14 August 2002. In July 2000, UNIFIL spokesperson Daljeet Bagga referred to the tomb as “a very difficult and sensitive issue”. Cited by Reuters, 28 July 2000.

²⁵⁹ *Report of the Secretary-General on the United Nations Interim Force in Lebanon*, several issues, 2000-2002.

occurred at the nearby Fatima Gate, west of Metulla, and at the Blue Line south of Marwahin, leading to the death and injury of a number of demonstrators. Demonstrations and violent incidents became less frequent by the end of 2001, when Lebanese authorities barred Palestinians from travelling to the area.²⁶⁰ Moreover, the Israeli army built large cement bunkers on the hill with the disputed tomb to prevent demonstrators from coming into eye contact.

D. ADDAYSI: 'PUSHED BACK BY THE PURPLE LINE'

During the UN demarcation process in May 2000, the Lebanese delegation objected to the course of the Blue Line at Addaysi, a Lebanese village facing the Israeli settlement of Misgav Am, claiming that it was drawn to follow the incursion of Israel's military fence (known as the Purple Line) into Lebanese territory.²⁶¹ Lebanon asserts that this allowed the Israeli army to remain positioned on a hill overlooking the area.²⁶² In December 2001, Hizbollah's Nasrallah referred to Addaysi as still being under Israeli occupation.²⁶³

E. THE 'SEVEN VILLAGES'

At least since the 1960s, residents of six villages (Abil al-Qamh, Hunin, Al-Malakiya, al-Nabi Yusha, Qadas and Saliha) in the Galilee panhandle in northern Israel and a seventh village (Tarbikha) in the Acre district east of the Galilee have claimed that their villages were annexed from Lebanon in 1948. In December 1999, Lebanon's then-Prime Minister, Salim al-Huss, demanded the return of the "seven villages".²⁶⁴ The dispute stems from a Franco-British decision in 1924 to place these mainly Shi'ite villages inside Mandate Palestine, even though they had been part of Greater Syria. During the 1948 war, the inhabitants fled to Lebanon, and the Lebanese government now argues that the villagers received Lebanese citizenship in 1933. However, the claim is undermined by the fact that these same villagers registered as Palestinian refugees in 1948.²⁶⁵ In interviews with ICG, a diplomat in Lebanon expressed concern that the issue eventually may become yet another excuse for continued armed operations against Israel.²⁶⁶

F. THE HASBANI RIVER

The Hasbani is a tributary of the Jordan River, which runs from Lebanon into Israel and discharges into Lake Kinneret. There is no formal agreement between the two countries on the use of shared water resources, despite a U.S. attempt in 1953 to bring Israel, Jordan, Syria and Lebanon to sign a water treaty (the "Johnston Mission"). Although accepted by Israel, the plan was never ratified by any of the four countries. The matter became a source of controversy when, in the spring of 2001, private Lebanese initiated two projects to draw small quantities from the Hasbani and the adjacent Wazzani Springs for drinking water and irrigation.²⁶⁷ The initiatives were harshly condemned by several Israeli government officials, including Defence Minister Uri Saguy, the chairman of the Israeli Mekorot Water Company and a former Israeli official, warned that Lebanon's alleged encroachment on Israel's water resources at the Hasbani River "could lead to war or a forceful confrontation".²⁶⁸ Lebanese officials and Hizbollah responded in kind, accusing Israel of another infringement of Lebanon's sovereignty. When the issue faded, Israeli Foreign Minister Shimon Peres

²⁶⁰ In one incident, on 2 January 2002, an Israeli civilian was reportedly shot and wounded when a Lebanese demonstrator fired through the fence. *The Jerusalem Post*, 3 January 2002.

²⁶¹ *Ha'aretz*, 1 June 2000.

²⁶² Nicholas Blanford in *The Daily Star*, 15 January 2002.

²⁶³ *The Daily Star*, 15 January 2002; *The Jerusalem Post*, 17 January 2002.

²⁶⁴ *Al-Hayat*, 21 December 1999.

²⁶⁵ In 1994 12,000 "Palestinians" originating from the seven villages and their descendants were given Lebanese nationality by a controversial naturalisation decree. This suggests that the villagers did not enjoy Lebanese citizenship earlier, as claimed by the Lebanese government. Tony George 'Atallah, "al-Mujanasun fi Lubnan ba'd al-Harb: Haqa'iq wa Arqam", in: *Al-Abhath*, Vol XLV, 1997.

²⁶⁶ ICG interviews with international diplomat, 8-14 August 2002.

²⁶⁷ *Ibid.* According to UN sources, the two pipes' diameters were respectively four and eight inches. Cited in Nicholas Blanford, Heightened Israeli-Lebanese Tensions over Jordan's Headwaters, *MERIP Press Information Note 108*, 30 September 2002.

²⁶⁸ Cited in *The Jerusalem Post*, 15 March 2001.

acknowledged that Israeli officials had overreacted, pointing out that the initiatives only provided water to 60 Lebanese homes, and Israel should, therefore, “keep things in proportion.”²⁶⁹

But the controversy did not go away. In early September 2002, the Council of the South, a Lebanese governmental body controlled by Hizbollah’s political rival Nabih Berri, was completing work on another pumping installation to divert water from the Wazzani Springs to several border villages. A report prepared by the Lebanese government claims that with the new pump Lebanon will use a total of less than 10 million cubic metres of water per year, much less than the 35 million cubic meters granted to Lebanon in the Johnston Mission.²⁷⁰ Israel claimed that the diversion was illegal and solicited U.S. help in pressuring Lebanon to end it.²⁷¹ Although the amount of water involved is relatively small, Israel is concerned that the precedent could lead to further and more substantial Lebanese water projects that could impact on Israel’s limited water supplies and increase the salinity of Lake Kinneret.²⁷²

On 9 September, Prime Minister Sharon warned that diverting water from the Hasbani River constituted a “casus belli,”²⁷³ and later went so far as to warn of a potential regional conflict: “The Six-Day War in 1967 really started in 1964 when Arabs started to divert the sources of the Jordan. We accepted the U.S. proposal to negotiate [on the Hasbani], but if the diplomatic process does not produce results, Israel will be forced to act.”²⁷⁴ In response, Lebanon accused Israel of “aggression” and of violating its sovereignty, pointing out that the Wazzani project’s water consumption amounted to significantly less than what Lebanon had been allocated under the Johnston Mission²⁷⁵ and insisting that work on the installation be completed without delay.²⁷⁶ Although Hizbollah is not directly involved, it has threatened to take action against Israel should it bomb the new pumping station. On 16 October Lebanese officials inaugurated the pumping station in a ceremony attended by representatives of the UN and several ambassadors, including those of the EU. The US boycotted the ceremony protesting Lebanon’s failure to inform third parties of its initiative and restating its position that “unilateral action by either party undermines efforts to reach an understanding”.²⁷⁷ Undeterred, Lebanon’s Speaker of Parliament announced that the current pumping station “is just the beginning”.²⁷⁸

²⁶⁹ *The Jerusalem Post*, 22 March 2001.

²⁷⁰ In October, the Lebanese government distributed a report containing details of the pumping installation to several foreign diplomatic missions in Lebanon. ICG telephone interview with Western diplomat in Beirut, 15 October 2002.

²⁷¹ ICG telephone interview with an official at the Israeli Ministry of Defence, 10 September 2002.

²⁷² *Ha’aretz*, 18 September 2002 and 7 October 2002.

²⁷³ Cited in *Ha’aretz*, 10 September 2002.

²⁷⁴ Quoted in Safire, “A Chat with Sharon”, op. cit.

²⁷⁵ *An-Nahar*, 2 October 2002.

²⁷⁶ President Emile Lahud, quoted in *An-Nahar*, 9 October 2002.

²⁷⁷ US Embassy statement cited in: *The Daily Star*, 17 October 2002.

²⁷⁸ Cited in *The Daily Star*, 17 October 2002.

G. NKHAILE, ABBASIYE AND WADI SOUTH OF RMAYSH

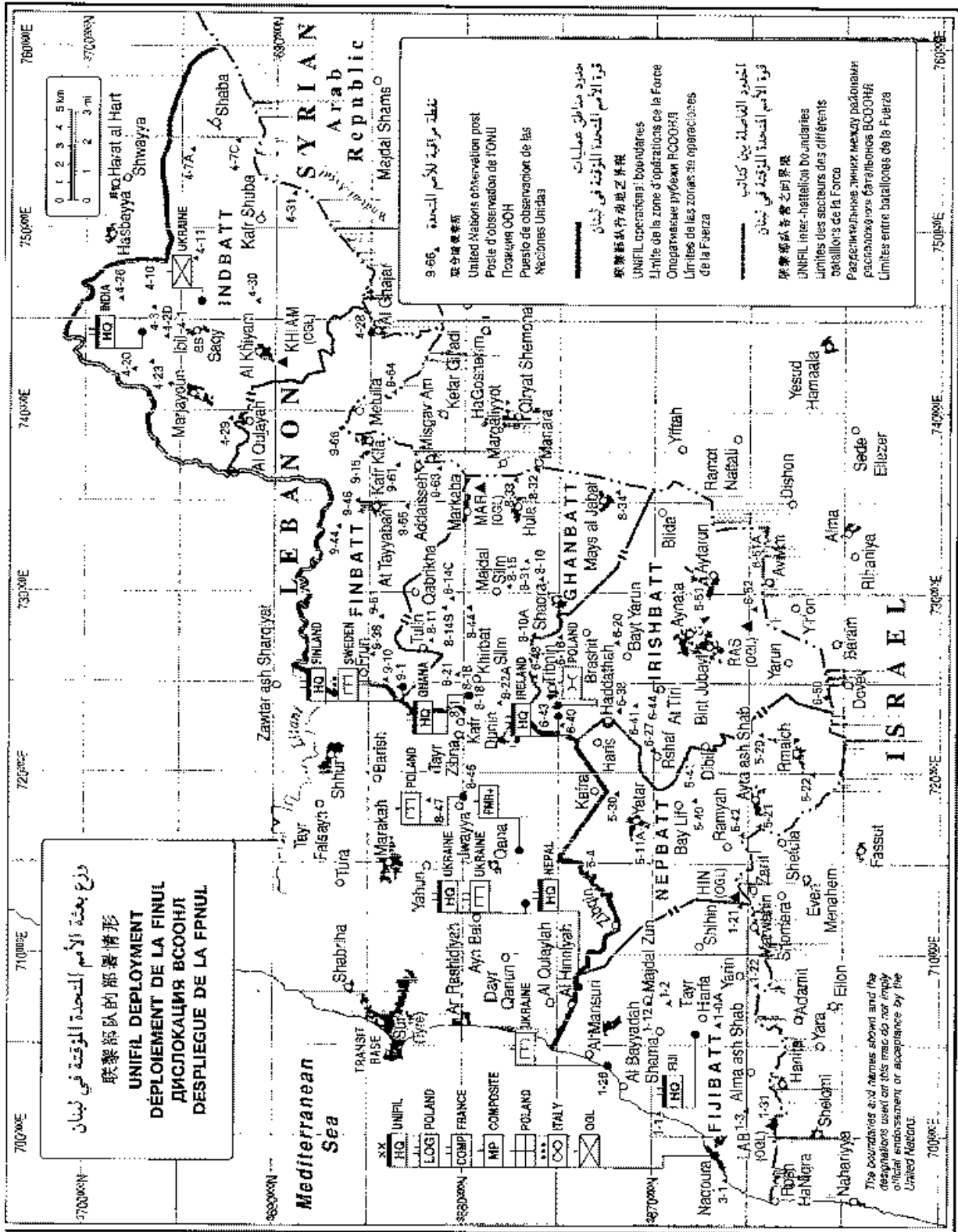
Other existing or potential trouble spots include minor pieces of land claimed by Lebanon or Lebanese citizens, which ended up on the Israeli or Syrian side of the Blue Line. Nkhaile is a deserted village in Israeli-occupied Syria, some of whose original residents are Lebanese and claim to hold title deeds. The Blue Line also divided Abbasiyeh, an uninhabited village two kilometres from Ghajar. Its original Lebanese inhabitants started building activities and now complain that they cannot gain access to their land on the Israeli side. Hizbollah has occasionally referred to Abbasiyeh as one of the outstanding issues requiring continuing resistance.²⁷⁹ Finally, Lebanon alleges that a 100-metre swath of land running four kilometres south of Rmaysh has been put on the Israeli side by mistake. The UN's chief cartographer, Miklos Pinther, admitted that the 1923 Agreement may have been misread in this instance.²⁸⁰

²⁷⁹ *The Daily Star*, 23 May 2001. International diplomats have expressed concern that a Ghajar-like situation may develop. ICG interviews,, Beirut, 8-14 August 2002.

²⁸⁰ ICG telephone interview with Miklos Pinther, 8 October 2002. For a detailed discussion, see Nicholas Blanford in *The Daily Star*, 11 July 2000.

APPENDIX C

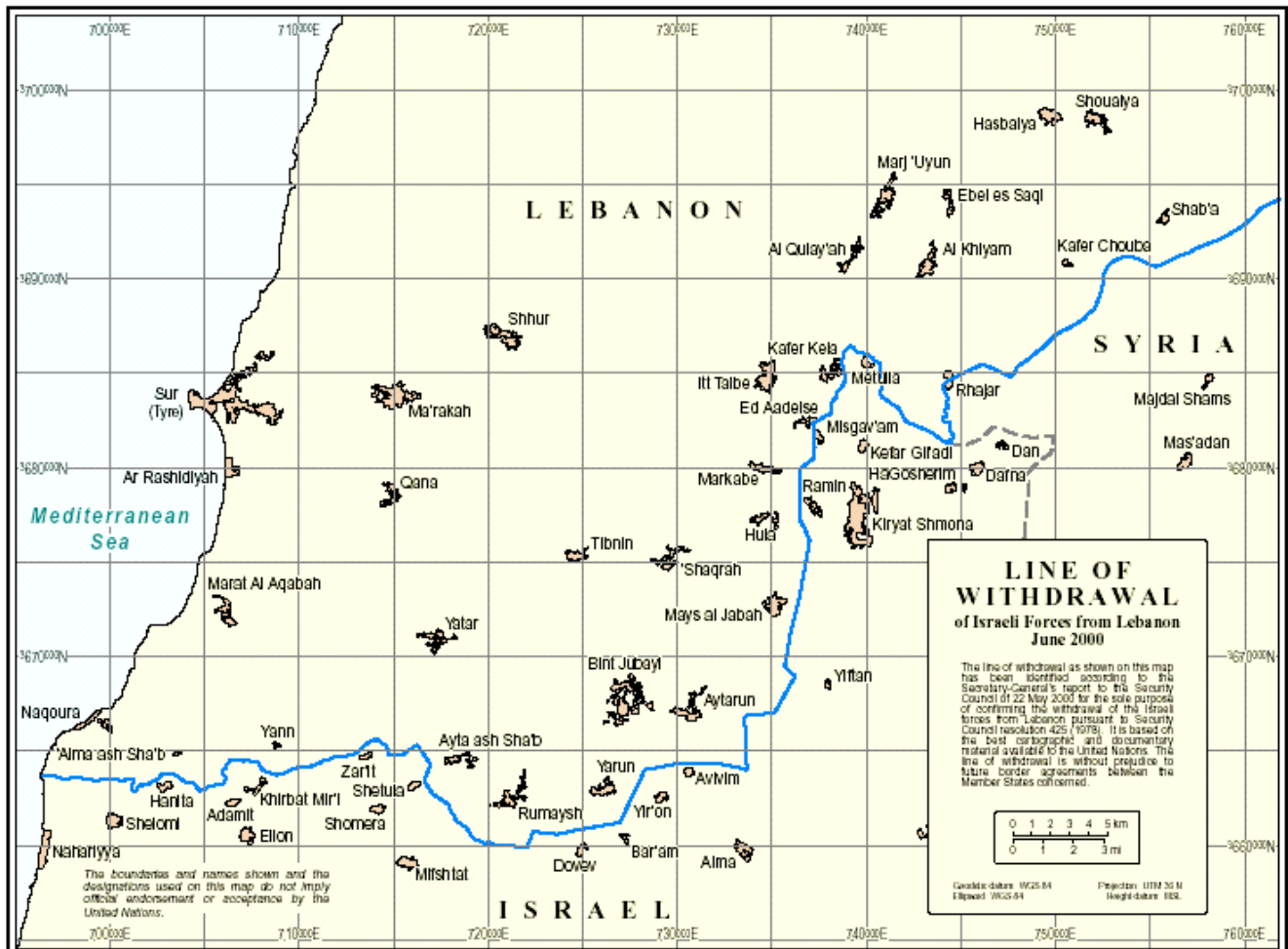
UNITED NATIONS MAP OF SOUTHERN LEBANON: UNIFIL DEPLOYMENT JULY 2001



Department of Public Information
 Cartographic Section

APPENDIX D

UNITED NATIONS MAP OF SOUTHERN LEBANON: THE BLUE LINE JULY 2000



APPENDIX E

LEBANESE-ISRAELI FRONTIER²⁸¹



²⁸¹ This map was used in ICG Middle East Report N°4, Middle East Endgame III: Israel, Syria and Lebanon –How Comprehensive Peace Settlements Would Look, 16 July 2002. The shaded “frontier zone” relates to the proposals discussed in that report.

APPENDIX F

ABOUT THE INTERNATIONAL CRISIS GROUP

The International Crisis Group (ICG) is an independent, non-profit, multinational organisation, with over 80 staff members on five continents, working through field-based analysis and high-level advocacy to prevent and resolve deadly conflict.

ICG's approach is grounded in field research. Teams of political analysts are located within or close by countries at risk of outbreak, escalation or recurrence of violent conflict. Based on information and assessments from the field, ICG produces regular analytical reports containing practical recommendations targeted at key international decision-takers.

ICG's reports and briefing papers are distributed widely by email and printed copy to officials in foreign ministries and international organisations and made generally available at the same time via the organisation's Internet site, www.crisisweb.org. ICG works closely with governments and those who influence them, including the media, to highlight its crisis analyses and to generate support for its policy prescriptions.

The ICG Board – which includes prominent figures from the fields of politics, diplomacy, business and the media – is directly involved in helping to bring ICG reports and recommendations to the attention of senior policy-makers around the world. ICG is chaired by former Finnish President Martti Ahtisaari; and its President and Chief Executive since January 2000 has been former Australian Foreign Minister Gareth Evans.

ICG's international headquarters are in Brussels, with advocacy offices in Washington DC, New York and Paris and a media liaison office in London. The organisation currently operates eleven

field offices (in Amman, Belgrade, Bogota, Islamabad, Jakarta, Nairobi, Osh, Pristina, Sarajevo, Sierra Leone and Skopje) with analysts working in nearly 30 crisis-affected countries and territories across four continents.

In *Africa*, those countries include Burundi, Rwanda, the Democratic Republic of Congo, Sierra Leone-Liberia-Guinea, Somalia, Sudan and Zimbabwe; in *Asia*, Indonesia, Myanmar, Kyrgyzstan, Tajikistan, Uzbekistan, Pakistan, Afghanistan and Kashmir; in *Europe*, Albania, Bosnia, Kosovo, Macedonia, Montenegro and Serbia; in the *Middle East*, the whole region from North Africa to Iran; and in *Latin America*, Colombia.

ICG raises funds from governments, charitable foundations, companies and individual donors. The following governments currently provide funding: Australia, Austria, Canada, Denmark, Finland, France, Germany, Ireland, Luxembourg, The Netherlands, Norway, Sweden, Switzerland, the Republic of China (Taiwan), Turkey, the United Kingdom and the United States.

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November 2002

APPENDIX G

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* The Algeria project was transferred from the Africa Program in January 2002.

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