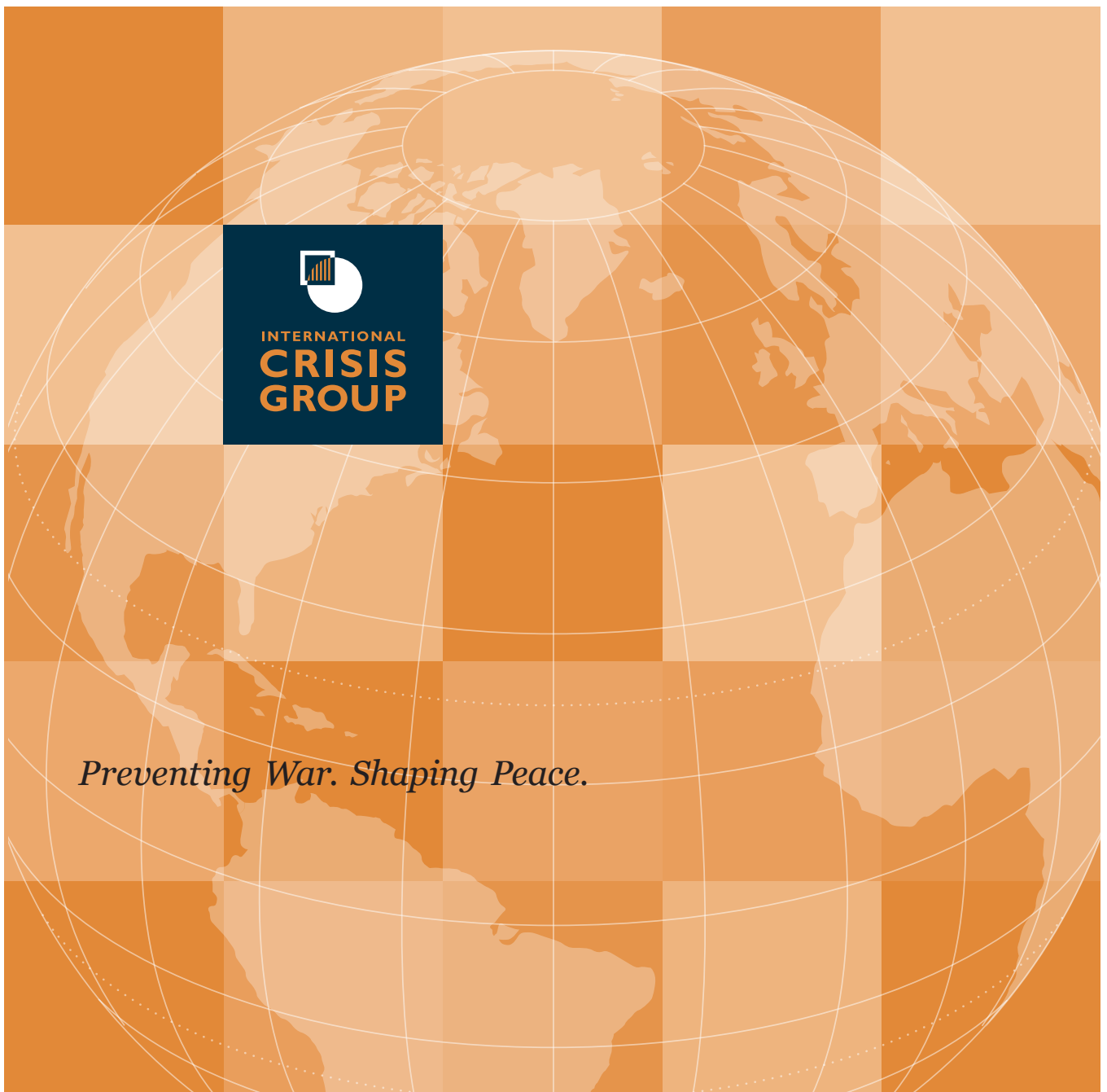


Watch List 2021

Crisis Group's early-warning Watch List identifies up to ten countries and regions at risk of conflict or escalation of violence. In these situations, early action, driven or supported by the EU and its member states, could generate stronger prospects for peace. The Watch List 2021 includes an Introduction, detailed conflict analyses and EU-targeted recommendations on Central African Republic, Democratic Republic of Congo, Ethiopia, Iran & the Gulf, Libya, Mexico & Central America, Nagorno-Karabakh, Somalia, Thailand and Venezuela.





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International Crisis Group | January 2021

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Preventing War. Shaping Peace.

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Introduction

Few of us will look back fondly at 2020. COVID-19 has killed millions, destroyed the lives and livelihoods of millions more, and triggered the worst global economic crisis since World War II. At the same time, few protagonists of the world's deadliest wars saw reason to stop fighting each other to battle the virus. Indeed, in Afghanistan, despite peace talks, in Yemen, the Sahel and Somalia, violence and human suffering continued apace. The latter part of the year saw wars reignite in Nagorno-Karabakh and the Central African Republic. A new conflict in Ethiopia's northern Tigray region grinds on, this one especially troubling due not only to its human toll but the risk of spill-over.

Nor has 2021 got off to a great start. Many Europeans greeted the new year in lockdown, facing their third – and possibly gravest – wave of the virus. The pandemic continues its ravages across much of the globe. Hope brought by the quick arrival of effective vaccines is already being tempered by the realisation of just how long it will take to roll them out, especially in parts of the Global South, and the worry that emerging mutations might undercut their efficacy. The full impact of the economic crisis has yet to be felt: it risks destabilising countries where the social contract was already fraying. Then there was the bitter end to Donald Trump's divisive U.S. presidency. The horror many in Europe and elsewhere felt at watching a mob inspired by Trump's own words occupy the iconic Capitol building on 6 January only deepened as it became clear, in the days afterward, how much worse it could have been.

A new administration in Washington brings some good news for Europe. During Trump's tenure, few other places saw longstanding assumptions about U.S. policy turned so abruptly on their heads, as he questioned alliances, disparaged the EU and European leaders, and mostly ignored European views and interests. President Joe Biden brings opportunities for a reset. Ideally, the U.S. would, with Europe's support, return to the 2015 Iran nuclear deal and then seek further agreements with Tehran about its role in the Middle East, thus halting what has been a perilous escalation in U.S.-Iran tension. In Venezuela, like Iran the target of a mostly ineffective "maximum pressure" strategy over the past few years, a new team in Washington could bring an approach more deeply rooted in diplomacy and closer to that of Brussels. European leaders will, rightly, welcome the Biden administration's plans to return to multilateral diplomacy – and the prospects that in so doing it will work more closely with

allies on the UN Security Council, lend greater support to UN peacemaking, lead on tackling the climate crisis and hopefully help coordinate an equitable distribution of COVID-19 vaccines.

But even with a new U.S. administration, the continent's thorniest geopolitical challenges still loom large. First there is the United States itself. U.S. institutions weathered the last few years, but political gridlock and polarisation, millions of citizens' belief that Trump won the 2020 vote and the chance that he – or someone with similar authoritarian leanings and antipathy toward traditional allies – could return in 2025 mean that Biden might offer only short respite. Then there is China. The Biden team will look to European allies to help stand up to Chinese trade practices, assertiveness in the South China Sea and other parts of Asia, and growing heft in global institutions. For European leaders, doing so where it serves Europe's interests, managing with as little friction as possible any divergence with Washington, while avoiding unnecessarily antagonising Beijing and keeping open avenues for coordination on issues like climate change and nuclear proliferation will be no mean feat.

Relations closer to home are no easier. Dealings with Russia are as fraught as ever over Ukraine, alleged Russian election meddling, sanctions and now Moscow's treatment of opposition leader Alexei Navalny. Hostility between the Kremlin and Western capitals complicates cooperation where that makes sense, including on rebuilding trade links across the South Caucasus after the Nagorno-Karabakh war. That said, Washington and Moscow's rapid cooperation to extend the New START treaty suggests the U.S. will try to work with Russia where it can; European states should do the same. Turkey's relations with EU governments are equally complex. As tensions in the eastern Mediterranean Sea mount, Ankara bristles at what it sees as European ingratitude for its hosting millions of refugees and flexes its muscles in conflicts spanning Europe's unstable southern and eastern flanks.

Still, despite the geopolitical heartburn, Brussels and European states can do a lot to alleviate some of today's worst wars and crises. The world may look a rougher place than it did a decade or two ago: major and regional power rivalries fiercer; more actors involved in more conflicts; more of them ready to pursue their ends with violence. But Europe's diplomatic and economic muscle still give it an edge in running or supporting peacemaking efforts and improving the plight of people whose lives have been upended by war. The new European Peace Facility, a new fund that will pay third states' military and defence initiatives outside Europe, should allow the EU to more easily support military and defence operations abroad, where those are necessary. As the list of crises below illustrates, efforts to prevent or calm conflicts, or to mitigate the suffering and destruction they cause, can often cut through, work around or continue irrespective of a world order in flux.

AFRICA

Picking Up the Pieces in the Central African Republic

Hopes that the Central African Republic (CAR)'s 27 December 2020 presidential and parliamentary elections could reinforce state authority and provide a basis for political consensus were dashed as a new coalition of armed groups began advancing on the capital Bangui. Turnout was low, partly as a result of insecurity, with only 35 per cent of the country's 1.85 million registered voters casting their ballot in presidential and legislative elections, according to official figures, leading much of the country's political opposition to say the polls lacked credibility. Also due to insecurity, the vote could not be held for roughly 40 per cent of the 140 National Assembly seats up for grabs. Nevertheless, the National Elections Agency on 4 January declared incumbent Faustin Touadéra the winner with over 53 per cent of the vote, obviating the requirement for any run-off. The opposition, furious about alleged fraud as well as disenfranchisement, took its complaints to the Constitutional Court, which rejected its call for a rerun, confirming Touadéra's victory on 18 January. The largest opposition coalition, COD2020, rejects the court's decision and refuses to recognise Touadéra's re-election. Other opposition leaders criticise the court but have passively accepted its decision.

Trouble started in early December when the court rejected the candidacy of former President Francois Bozizé, who seized power in a coup in 2003 but was deposed by a coalition of rebels, known as the Seleka, in 2013. The court cited the government's international arrest warrant and UN sanctions against Bozizé for alleged assassinations, torture and other crimes. An opportunistic coalition of armed groups, made up of six of the fourteen signatories to a 2019 peace deal comprising ex-Seleka factions as well as "anti-Balaka" militia that had formed to resist the Seleka, then declared its intention to disrupt elections. Bozizé later confirmed that he was behind the new grouping. Many fear that he is committed to overthrowing the government. As fighting spread to the Bangui outskirts in late December and early January, the government has relied on assistance from UN peacekeepers and troops deployed from Russia and Rwanda to keep the rebels at bay. Authorities have meanwhile started to arrest opponents and perceived allies of the rebellion.

The Constitutional Court's confirmation of Touadéra's victory has done little to cool things down. Both the government and opposition politicians, many of whom had for months prior to the elections been increasingly strident about their ambitions to unseat Touadéra, feel aggrieved, reducing the chances of compromise. Yet the parties will have to find some common ground to avoid the outcome of the elections giving birth to an entrenched political and security crisis.

The European Union is deeply engaged in CAR. It provides much humanitarian and development aid. It has a longstanding mission in the country, tasked with training the national army, and a newer civilian mission, formally set up in December 2019, that advises on security sector reform. It is also the largest donor for the elections. The EU, and its member state France, have extensive and longstanding contacts with government and opposition figures, which makes them well placed to nudge the parties toward compromise.

The EU and its member states should consider the following steps:

- Pressure government and opposition to cool down the heated rhetoric and desist from violent behaviour. In particular, the EU should seek to persuade the opposition to clearly condemn Francois Bozizé's actions, while pressuring the government to rein in abuses by security forces and allied militias against civilians or the government's political opponents.
- Nudge the government and political opposition toward talks and help find compromise positions. The talks should ideally be overseen by the African Union (AU) and the regional body Economic Community of Central African States (ECCAS), as the latter has already made some attempts to build bridges, but the EU could support any mediation through its diplomatic engagement, and be ready to provide technical support for talks if required. The EU could usefully also eventually support AU-mediated talks with armed groups.
- Support the holding of legislative elections for those seats for which no voting took place by making sure funds are available if needed. The EU should advocate for additional time to hold these elections so that mediation efforts have a chance to persuade political parties to support the process, improve security and allow more citizens to vote.

Bozizé and Armed Groups Sow Electoral Chaos, Continue Attacking

Tentative hopes elections could improve the lot of CAR's people who have faced nearly a decade of on-off civil war were seemingly dashed in December as violence escalated. With one month to go, election preparations, while far from perfect, had been more or less on track, with 1.85 million citizens registered to vote. But former President Bozizé's ambitions to return to power ultimately stirred political tensions until they descended into conflict. Returning from exile in late 2019 despite an arrest warrant against him, he had met with President Touadéra, who once served as Bozizé's prime minister, in what many diplomats took to be a sign of cordiality between them. His presidential ambitions and opposition to Touadéra soon became clear, however. Tensions spiked when on 4 December, the Constitutional Court rejected Bozizé's application to contest the presidential election, arguing that he failed the moral person test due to a national arrest warrant and UN sanctions against him.

On 15 December, a new armed coalition emerged that seemed intent on disrupting the vote. The Coalition of Patriots for Change (CPC) criticised what they said were elections that had been poorly prepared while denouncing the

lack of implementation of the February 2019 peace agreement, of which they were all signatories. Some of the six members of the CPC were part of the Sel-eka coalition that overthrew President Bozizé in 2013, while others are drawn from the anti-Balaka militia that grew up in reaction to the growing violence. Starting just days before the polls were due to be held, they began taking on the national army and UN forces in several towns in the west and centre of the country. Shortly before the 27 December vote, Bozizé confirmed what everyone suspected: that he was behind the opportunistic alliance.

In early January, after election results were announced, rebels continued to attack, finding their way into the outskirts of the heavily defended capital, although this seemed more to demonstrate their disruptive capacity than a serious attempt to capture Bangui and overthrow the government. They were repelled by a combination of UN forces and troops or military advisers flown in from Russia and Rwanda at President Touadéra's request.

Electoral Results Marred and Ever Deeper Political Divisions

Election turnout has been badly disrupted by the insecurity. Crowds of enthusiastic voters lining up in Bangui were not matched by those voting in the provinces: nationally, over half of polling stations could not open. The National Elections Authority put the turnout at merely 37 per cent of the 1.85 million registered voters. Elections for National Assembly seats were also significantly disrupted: the vote did not take place for 58 of the 140 seats. The first round of voting delivered results for 21 seats, with five seats going to Touadéra's party, while second-round voting is in principle scheduled on 7 February for 61 seats which could not produce a first-round winner. Nothing is yet planned, however, for the 58 empty seats for which no voting took place. On 4 January, the National Elections Agency declared Touadéra the winner of the presidential poll with over 53 per cent of the vote, making a second-round run-off unnecessary. Violence did not prevent the Constitutional Court from proclaiming Touadéra's victory on 19 January.

The vote has left government and opposition sharply divided. The government is deeply aggrieved at the perceived failure of some opposition leaders to clearly distance themselves from the coup attempt mounted by Bozizé. The authorities have arrested civilians and military officers seen as close to Bozizé and barred at least one political opponent from leaving the country. Touadéra has also called on allies in the region (Rwanda, Angola, the Democratic Republic of Congo) and on Russia to back him militarily. He seems in little mood to compromise with an opposition he sees as allied with insurgents. For its part, the opposition argues that electoral preparations were already insufficient long before the new rebellion and that their inability to campaign due to previously prevailing insecurity, along with multiple other irregularities and the low turnout, should invalidate the whole exercise. They are also angry at the increasingly heavy hand used by government security forces and pro-government militias inside Bangui. For them, swearing in a new president in such conditions will do nothing for the country's long-term stability.

Both government and opposition are aggrieved, but it is in their long-term interests to strike a deal. Without one, the country could see a prolonged period of instability. Touadéra runs the risk that such a crisis could undermine his second and final term in office, with his agenda possibly blocked by a hostile National Assembly. Meanwhile, opposition politicians risk losing public support if they are seen to be complicit in or condoning any prolonged rebellion by Bozizé, which is likely to lead to a heavy loss of civilian life.

What the EU Should Do

The EU and France, the only member state with an embassy in Bangui, along with African partners should push the opposition to recognise the results of the elections. Building on a joint statement the EU made with the AU, UN and ECCAS on 19 January, and more widely on the technical and financial support it has offered to mediation efforts over the last two years, it should, together with those partners, hold consultations with opposition politicians to persuade them not to condone Bozizé's rebellion. The EU should also use its good offices to persuade the government that talks with the opposition are the only way to repair relations. It should offer diplomatic support to the AU, ECCAS and the UN as they seek to repair the damage done to the 2019 agreement and move toward new talks with armed groups. Reducing fighting between the government and those groups is a priority, to facilitate preparations for legislative elections and possibly to pave the way for African actors to convene talks. The EU, working with others, should do what it can to push for a ceasefire.

The EU should also push Touadéra to agree to rapidly create the conditions needed for inclusive National Assembly elections, which may include rerunning first-round votes in the constituencies where no vote took place and potentially even, if the parties all agree on the parameters, in those with very low turnouts due to insecurity. Brussels should be ready to finance these polls to bolster the credibility of the overall election. At the same time, the EU should do whatever it can, again working with others, to help persuade Bozizé's party to disassociate itself from the actions of the former president and take part in legislative elections, to ensure inclusion of its large constituency in the west of the country. The EU could also offer to work with the government to improve the overall electoral system before the local elections take place at the end of 2021, including on issues related to refugees' voting or the National Elections Agency's perceived lack of neutrality.

Stabilising the Democratic Republic of Congo after an Apex Power Struggle

In the Democratic Republic of Congo (DRC), power is finally shifting into the hands of President Félix Tshisekedi, but it is unclear if stability will follow. Two years into his term of office, Tshisekedi is taking bold steps to consolidate his authority and diminish the influence of his predecessor Joseph Kabila, who

has continued to control institutions and revenue streams since stepping down after elections in 2018. Tshisekedi capped recent moves to strengthen his own position, including installing three allies as Constitutional Court judges, by exiting a coalition with Kabila. The way is now open for him to form a new parliamentary majority, which in turn will allow him to make ministerial and military appointments more freely and ideally pursue the reform the country desperately needs. But the risk of conflict with Kabila's camp still looms. Moreover, even as Tshisekedi promises change, some allies or potential allies appear set on feeding off state funds and expropriating property, thus deepening the kleptocracy that has ruined the country and invited past rebellions. Armed groups continue to plague the country's east, the crucible of prior wars. The struggle between the president and his predecessor may exacerbate this problem as the two camps could enlist rebels to stoke trouble or intimidate opponents.

To push President Tshisekedi and his government toward reform, while avoiding a return to conflict, the EU and its member states should:

- Assist the Congolese government in fighting widespread corruption by allocating some funding available under the EU's 2021-2027 budget cycle to relevant projects, including support for the newly established anti-corruption agency, and pressing officials to allow it to operate independently.
- Step up efforts to keep Tshisekedi and Kabila on speaking terms. While pushing for independent anti-corruption efforts, the EU should simultaneously encourage the president to continue engaging with his former coalition partner to demonstrate that he will not use these measures as a political tool to punish rivals. The conversation could be broadened to focus on how both could prevent their allies from using armed groups for political gain.
- Offer financial and technical support to a community-based and coherent national disarmament, demobilisation and reintegration (DDR) process, to further ensure that politicians do not use Congolese armed groups and militias for their own purposes.

Consolidating Power, Dealing with Corruption

After two years of sparring with Kabila, President Tshisekedi has gained the upper hand. The two leaders reportedly cut a backroom deal after the 2018 elections to share power in a coalition government, but continuous tensions marked their alliance. Kabila's bloc had an overwhelming majority in both houses of parliament, and also controlled many key cabinet positions, including the prime minister's office. The former president, now a senator for life, also retained the loyalties of numerous army officers and employees of state-owned companies, giving him uninterrupted access to the country's wealth. But in mid-2020 dynamics started to shift. Pressured by his own party, which wants to show progress ahead of 2023 elections, and encouraged by the U.S., Tshisekedi started to clip his predecessor's wings. In July, he blocked a Kabila ally's ap-

pointment as electoral commission head; three months later, he pushed through three constitutional court judges against the former president's wishes. Finally, in December, Tshisekedi ended his coalition with Kabila, having pulled many of the latter's parliamentary supporters into his own camp. In a clear sign that power is shifting in Tshisekedi's favour, deputies then voted to remove Jeannine Mabunda, another Kabila backer, as the National Assembly speaker and, on 27 January 2021, passed a vote of no confidence in Prime Minister Sylvestre Ilunga, a Kabila ally. Tshisekedi now seeks a new parliamentary majority.

In consolidating power, however, Tshisekedi risks repeating his predecessor's errors, if his entrenchment in power becomes a means for his allies to indulge in their own corruption and abuse. Diplomats and other sources tell Crisis Group that members of Tshisekedi's entourage are allegedly squandering state funds and enriching themselves ever more rapidly. Now that he is relying on former Kabila supporters in addition to his own original backers, Tshisekedi will likely also need to extend the former president's ex-affiliates some form of patronage to keep them loyal, potentially using state resources to secure their continued support. Meanwhile, there are signs that he may be taking a more repressive turn, clamping down on dissent. In the past year, the authorities cracked down on opposition members and critics. Security forces used tear gas to disperse crowds during two demonstrations organised by opposition leader Martin Fayulu. In May, they arrested a leader of Kabila's youth league who stated that Tshisekedi had not won the elections and in July, youth members of Tshisekedi's party beat demonstrators who were asking the governor of Kasai province, a Tshisekedi ally, to resign. In November, authorities arrested a famous singer who had released a song that could be interpreted as criticising Tshisekedi for turning against Kabila.

Dangers

While Congolese and external actors are surprised by the speed with which Tshisekedi has been able to sideline Kabila, the former president is unlikely to go quietly. Kabila built a vast political, military and financial network during his eighteen years in power. He still commands loyalty throughout the security services. Diplomats and Congolese military sources fear that his camp could activate rebel networks in the east or in the mineral-rich provinces once known as Katanga. Tshisekedi, who knows that networks in the army have cooperated with rebels for years, has tried to bring the military under his control, replacing the Republican Guard's head, a Kabila loyalist, and removing his predecessor's confidantes from other influential posts. In December, commanders in the third operational zone covering the eastern provinces, long known as hardened Kabila backers, instead expressed their support for Tshisekedi. It is unclear, however, what the switch of allegiance will mean in practice.

Meanwhile, dozens of Congolese and foreign armed groups remain active in the country's troubled east. Of this plethora of groups, some have strong military capacities and political influence, derived from alliances with provincial and national politicians and businessmen, while others are militias without serious political goals, often active in remote areas. Some are embedded in

society, while others are more predatory toward the local population. Lastly, some have connections in neighbouring Uganda, Rwanda and Burundi, meaning that the DRC remains vulnerable to proxy conflicts playing out in its territory. Tshisekedi stressed his determination to dismantle these groups when he assumed office. But, seemingly distracted by Kinshasa politics and hindered by the task's vastness and complexity, he has so far failed to deliver on this promise. The COVID-19 outbreak has stymied his attempts to reach out to and improve relations among leaders in neighbouring countries, which also could help calm tensions in the DRC's east, though he could give these efforts a boost when he assumes the chair of the African Union in February. On the other hand, there is a risk that Tshisekedi will decide to deploy former rebels, some of whom have returned to Kinshasa at his invitation, to fend off Kabila-backed opponents if he feels the need.

How the EU Can Help

Relations between the EU and the DRC cooled as the Kabila era drew to a close, but with Tshisekedi in power, Brussels has begun to re-engage. Its December 2019 Foreign Affairs Council conclusions proposed advancing political dialogue with the DRC and called for renewed efforts to promote respect for human rights, democratic principles, the rule of law and good governance. EU and member state officials have already held one formal dialogue with their Congolese government counterparts in October 2020, with a follow-up scheduled for June 2021.

In particular, Brussels should step up efforts to encourage Tshisekedi to continue rooting out corruption and prosecuting the major theft of public funds. The president himself has an interest in doing so: it would allow him to present the clean-up as an accomplishment going into elections in 2023. There are dangers to such reforms, however, notably that Congolese elites and people view them as partisan or a means of score settling. They could also stir up a violent reaction. At the same time, Tshisekedi may be tempted to allow his old and new allies to enrich themselves as he seeks to build a new coalition and free himself from his predecessor's influence. He should refrain from doing so. Allowing corruption to spread would seriously damage his chances of re-election in 2023.

The EU can contribute toward successful anti-graft efforts. It should do as much as it can to create space for the newly established anti-corruption agency to operate independently. Brussels should make support to the agency, created by presidential decree in March 2020 and funded by the presidency, conditional on clear benchmarks. Selection of the agency's staff should be transparent, and the agency should increase its financial independence, allowing it to also investigate the president's entourage if needed. The EU should push for all corruption investigations to proceed on the basis of evidence, not political expedience. Ideally – and assuming credible allegations or evidence exist – the commission should undertake investigations into individuals from different political factions. Kabila allies already claim that the Tshisekedi camp is threatening to sue them for corruption to force them to join the new majority. The Tshisekedi government will have to strike a fine balance, accompanying investigations with negotiations aimed at retaining a minimum of trust with its erstwhile coalition partners. Such

talks could also explore how to rein in armed groups and advance DDR. The EU could encourage and support such talks.

Support by the EU and its member states for a community-based and coherent DDR process could assist Tshisekedi in his core pledge to dismantle armed groups. The government has put the launch of a nationally coordinated DDR plan, which merges existing programs, on hold, while Tshisekedi tries to identify a new parliamentary majority. The draft plan seems to have taken international concerns into account; it offers neither an amnesty for armed group members who committed grave human rights violations, nor automatic reintegration of former combatants in the army – both of which donors feared. Under Kabila, international partners were reluctant to contribute, because the government often misused the funds and did not deliver the desired results. With Tshisekedi in charge, they should give authorities another chance. Kinshasa will need outside financing and technical assistance to make DDR work. In case of support to the new DDR plan, coordination among the EU and its member states will be crucial.

War and Repression in Ethiopia Make National Dialogue Ever More Pressing

After five years of protests and a tumultuous transition, Ethiopia faces its toughest challenge yet in 2021 as conflict continues in the northern Tigray region and opposition parties threaten to boycott elections. Unless the federal government adopts a conciliatory approach toward opponents, the country's chronic instability is set to worsen. Following weeks of fighting, federal forces took Tigray's capital Mekelle on 28 November 2020 and declared victory over its regional leadership. Tigrayans continue to mount armed resistance, although federal authorities recently announced that they have killed or detained some high-profile figures from the Tigray People's Liberation Front (TPLF), the ousted regional ruling party. The war to date has killed thousands of people, forcing 50,000 refugees into Sudan and displacing up to two million people internally, many of whom are now bereft of food and shelter. Worryingly, border tensions with Sudan are escalating; relations between the two countries were already strained due to the dispute over Ethiopia's dam on the Nile. Elections, delayed due to COVID-19, pose another challenge. Those polls are set for 5 June, but not, at present, in Tigray. Opposition parties in another key region, Oromia, may well sit out the vote, complaining of state repression, including their leaders' detention. Addis Ababa promises a fair and competitive ballot, but that prospect is diminishing.

To forestall further fragmentation and address Ethiopia's deep divisions, Prime Minister Abiy Ahmed and his allies will have to address anger among Tigrayans who fear for their self-determination rights and believe that Ethiopian and Eritrean forces have committed atrocities against civilians in Tigray. Prior to the election, Addis Ababa should also convene an inclusive national dialogue, offering an amnesty to key jailed opposition leaders.

The EU has suspended €88.5 million of planned direct budgetary support to Ethiopia and linked its resumption to the cessation of hostilities, follow-up on allegations of human rights abuse, and full access for humanitarian aid agencies and media outlets to all areas of Tigray. Building on this step, Brussels and European governments should:

- Continue to press federal authorities to allow untrammelled access for aid agencies and media outlets to all of Tigray. To date, movement restrictions and a telecommunications blackout have prevented vulnerable populations from receiving assistance and rendered claims of atrocities by both sides hard to verify.
- Push, in conjunction with key international partners, for independent probes of all sides' claims of atrocities. The Ethiopian Human Rights Commission (EHRC) could conduct investigations, perhaps with support from the UN high commissioner for human rights.
- To help calm widespread Tigrayan anger at the intervention, the EU should urge the federal government to roll back Amhara occupation of parts of Tigray and curtail Eritrea's involvement. The Amhara claims to parts of Tigray should instead be addressed via a federal boundary commission.
- Encourage the federal government to offer amnesty to jailed Ethiopian opposition leaders from major political parties to give the June election a chance of proceeding without boycotts or other disruptions. Once free, those opponents should then be part of a national dialogue that will first discuss how to create conditions for a fair vote. After the election, the dialogue should take on questions underpinning the country's most divisive fault lines, notably the schism between pan-Ethiopian forces and ethno-nationalists.

War Entrenches Divisions

Ethiopia ended 2020 with a bloody conflict ongoing in Tigray. On 3 November, Tigray's forces, in alliance with some of the Tigrayan officers in the national army, forcibly took over some of the units stationed in the region, fearing, Tigrayan leaders claimed, an imminent federal assault. They killed or detained federal troops who did not surrender. The federal government responded with an armed campaign, which included drone attacks and support from Amhara region regular and irregular forces and Eritrea's military – though both Addis Ababa and Asmara deny Eritrean involvement. These combined forces swept across Tigray, taking major towns and seizing Mekelle less than a month later.

Gains came at a high cost. Thousands died, millions fled their homes, and reports suggest mass killings and rape. Tigrayans who escaped to Sudanese refugee camps report abuses by Amhara militias, especially in the parts of west Tigray that Amhara factions have de facto annexed. Accusations of atrocities and looting by Eritrean troops are also stacking up. The EHRC, a body accountable to parliament, said a Tigrayan militia massacred hundreds of mostly Amhara civilians in west Tigray in the first week of the war.

If the Tigrayan takeover of military bases was the final trigger, the war's roots lie primarily in bitter divisions over power sharing. When Abiy took office in 2018, Tigray's leaders lost the disproportionate federal influence they had long exercised, along with coalition partners from other regions, with an iron fist. Acrimony grew as Abiy's tenure went on. Tigrayan leaders distrusted Abiy's rapprochement with their old foe, Eritrean leader Isaias Afwerki. They and other supporters of Ethiopia's ethnic federal constitutional order that, on paper, devolves power to its regions, feared that Abiy planned to dismantle that system. Abiy's allies accuse TPLF elites of obstructing reform and stoking trouble through violence. When federal authorities delayed elections due to COVID-19 and, in June 2020, extended the federal and regional governments' terms, Tigray balked and, in defiance of federal rulings, went ahead with its regional poll. Addis Ababa classified Tigray's new executive as unconstitutional. Mekelle rejected the federal government's authority after its term expired in early October. The mutual delegitimation put the two sides on a collision course.

With Abiy set on military victory, the struggle is a matter of survival for Tigray's leaders. Some of these leaders have already been killed in battle, but those who are still at large are likely to continue to resist unless defeated. They appear to have significant popular backing. Despite the federal gains, Tigrayan political and military leaders are still claiming battlefield victories, despite having been overpowered by the ground incursion and aerial bombardment and having lost control of the regional government apparatus. Addis Ababa now faces a fundamental political challenge, as many Tigrayans appear to view the ousted TPLF leaders as legitimately elected and the federal intervention as illegal. Atrocities during the war have also heightened Tigrayan outrage, which makes a political settlement harder to achieve.

If Abiy's administration is to have any hope of assuaging Tigrayans, it must act fast. Amhara nationalists claim parts of Tigray's west and south as historically belonging to their people, suggesting that they intend to stay. The federal government should put disputed areas under the interim Tigray government's writ, push Amhara leaders to withdraw their forces and expedite a federal boundary commission's work assessing Amhara claims. Addis Ababa also must ensure that Eritrea's troops leave Tigray immediately. Without these measures, hope seems slim of convincing Tigrayans, including the lower echelons of the formerly TPLF-run administration, to work with a federally imposed transitional government, as is Addis Ababa's wish.

Absent such steps, the federal government may well face a protracted crisis in Tigray that will sap its resources and further alienate the Tigrayan population, thereby making a political settlement even harder to reach. Sustained resistance with popular support would also pose a threat to the lives of millions of Tigrayans who are dependent on aid. So far, the federal government has shown no inclination to allow deliveries of food and other essential items to areas outside its control. International appeals, including from the EU commissioner for crisis management, for unrestricted access to all areas affected by fighting have gone unheeded to date. The EU should maintain its principled stance on this issue and keep insisting that its delivery of development assistance to Ethiopia is linked to the federal government allowing humanitarian and media access to all of Tigray.

A lengthy federal campaign in Tigray could also trigger unrest elsewhere. It might embolden other ethno-nationalist Abiy opponents who are concerned that federal policy in Tigray violates constitutional principles of regional autonomy and self-determination. There are already escalating ethnically targeted attacks in the Benishangul-Gumuz region, which borders Sudan, reportedly by ethnic Gumuz militia who say their community has been marginalised. The Tigray conflict came after the federal government had responded to intercommunal violence in Oromia and Addis Ababa by arresting top Oromo opposition leaders, such as Jawar Mohammed and those from the Oromo Liberation Front, and also the likes of Eskinder Nega, who campaigns against ethno-nationalism. These moves threaten prospects for a credible election, as they target rivals of Abiy's ruling Prosperity Party. For now, the crackdown appears to have cowed Oromia's youthful protest movement that helped usher in Abiy's rule and hope for political liberalisation in 2018. But Oromo nationalist rebels have stepped up attacks and attracted more support, bringing a stern response from regional and federal security forces, involving mass arrests and killings. There is a real risk that the country is returning to the exclusionary violent politics of the past rather than moving toward the more inclusive democratic future that Abiy promised.

Pathways to Peace and National Dialogue

One way to break a counterproductive cycle of claim and counter-claim is to mount independent investigations of reports of atrocities committed by different parties in Tigray. Ethiopia's opposition puts no stock in state investigators and the private press is weak and intimidated, so those entities cannot do the job. The EHRC, on the other hand, looks capable of winning the public's trust. Accountable to parliament, the EHRC has made important contributions under the leadership of former activist Daniel Bekele, including a report on the violence in Oromia, which found evidence that state security forces killed protesters and that protesters committed crimes against humanity. Thus far, the body has probed alleged atrocities in Tigray on only one occasion, despite countless reports of rights violations. Building on the position it has already taken, the EU should strongly back the EHRC in probing the claims of atrocities across Tigray, perhaps with assistance from the UN high commissioner for human rights, as well as the events in other regions.

Equally importantly, European leaders should impress on Abiy's government that it should be more tolerant of dissent from activists and journalists. Abiy should stop punishing dissidents with legal measures that will likely breed further instability. Recent examples are the trial of politician Lidetu Ayalew for promoting the idea of a transitional government and the arrest of Tigrayan journalists in Addis Ababa.

While investigations can help establish facts and lay the foundations for a new political settlement, in themselves they are insufficient to bring Ethiopia's polarised political camps closer together. To achieve that end, sparring elites will need to resolve the core dispute over the balance between federal and ethno-regional power. That needs the participation of all key players.

Some form of inclusive national dialogue appears ever more critical. Prime Minister Abiy doubtless views the war as having strengthened his hand domestically. Many Ethiopians supported the federal war effort and, in quickly ending the TPLF's formal control of Tigray's regional political apparatus, he took out a key opponent and ideological rival. Ethiopia's deep fault lines are fundamentally political, however; they cannot be resolved on the battlefield. In the spirit of Abiy's forgiving *medemer* philosophy, which stresses national unity and cooperation of diverse entities for the common good, the EU should first urge a comprehensive political amnesty. That would serve as a precursor to a national dialogue, which would seek first to reach agreement on how to get to a credible election in June. After the vote, it would resume to address festering schisms, notably the split between supporters and opponents of ethnic federalism.

While European actors, such as NGOs that are present with financial support from the EU and its member states, have been doing important preparatory work for such a dialogue, it is also vital that the process be homegrown. The EU can play an important role in ensuring that all organisations it and member states support are well coordinated and backing national efforts. The EU should also encourage the federal government and ruling Prosperity Party to participate sincerely and give space to other participants. Its abstention or, alternatively, attempts to dominate proceedings would increase risks to Ethiopia's ailing democratic transition.

Stabilising Somalia for Elections and What Comes After

The year 2021 will be pivotal for Somalia. Parliamentary and presidential elections due by February promise to be intensely contested. Already, tensions between the federal government and semi-autonomous federal member states have poisoned the air for cooperation on a number of fronts, including work on a provisional constitution and establishment of a national army and police force. The polls risk piling further pressure on the political system and triggering confrontations among various powerful actors. Meanwhile, the African Union Mission in Somalia (AMISOM) looks set to begin drawing down at year's end even as Al-Shabaab's insurgency rages on.

To support Somalia at this critical juncture, the European Union and its member states can take the following steps:

- Use their diplomatic clout to push for fair, transparent and inclusive elections. Brussels and European capitals should lean on Mogadishu to avoid unilaterally proceeding with the vote, and on federal member states and the political opposition to avoid conducting the parallel polls that some contemplate. Rather, all sides should resume dialogue on election management, particularly on how to address the opposition's complaints over what it says is the incumbent's undue interference. Once parties reach an electoral

management agreement, the EU should urge them not to take any challenges to the streets but instead to stick with the dispute resolution mechanism hammered out in September.

- To boost inclusivity, the EU and member states should call for a clearer plan for how Somali leaders will fulfil their own commitment to ensuring that women assume at least 30 per cent of elected offices.
- Press whatever administration takes power in Mogadishu after the vote to improve cooperation with federal member states. Brussels should push the parties to use a formal institution such as an inter-state commission proposed in the provisional constitution as a regular mechanism for keeping centre-periphery dialogue going. This step will help rebuild trust between Mogadishu and regional capitals, allowing all sides to focus on achieving key aims related to the constitution and a national security plan endorsed at a London conference in 2017.
- Signal support for a continued, albeit reformed AMISOM mission. Commit to fund the mission through the end of 2021, while clearly outlining the conditions under which European powers would extend financial support for an external security presence in Somalia in 2022 and beyond.

A Heated Electoral Contest

Somalia's forthcoming elections will be fraught. President Mohamed Abdullahi Mohamed (Farmajo) is seeking to do what no Somali leader has done in recent years: secure a second term in office. He faces stiff resistance from an array of politicians who are united largely by the desire to prevent his re-election. His opponents include heavyweights such as Hassan Sheikh Mohamud and Sheikh Sharif Ahmed, former presidents who both can mobilise major clan constituencies. Meanwhile, the leaders of federal member states such as Puntland and Jubaland are also working to unseat Farmajo, risking a showdown that could pit federal against regional or clan forces if tensions between them do not dissipate.

The run-up to the vote has been marred by poor preparation and missed deadlines amid elite squabbling over management of electoral procedures. Farmajo's opponents have declined to recognise newly formed federal and state electoral committees out of concern that the president has stacked them with loyalists. They are so worried about tampering that they are mulling conducting a parallel poll. The standoff, unless resolved, risks undermining the election's credibility and could trigger violence if the opposition and their supporters either do not participate or reject the vote's outcome.

Far from seeking to build consensus, Mogadishu seems intent on barrelling ahead in defiance of the opposition's protests. On 9 January, Prime Minister Mohamed Hussein Roble announced that voting in the indirect elections, in which clans nominate delegates who in turn select parliamentarians, would proceed in mid-January. The opposition has rejected this unilateral approach, warning that it may lead to conflict. They have urged Somalia's international partners to lean on Mogadishu to change course. The potential showdown carries multiple dangers. It could set off fighting in the capital, where elements

of the powerful Hawiye clan strongly oppose Farmajo, and in other areas such as Gedo, where federal forces are locked in a standoff with local counterparts allied to the Jubaland administration. It could also fracture some of Somalia's security units along clan lines.

Post-Election Reconciliation

If Somalia can navigate the elections without major violence, whoever assumes the presidency will still face big challenges, including a deeply divided political landscape. Reconciliation, particularly between the federal government and member states, should be a priority. This fault line has only widened as Farmajo's administration has tried but failed to dominate member states and centralise power. The lesson from the past few years is that such attempts cannot succeed in Somalia's federal system. Instead, they sow discord and impede important national undertakings like finalising the provisional constitution and forming a national army and police force. All such reforms have sputtered in part due to non-cooperation between Mogadishu and member states. Quick progress on these fronts is important as by 2023 a new cycle of state elections will kick off, carrying on toward the next federal election in 2024 and preoccupying many politicians.

Dialogue will be critical. Any incoming administration in Mogadishu – whether Farmajo is re-elected or a challenger prevails – will need to institute a regular mechanism for sustained dialogue with member states, whereby the respective leaderships convene every month or quarter to discuss issues of mutual concern, including cooperation in fighting Al-Shabaab's insurgency. Article 111(f) of Somalia's provisional constitution calls for such an inter-state commission to facilitate federal-member state cooperation. Discussions of thornier questions, such as the nature of power and resource sharing in Somalia's federal model, should also take place as part of a push to finalise the provisional constitution. In addition, federal and state officials should prioritise standing up a national army and police force, with representation from all member states, as prescribed in the 2017 national security plan.

Tensions in the southern region of Gedo, where federal troops dislodged a local administration following a disputed Jubaland election in August 2019, will require special attention. Drawing down the federal forces in Gedo would be a good first gesture toward repairing the damage done by Mogadishu's overreach and a prelude to deeper discussions among the federal government, the Jubaland administration in Kismayo, Mogadishu and Gedo residents on the region's future governance. The Farmajo government committed to this drawdown in discussions with Jubaland regional president Ahmed Madobe in September 2020. The situation in Hiraan, a part of Hirshabelle state where the November 2020 election of a presidential candidate aligned to Mogadishu upset a local clan power-sharing arrangement, will also require dialogue between federal and local officials.

If frictions can be soothed in Gedo and Hiraan, it will be easier to pull Somali elites into discussions about the provisional constitution and national security architecture.

AMISOM

Security nationwide will also be high on the new president's agenda, given AMISOM's proposed drawdown in 2021. The African Union (AU) mission is scheduled to hand over primary security responsibility to Somali forces by the end of the year, while the UN Security Council may further adjust AMISOM's duties when its mandate comes up for renewal in February. The planned drawdown is driven by financial considerations, with the EU insisting that its commitment to cover AMISOM troop stipends is unsustainable. Yet international security assistance in Somalia will be needed after 2021, given Al-Shabaab's continued potency. The insurgency is firmly in control of large swathes of rural south-central Somalia and has infiltrated several cities that the government controls.

Reform of AMISOM thus seems more likely than total withdrawal. Even if the force undergoes budget cuts, one option might be to remodel it to reinvigorate its focus on offensive operations against Al-Shabaab, by increasing the mission's mobile capabilities. This would require first shifting responsibility for its current main task of holding major population centres to Somali forces, however, which could be achieved by seeking a greater role for AMISOM to mentor Somali security forces initially, as a means of further building up local capacity. Yet discussions of AMISOM's future are taking place amid frictions between external actors, including the AU and UN. Some AU officials believe the UN did not engage the AU sufficiently during a Somalia security assessment that the world body organised itself, rather than jointly as Addis Ababa had expected. The AU in turn viewed the assessment as narrowly focused on AMISOM rather than wider international security assistance to Somalia. The AU plans to conduct its own assessment instead. This disconnect symbolises the lack of coherence among international partners with regard to AMISOM's future.

What the EU Can Do

The EU and member states have contributed significantly toward stabilising Somalia, but much remains to be done.

First is the election. The EU and European governments, working with the AU and the U.S., should press the federal leadership to convene urgent talks with the opposition to agree upon a consensual way forward before the expiration of Farmajo's mandate on 8 February. All sides should abide as closely as possible by the terms of the September 2020 agreement. They will need in particular to come to agreement over the electoral committees' composition. In addition, and to ensure inclusivity, the EU should prioritise achieving the 30 per cent quota for women's representation in elected office, calling upon Somali stakeholders to present a plan for reaching that goal.

Following an agreement on election management, the next step is to enhance the dispute resolution mechanism called for in the September electoral agreement, limited as it may be within the confines of another indirect electoral process. The EU should press all Somali stakeholders to pursue any challenges to the election results through this mechanism and to commit publicly in advance to abide by its findings. It should urge Somali elites to allow the committee to

work independently, as perceptions of manipulation by any party will undermine its credibility.

After the election, the EU should press Mogadishu to reach out to aggrieved member states. It should push to initiate a regular dialogue mechanism for state and national leadership to discuss key issues, citing Article 111(f) of the provisional constitution. The EU can link future budgetary support to Somalia to the establishment of this mechanism, as a means of incentivising regular dialogue.

The EU and European governments should pay special attention to the stand-off in Gedo and the brewing discontent in Hiraaan. It should call on Mogadishu to fulfil its commitment to draw down forces in the former region and nudge federal and local authorities into dialogue in the latter.

On AMISOM, the EU could commit to new funding through the end of 2021. Then, following deeper collaborative discussions with Somali, AU and UN actors on the future of international security assistance, it could signal its support for the mission's continuation under a reformed mandate. Stating now the possible scope of its financial contributions and the conditions under which it would continue to fund Somali security, including AMISOM, after 2021 will also allow all parties to better understand the limits of support they can expect and to find consistent alternative funding sources for 2022 and beyond.

ASIA

Avoiding Political Violence in Thailand

A youth-led protest movement against the political status quo brought Thailand to a perilous juncture in 2020. From a diehard core opposing the 2014 coup and junta rule, the movement expanded after a 2019 general election that permitted the generals to continue governing with a veneer of legitimacy. Protesters demanded the resignation of coup leader Prime Minister Prayuth Chan-ocha and his government, the drafting of a new constitution with public input and an end to state harassment of activists. Tens of thousands of Thais participated in protests in Bangkok and around the country in the latter half of the year. In August, protest leaders went further and broached the issue of the monarchy's political role, breaking a taboo in a country where many consider the king sacred. The stipulation that the monarch should be accountable to elected institutions swiftly moved to the centre of protesters' demands, exciting fear within the conservative establishment. At stake is what sort of political order should prevail – a question often disputed since Thailand became a constitutional monarchy in 1932. The current model, codified in the 2017 constitution, hobbles elected officials and empowers unelected institutions, especially the judiciary and a 250-member, junta-appointed senate.

The establishment elite, embodied in the military, judiciary, palace and select oligarchs, show no sign of accommodating popular demands for a more representative pluralist political system. Protests have so far remained largely peaceful and are in abeyance due to a new wave of COVID-19 infections. But the movement is likely to regain momentum, as it did after the first wave, rekindling a risk of violence. While allowing demonstrations, the government has charged dozens of activists and protesters under various laws that could see them spend years in jail.

The EU and its members states can encourage a peaceful resolution of Thailand's political conflict by:

- making an unambiguous public statement that excessive use of force against protesters or dissidents by state security forces or their proxies will delay the signing of a Partnership and Cooperation Agreement (PCA) and scupper any future negotiation for a Thailand-EU Free Trade Agreement, until the Thai government has held perpetrators of such actions accountable;
- stepping up efforts to monitor the human rights situation in Thailand, including offering financial support to local civil society organisations and the UN to expand their monitoring capacity;

- acting as observers during judicial proceedings against activists and protesters charged under Article 112 of Thailand's penal code – commonly known as the lèse-majesté law – and other harsh legislation;
- offering good offices and technical expertise should a credible reconciliation process come into being.

Thailand on the Brink

The pro-democracy movement in Thailand represents a serious threat to incumbent power holders represented by Thailand's military, judiciary, palace and oligarchy. A coup in 2014 initiated the longest period of military rule in 40 years. A constitution drafted by junta appointees then tilted the electoral system in favour of military-backed parties, giving the coup makers a durable grip on political power following the March 2019 elections. Less than a year later, the Constitutional Court dissolved the progressive Future Forward Party. The decision disillusioned many young voters who saw in this party hope for change through parliamentary politics. Soon, the youth took to the streets. The protest movement's articulation of growing demand for reform of the monarchy, in particular, challenges the legitimacy of the political order that privileges unelected authority at the expense of popular sovereignty. Activists' demands are far-reaching, with gender equality and LGBT+ rights prominent currents in the movement, amounting to a call for social revolution that has elicited frantic reactions from conservatives. The protests have also pushed the country into uncharted waters by publicly criticising the monarchy, a subject that is ordinarily off limits.

With the exception of minor scuffles between protesters and police, the controversial use of water cannons against non-violent demonstrators, and a brief clash between pro-democracy protesters and royalist counter-demonstrators on 17 November, 2020's protests were remarkably peaceful. But there is a history in Thailand of security personnel using deadly force to quell pro-democracy protests. Such crackdowns have invariably been justified as necessary for defence of the monarchy – in 1973, 1976, 1992 and 2010. In the extraordinary circumstances of an unpopular military-backed government, extreme wealth inequality, a weakening economy, a prolonged pandemic and unprecedented questioning of the monarchy, harsh repression of protesters could engender popular backlash and a cycle of civil conflict. It is also possible that royalists may try to create a pretext for a crackdown or a coup through violent provocations. Meanwhile, the 2014 coup makers have all but blocked conventional avenues for rolling back the political order they have since established, with the appointed senate stymying substantive constitutional amendments.

Even short of a violent crackdown, the government's efforts to curb the protest movement may hinder reconciliation and reform, thus bringing turmoil. The government has heaped criminal charges upon protest leaders and activists – including sedition cases against at least 53 individuals. Alarming, authorities in November also revived the lèse-majesté law that had been dormant for almost three years, bringing cases against at least 54 people, including two minors. Some of them face multiple charges under the law, with each count carrying

a potential fifteen-year prison sentence. On 19 January, a former civil servant was convicted on 29 counts of royal defamation and received a sentence of 87 years, halved to 43 years because she pleaded guilty. Harassment of government critics takes various other forms. Beyond the hardships inherent in answering multiple charges for violations of the emergency decree and public order statutes, often in far-flung jurisdictions, there are reports of plainclothes officers visiting activists' homes, as well as their schools, workplaces and parents' houses, in obvious attempts to intimidate. These actions are taking place in the context of a series of enforced disappearances and murders of dissidents in exile that have occurred in recent years.

The stage is set for further confrontation. The government and its allies in the military and bureaucracy will not willingly surrender their prerogatives, secured with the 2014 coup and codified in the 2017 constitution. Nor is the king likely to relinquish the enhanced political, security and financial perquisites he has gained since acceding to the throne in 2016. Conversely, a new generation of Thais has signalled its unwillingness to submit to a political and social order that demands deference while denying them equality and opportunity.

Recommendations for the EU and its Member States

While the scope for external actors to shape events in Thailand is limited, the EU and its member states should use what leverage they have to discourage actions that could lead to violence or even a general civil conflict that would put reconciliation and political pluralism further out of reach. Foremost, the EU should publicly declare that any recourse to excessive or deadly force against peaceful protesters will trigger a suspension of engagement on signing a long-awaited PCA or a free trade agreement. This step would, in effect, bring the EU's stance back to where it was right after the 2014 coup, when Brussels decided it would not conclude a PCA with Bangkok or pursue free trade negotiations until Thailand had a democratically elected government. It was only in October 2019 that the EU's Foreign Affairs Council conclusions indicated a decision to broaden engagement with Thailand, following the general election that May.

The process of working toward a new consensus on political legitimacy is likely to be contentious, but it need not be violent if authorities respect Thai citizens' rights to peacefully seek change. In this regard, the EU and its member states should expand on their existing efforts to monitor the situation with respect to political and civil rights and liberties, including observing protests and physically witnessing trials of political activists and dissidents. They should issue clear public and private statements to the effect that restrictions on civil rights and human rights abuses will harm relations with the EU and its member states, as well as reverberate during Thailand's Universal Periodic Review at the UN's Human Rights Council in October 2021. The EU could also allocate funding to Thai human rights organisations and the UN to increase capacity to monitor developments in the country.

Finally, the EU and its member states could make available good offices and expertise to help foster a credible reconciliation process. Announced in late 2020, the government's proposed reconciliation committee appeared dead on arrival,

with activists and opposition parties rejecting it as a gambit to buy time and thwart substantive change. Such scepticism stems from experience: Thailand's record with truth and reconciliation panels is not exactly encouraging. There could be utility in third-party sponsorship of a framework in which relevant actors are able to exchange views on the most sensitive and vexing issues confronting Thai society, about which dialogue is, at present, virtually impossible. Brussels and member states could start by engaging with the president of the National Assembly to exchange views on reconciliation and, if requested by the relevant parties, offer support to such a process. The EU has a strong record of supporting mediation, dialogue and national reconciliation, and member states renewed their commitment to such activities in a new concept endorsed in December 2020. Such a role would accord with the EU's stated commitments to assist Thailand in lifting restrictions on freedom of expression and encouraging democratic pluralism.

EUROPE AND CENTRAL ASIA

Cooperation over Conflict in the South Caucasus

A brief second war between Armenia and Azerbaijan from late September to early November 2020 dramatically moved the front lines in Baku's favour. But it has not brought peace. The bloody six-week conflict is a cautionary tale, like the nearly 30 years of stalemate and skirmishes that preceded it. Both experiences warn that a future that does not address the grievances of both sides, integrate the economies of South Caucasus countries and bring real benefits to all who live there risks being a recipe for renewed instability and conflict. Russia, which brokered the 9 November ceasefire deal between Yerevan and Baku and has deployed peacekeeping troops to the region, will continue to shape relations among all concerned. Turkey, as Azerbaijan's chief backer and the party holding the key to Armenia's economic reconnection to the region, will also wield considerable clout. EU diplomacy and support, however, will be crucial in creating an environment in which the advantages of cooperation outweigh those of conflict. To engage effectively, Brussels will need to work closely with Moscow and Ankara. Unusual as such collaboration might be at a time when tensions are running high between the EU and both Russia and Turkey, it is necessary.

The EU and its member states should:

- Undertake sustained humanitarian initiatives in both Armenia and Azerbaijan to ease suffering, whether it results from the late 2020 fighting, the longstanding conflict beforehand or the COVID-19 pandemic;
- Stand ready to facilitate economic and infrastructure projects to reconnect the South Caucasus countries, including by road and rail;
- Continue to engage diplomatically, through the traditional and still official Organization for Security and Co-operation in Europe (OSCE) Minsk Group format for negotiations over Nagorno-Karabakh and other forums as appropriate. While efforts to resolve the core issues underpinning the conflict, notably Nagorno-Karabakh's status, are unlikely to bear fruit so soon after the fighting, it is important that diplomatic channels continue to function for when opportunities do arise.
- As soon as is feasible, resume efforts to build relations and trust between Armenians and Azerbaijanis through direct people-to-people contacts and projects that facilitate cross-border visits for experts and journalists.

A Ceasefire Short of Real Peace

When the first Nagorno-Karabakh war ended in 1994, it left the region ravaged, with tens of thousands of Armenians and Azerbaijanis dead and hundreds of thousands displaced. Armenian forces were in control of not only the former Nagorno-Karabakh Autonomous Oblast, a region within Soviet Azerbaijan that its ethnic Armenian majority had unilaterally declared independent in 1991, but also seven additional adjacent Azerbaijani regions. Armenia was, in effect, under Azerbaijani and Turkish economic blockade. Each side accused the other of war crimes and atrocities.

At the time, all involved hoped that with the fighting over, negotiations could bring a lasting deal. The OSCE established the Minsk Group, co-chaired by France, Russia and the U.S., to facilitate talks. But if the Minsk Group fostered some dialogue, peace grew more elusive with each passing year. As positions hardened, Azerbaijani and Armenian communities became ever more isolated from one another. Both sides built up their militaries, preparing for a rematch. For nearly three decades, the OSCE Minsk Group co-chairs tried to broker compromise but, as their attempts were rebuffed, gradually threw up their hands. Peacemaking efforts largely petered out. There was a nominal ceasefire, but violations were numerous, and on several occasions escalated into larger clashes.

All-out war resumed in September 2020. After clashes on the front line, Azerbaijani forces quickly advanced and, over the course of six weeks, recaptured much of the territory lost in 1994. The fighting killed thousands. Most of the dead were male combatants, a great many of them young conscripts between the ages of eighteen and twenty. The war also displaced, albeit in some cases temporarily, tens of thousands, predominantly women and children, with many families separated for at least the duration of the conflict.

In November, Moscow brokered a deal that ended the fighting but has not brought true peace. As a result of both ground offensives and the deal brokered by Moscow, Baku has regained control of the seven territories Armenia had held around Nagorno-Karabakh, as well as roughly one third of the mountainous enclave itself. The rest remains under Armenian control, patrolled by both Russian peacekeeping forces and the self-proclaimed Nagorno-Karabakh authorities' security personnel. The disputed region's long-term status remains an open question, as do the details of the Russian peacekeepers' mandate. Other Russian government personnel are offering aid and reconstruction assistance in Armenian-controlled parts of Nagorno-Karabakh. Turkey is active in Azerbaijan, assisting with demining and reconstruction. The sides exchanged some prisoners of war in December, but Armenia is now angry at Azerbaijan's stated plans to prosecute several Armenian soldiers whom it has in custody. Baku says its forces captured these soldiers after the end of hostilities, but they appear to have arrested at least one while the war was still raging. There are other troubling developments, including skirmishes at the new front line, which is much closer to civilian settlements than the old one. Only the Russian forces' arrival halted the shooting.

None of this bodes well for the long term. There is little risk that history, which is to say the pattern of military build-up, stalemate and eventual rematch

of the last 30 years, will repeat itself exactly. But the past decades illustrate all too clearly the dangers that lie in festering resentment, the absence of meaningful talks aimed at addressing it and a region in which borders are closed and contacts among communities across front lines few.

A lasting peace does not require everyone to agree on everything from the start. Indeed, it would be premature to push the parties toward agreement on Nagorno-Karabakh's status so soon after the war. Reconciliation is only likely to take place gradually and only if all parties see it as in their interests. In support of a step-by-step approach, the Russian-brokered ceasefire deal calls for economic reconnection, an aspiration the leaders of Armenia, Azerbaijan and Russia reaffirmed when they met on 11 January in Moscow, promising to create a working group to define plans for new commercial ties and transport infrastructure. These plans could define a new and different way forward, one that creates real economic incentives to collaborate and eschew violence. But the plans will not work without broader international engagement – and here, the EU may have a special role to play.

How the EU Can Help

Both Armenia and Azerbaijan participate in the EU's Eastern Partnership initiative. One goal of this program is to improve transport links in the South Caucasus, which Brussels has helped do in Azerbaijan as well as in neighbouring Georgia. EU support for rebuilding railways and roads that once connected Azerbaijan, Turkey and Armenia would be in line with both its own goals and those announced at the 11 January Moscow summit.

The EU should also call on both sides to address mutual accusations of human rights abuses. Few other international bodies have the leverage and the moral standing in the South Caucasus to call on Armenia and Azerbaijan to fulfil their commitments to prisoner exchanges and to investigate past abuses adequately.

Europeans can also help keep diplomatic channels alive, even if seeking a settlement on major issues does not make sense for now. Russia's direct involvement and the relative disengagement of France and the U.S. has, at least for now, relegated the Minsk format to a less central role. Besides, many Azerbaijanis see France and the U.S. as having failed to deliver on peace plans since the first Nagorno-Karabakh war. But the Minsk process remains relevant as the internationally agreed format for negotiations: it may be crucial to ensuring the flow of humanitarian aid in the near term and broad regional and global support for any future settlement.

The EU could consider bolstering the role of its own special representative for the region, by giving staff support to enable more active engagement, working both with the OSCE and independently. The EU should also support member state Sweden, which just assumed the OSCE Chairmanship-in-Office for 2021, in fulfilling its mandate for keeping up OSCE contacts with Azerbaijani, Armenian, Russian and Turkish leaders on the conflict. The EU can publicly acknowledge the importance of this mission and ensure that Sweden maintains a point role with regard to the conflict for member states.

Past EU support in this region focused on building relations and trust between civil societies on both sides. Although it facilitated direct people-to-people contacts that would not otherwise have occurred, it increasingly involved the same people, and those less and less frequently, thus limiting its impact. A new approach should involve a broader group of Armenians and Azerbaijanis, including displaced and returning people, people living in border areas, and officials responsible for transitional justice and reconciliation. Brussels could also fund programs that facilitate cross-border visits for experts in a wide range of fields, which largely ceased in the 2010s, and journalists, a few of whom had started making trips prior to the 2020 war.

The EU can also help mitigate the war's effects, building on the humanitarian aid it provided during the fighting. Its funding of UN agencies and the International Committee of the Red Cross enabled them to deliver urgent assistance to war-displaced Armenians and Azerbaijanis. Now, it can help fund reconstruction both in territories controlled by Armenians and those controlled by Azerbaijan. It could also consider programs in Armenian and Azerbaijani settlements along the border between the two countries. That border has grown longer as a result of wartime shifts in territorial control and towns have grown larger due to displacement. Such support would supplement Russian assistance, carried out in cooperation with the UN, near the border in north-eastern Armenia to build and light local roads and construct new schools, greenhouses and irrigation systems.

EU health-care assistance is also important. Throughout the COVID-19 pandemic, Brussels has sent basic medical supplies to both Armenia and Azerbaijan. EU support may become essential for effective vaccination and the regeneration of tourism, which was a crucial source of household income in both countries before the outbreaks of war and contagion.

Aside from its direct effects, a strong EU role can build support for peace. It can reassure Armenians nervous about Turkey's actions in support of Azerbaijan and both Armenians and Azerbaijanis who, although beholden to Moscow for its engagement to end the conflict, recognise that its financial contribution will not match its military and diplomatic weight going forward. Brussels' involvement would give the bloc an opportunity to cooperate with both Russia and Turkey. There are many areas of disagreement between Brussels and other EU capitals, on one hand, and Moscow and Ankara, on the other, but improving prospects for peace in the South Caucasus is one area where, broadly speaking, they have good reasons to work together.

LATIN AMERICA AND CARIBBEAN

Venezuela: Reassembling a Route to Peace

Venezuela enters 2021 facing one of the world's worst economic and humanitarian crises, with few avenues to breaking the political deadlock at its heart.

Venezuelans' plight has gone from bad to worse. Even before the onset of COVID-19 and related lockdowns, Venezuela was suffering the most extreme economic collapse in Latin American history: the economy contracted by 65 per cent from 2013 to 2019, the inter-annual rate of inflation stands at 3,332 per cent. Poverty rates hover above 95 per cent, more than 33 per cent of citizens suffer food insecurity, according to the UN, and most Venezuelans depend on state food rations. Basic services, such as water or electricity, are unreliable or absent, including in big cities. These dire living conditions have pushed over five million Venezuelans to migrate, many of them crossing into Colombia and Brazil through informal trochas or risking their lives at sea trying to reach Trinidad and Tobago and other Caribbean islands. Then the virus arrived. Official figures indicate the country's total caseload is low compared to those of its neighbours Brazil and Colombia. Still, the toll is likely higher than those figures suggest, while the economic damage caused by lockdowns is indisputably severe.

The political crisis is as dire. Parliamentary elections in early December consolidated President Nicolás Maduro's power over all branches of the state, barring a few local and regional governments. Most of the opposition boycotted the election, arguing with justification that it was neither free nor fair, but their refusal to participate has come at great political cost. Most Western and Latin American countries have declined to recognise the new parliament, sworn in on 5 January, and almost entirely composed of Maduro loyalists. But nor have they endorsed the opposition's argument that the old assembly, in which it held the majority, retains its mandate and remains a platform for Juan Guaidó's rival claim to the presidency. Most of the opposition's foreign allies, including both the EU and the Lima Group (an alliance of countries from across the Americas that sided with the U.S. "maximum pressure" strategy for deposing Maduro), now stop short of referring to Guaidó as interim president. A fractured opposition faces the urgent task of reunifying itself behind a coherent political strategy.

The best option – returning to substantive negotiations aimed at a peaceful settlement – depends on struggles within both camps. Should those more inclined to compromise not prevail, the standoff will continue between an authoritarian state and an opposition movement vanquished in Venezuela but still backed abroad, above all in the U.S. and Colombia. That scenario would not only perpetuate human misery in the country but pose real dangers of prolonged instability up to and including violent unrest.

In these circumstances, the EU and its member states should:

- Engage early on with the new U.S. administration to design a coordinated Venezuela policy that aims at gradual restoration of legitimate state rule in exchange for step-by-step lifting of sanctions.
- Encourage Washington to conduct a humanitarian review of existing sanctions, quickly implement humanitarian exemptions to allow relief for the COVID-19 emergency, and urge the U.S. to roll back other sanctions that cause avoidable harm to the population.
- The EU should persuade Venezuela’s foreign partners, including Cuba, Russia and China, to urge Maduro to allow access to multilateral organisations that can deliver the urgent humanitarian relief needed for Venezuelans at home, as well as those in other Latin American and Caribbean countries. It should increase its financial support to help match the UN’s targets for Venezuela’s crisis.
- Press the government and opposition to abandon the zero-sum contest in which the objective is eliminating the other side. Any eventual settlement is likely to entail the government accepting free and fair presidential polls and the opposition dropping its demand that Maduro leave power before any transition can begin. For the EU, engaging with a wider range of opposition figures than is now the case would also make sense.
- The medium- to long-term goal still is to encourage the Maduro government and a wide range of opposition parties to re-engage in negotiations, building on the process facilitated by Norway and suspended in mid-2019. The International Contact Group, co-chaired by the EU, could lead coordination efforts with the U.S. and Lima Group countries, and incorporate an outer ring of international guarantors that includes Maduro allies. The Contact Group should make early efforts to identify where the interests of Russia, China and Cuba vis-à-vis Venezuela might converge with those of the EU and Lima Group.

A Way Out of a Humanitarian Predicament?

The economic and humanitarian predicament facing Venezuela is inseparable from the actions of President Maduro’s government, first in its egregious mishandling of the economy from 2013 onward, and secondly in its moves since 2016 to deny opponents power and political space. The latter manoeuvres pushed Maduro’s critics to form a coalition, led by Guaidó, the former National Assembly head and “interim president” since 2019, and backed thus far by nearly 60 countries, set on bringing down his government. The December parliamentary elections signal the failure of these efforts to overthrow Maduro, who appears stronger than he has for some time. They also mark the failure of the ferocious two-year “maximum pressure” strategy aimed at ousting him.

But a return to peace and stability is no closer as a result of Maduro’s apparent victory. Broad U.S. sanctions and the pandemic’s effects have made economic

recovery even harder to achieve. Across the country, numerous non-state armed groups – ranging from the Colombian guerrilla National Liberation Army (ELN) and organised crime groups to para-police units known as *colectivos* – exert control over populations and territory, sometimes with the approval of politicians and military officers. Desperation continues to drive the outflow of migrants and refugees.

Women have been disproportionately affected by the crisis: almost 400 victims of human trafficking were rescued in the last two years, a number that is likely a fraction of the total victims of this crime. The pandemic has made grim conditions – Venezuela has been among the fifteen countries worldwide with the highest number of femicides – for several years – even worse, with gender violence cases registered by NGOs increasing by at least 30 per cent. The economic crisis has also taken a toll on gender equality in the labour market, with women's participation rates falling 10 points between 2002 and 2020, making Venezuela the worst country for working women in the Americas.

Negotiations remain the best route to a settlement, but government and opposition will both have to shift tack. Previous talks – including those sponsored by Norway in 2019 – collapsed due to both sides' intransigence. The government rejected any measures that jeopardised its grip on power. The opposition made unrealistic demands, above all insisting that Maduro immediately depart. For negotiations to resume with any chance of success, both camps will have to be willing to make concessions: the government should approve reform that could enable free and fair elections, and the opposition should embrace the idea of a gradual transition that guarantees members of the Maduro government and its associated *chavista* movement freedom from persecution and the continued right to political participation.

Maduro might be more flexible in renewed talks were a progressive lifting of sanctions on the table. In addition to accelerating pre-existing declines in production of oil and derivatives, U.S. sanctions targeted at the oil industry have made petrol extremely scarce in Venezuela, resulting in long queues and chronic shortages. Financial and secondary sanctions have forced the government to operate largely in cash, limiting the number of businesses and countries willing to trade with Caracas. Over-compliance with sanctions by financial intermediaries has had a severe impact on legitimate businesses and even on NGOs, deepening the humanitarian crisis.

Whereas lifting all sanctions unconditionally could be seen as vindicating Maduro's determination not to cede power, the new U.S. government should reverse immediately those measures with an unacceptable humanitarian toll, above all in the COVID-19 emergency. For example, the U.S. should rescind the measure eliminating permits that allowed crude oil to be swapped for the diesel needed to transport food and other essentials. Washington should ease other measures progressively so long as the Venezuelan government advances toward restoration of civil and political rights, with sanctions lifted entirely if the parties reach a negotiated settlement.

European and other governments involved should factor in a number of other issues. Negotiations will only stand a chance if they involve a broad array of non-government parties. These should include currents that disagree with

Guaidó's strategy, such as former presidential candidate Henrique Capriles of Primero Justicia and Stalin González of Un Nuevo Tiempo, as well as some of those that participated in the election, among them former *chavista* state governor Henri Falcón of Avanzada Progresista. Any settlement would have to include guarantees for both sides. For the opposition, these will likely entail constitutional reforms ending indefinite presidential re-election, reintroducing an upper chamber of parliament and restoring proportional representation in legislative elections. Such steps would also protect *chavistas* if they were to become the opposition. The military will need guarantees regarding its institutional status and officers' career prospects. The parties will need to reach agreement on a transitional justice system. Any settlement would also have to enshrine social and economic rights to assuage *chavista* fears of "neoliberal" backlash.

Recommendations for the EU and its Member States

An immediate priority is humanitarian aid, for Venezuelans who remain in the country as well as migrants and refugees elsewhere in the region. The world has not responded adequately to the emergency: in 2019, the UN received just over half the \$738 million it had requested to mitigate the migration crisis, and the response in 2020 stood at less than a fifth. Both government and opposition have tended to treat humanitarian relief as a political weapon, even if that comes at a high cost for those in need. The EU should pressure all parties to allow the UN to develop a full-scale humanitarian assistance program under internationally recognised guidelines to tackle the emergency. An agreement between the government and opposition regarding a comprehensive international humanitarian response could facilitate broader talks later.

The arrival of a new administration in the White House offers an opportunity for the EU and its member states to seek a more cooperative approach from Washington. The humanitarian situation is the priority from this perspective, too. Brussels should encourage the incoming U.S. administration to launch a review of the humanitarian fallout of existing sanctions and press Washington to lift them when necessary. Talks should also focus on the issue of Venezuela's overseas assets, now controlled in large measure by the Guaidó "government", which should be placed under neutral, international supervision in order to avoid potential abuse and corruption.

In addition, European leaders should push the Maduro government to take advantage of the small window of opportunity that is open before the International Criminal Court decides whether to pursue a full investigation of charges that Venezuelan civilian authorities, members of the armed forces and pro-government individuals committed crimes against humanity. Ideally, Caracas would respond to the probe with concrete steps to end political repression and begin, in concert with the opposition, designing a transitional justice system to prosecute crimes committed by both the government and its opponents in recent years.

The ultimate goal remains the same: a credible presidential election where a change in power is a real possibility, as part of a peaceful transition guaranteeing that whoever loses will not face persecution or exclusion from power. An

agreement, with international backing, on the conditions for full participation in and international recognition of the 2021 elections for state governors would be an important move in that direction, and could also foster the conditions for a resumption of negotiations aiming at a definitive settlement.

As long as Caracas has the full backing of Russia, China, Cuba and Iran, however, Maduro will not feel compelled to commit to a negotiated option – especially one in which there is some prospect that he or a successor loses power. The EU should focus its diplomatic efforts on engaging those countries, identifying common issues of concern and working through differences. Negotiations that begin with blessings from both the U.S. and Maduro’s foreign allies would stand a far better chance of untangling what until now has been an intractable dispute.

Breaking the Cycle of Violence in Mexico and Central America

For the past decade, Mexico and the Northern Triangle countries of Central America – El Salvador, Guatemala and Honduras – have been among the world’s most violent nations. Organised crime and vigilante “self-defence” groups have engaged in bloody battles to control illicit markets, chiefly but not exclusively the drug trade and extortion rackets. Authorities have responded by relying heavily on military force, leading in certain cases to extrajudicial executions and other abuses perpetrated by state security personnel. With the exception of El Salvador, violence across the region continued at high levels in 2020 as criminals quickly adapted to the changes wrought by COVID-19, tightening their grip upon local economies, politics and people. The economic devastation caused by the pandemic and two hurricanes is likely to exacerbate the conditions that make the region’s ground so fertile for drug cartels and gangs: poverty, unemployment and social exclusion, as well as state corruption.

To break the cycle of violence, national and local governments should pivot away from approaches geared toward *mano dura* (iron fist) policing. While each government will have to tailor its approach based on local needs, broadly speaking they should design plans that seek to mitigate socio-economic problems in areas where the bulk of violence takes place. New plans should recognise the risks posed by connivance between organised crime, politicians and businesspeople in efforts to control illicit resources. They should include social and economic programs targeting vulnerable young people who might otherwise be drawn into armed outfits’ orbit. They should also, when appropriate, look to reach local agreements with criminal groups aiming at an immediate reduction in violence and their members’ eventual demobilisation and reintegration into society.

To help Mexico and Central American governments move in this direction, the EU and its member states should:

- Use political dialogues on security and justice regularly scheduled between the EU and the region's governments to support the design of local security strategies based on thorough diagnoses of violence in each sub-region. These strategies should complement regular law enforcement with socio-economic programs to provide licit alternatives to people vulnerable to criminal recruitment.
- Discourage, potentially also through those political dialogues, iron fist policies, and promote rehabilitation programs for criminals –including those currently in jail – and job creation initiatives that can provide alternatives for their reintegration. In some places, such as El Salvador and Mexico, these efforts could be the result of agreements reached in talks between governments and criminal groups, together with ceasefire agreements.
- Work with the Mexican and Northern Triangle governments to ensure that donor funds and emergency multilateral credit lines provided for COVID-19 and hurricane relief are used to help the public through basic service provision, above all in health care and financial aid for the poor. Funds should also boost domestic production of basic goods and food, especially in the rural areas often used for drug trafficking and illicit crop production.
- Help regional governments provide urgent humanitarian protection to populations at imminent risk of being displaced or otherwise suffering, and back efforts by these governments, multilateral organisations and international civil society to improve emergency responses.
- Urge Mexican and Central American authorities to support existing mechanisms for curbing state corruption and collusion with illicit groups, and implement robust new initiatives to address this problem.

Criminal Splintering and Violent Growth

Much of Mexico and northern Central America suffers appalling violence, as criminal groups fight for turf and clash with state security forces.

Over recent years, organised crime in the region has evolved. Governments' standard response has mostly been a "kingpin strategy", which aims to take on criminal groups by arresting or killing their leaders, often in tandem with a focus on extraditing to the U.S. major drug traffickers. The primary result has been to splinter the huge and hierarchical drug trafficking cartels for which Guatemala, Honduras and Mexico were once notorious into groups controlling ever smaller patches of territory. In Mexico, the dozen or fewer large criminal organisations that were dominant fifteen years ago have broken up into approximately 200 mostly small and medium-sized groups, engaged in perpetual feuds. Gangs that drive violence in Central America have also fractured, though to a lesser extent than traffickers: they have split into competing factions, like the 18th Street gang's two spin-offs, the Revolutionaries and the Southerners, or seen

divisions widen between historical leaders sitting in prison and gang members still on the outside.

Both local outfits and larger groups with cross-border operations have diversified economic activities. In Mexico, organised crime has adopted a narrower local focus as groups seek full control over territories where they can profit from rackets like the drug trade, illegal mining or fuel theft, or extort the fruits of legal production, such as minerals or crops. Criminal gangs in Honduras and Guatemala continue to generate most of their income through extortion, but have also started laundering money through legal firms such as restaurants and auto body shops.

While COVID-19 in early 2020 put a brake on some of these illicit activities, the pause was brief. Initially some gangs “forgave” extortion payments in a bid to win public sympathy. At the same time, movement restrictions appeared to have curtailed illicit trafficking. By the second half of 2020, however, extortion was up, trafficking was on the rebound and violence rates had returned to normal. El Salvador was the exception, with historically low murder rates throughout 2020 that the government attributed to its *mano dura* policies, but which likely derive from informal negotiations with gangs.

Mutating and on occasion worsening violence has magnified threats people face in daily life. Intimidation and extortion are regular ordeals for millions of citizens, while thousands fall victim to disappearance or murder. Governments are at times reluctant to recognise the extent of these threats or collaborate with international bodies to provide assistance and protection. The number of people who flee their homes to escape criminal violence signals the scale of the problem: Honduras and El Salvador have an estimated total of 833,600 displaced persons, of whom over half a million have migrated abroad. Mexico’s government has said there are 345,000 internally displaced persons, but experts assume the true count is far higher: in 2019 alone, 474,476 households changed their place of residence due to insecurity, and the overall number of displaced persons over the past fifteen years could surpass nine million. Although there is scant concrete data, women are particularly affected: 55 per cent of those who change residency for security reasons in Mexico, El Salvador and Honduras are women, a percentage that will likely keep rising.

The trails of destruction left by hurricanes Eta and Iota in November 2020 have compounded the region’s humanitarian crisis. This is especially true in Honduras – where four million people were affected – and Guatemala, where 1.3 million people fell victim to the natural disasters. Criminal groups could seek to take advantage of the huge economic damage to vulnerable communities, including possibly recruiting new members at a time when state resources are stretched thin.

Failing Security Policies

State responses lag behind these burgeoning crises, largely remaining anchored in the conviction that tough law enforcement is the sole effective remedy. In both Mexico and the Northern Triangle, *mano dura* policies, even beyond the kingpin approach, have for some time been backfiring. While hitherto larger criminal

structures have fractured, criminal power over communities and parts of the legal economy remains unchecked, allowing illegal outfits to develop greater resilience. Governments' failure to follow campaigns against crime bosses with tailored efforts to address diverse local socio-economic grievances and institutional failings enabled splinter groups to bounce back and find new recruits.

A general neglect of corruption and collusion also makes the lines separating state officials from criminal operatives porous. Too often, state and security institutions serve criminal rather than public interests and fail in their primary duty to protect citizens. Two international initiatives to counteract pervasive state corruption in Central America – the International Commission against Impunity in Guatemala and the Mission to Support the Fight against Corruption and Impunity in Honduras – ended prematurely in 2019-2020 after governments in both countries terminated the missions. El Salvador's International Commission against Impunity is taking shape slowly and with uncertainty as to its remit.

In Mexico, President Andrés Manuel López Obrador has put efforts to build accountable civilian institutions on the back burner in favour of a more personalised and discretionary approach against corruption. He has stated that the best way to curb corruption is leading by example, and that his party's moral authority and integrity will instigate a broad change in practices. At the same time, he has concentrated oversight powers at the presidential level and vowed to eliminate 100 autonomous federal oversight bodies, including the National Institute for Access to Information and Data Protection (INAI), in charge of processing public information requests. Moreover, his government continues to empower the armed forces in public security matters, while protecting them from public oversight and granting impunity for alleged crimes, including grave human rights violations and high-level criminal collusion.

Recommendations for the EU and its Member States

In the short term, the EU, as a key humanitarian donor in the region, could highlight the need for protection of populations at risk of displacement or other grave harm, while helping create greater visibility for these victims. With civilian populations becoming strategic targets in armed groups' territorial disputes, the EU can use high-level forums, such as ministerial meetings with counterparts from the Community of Latin American and Caribbean States (CELAC) or presidential summits, to press these states to design security strategies that protect these communities and aid those who are forcibly displaced.

Emergency action could reduce harm done by the pandemic. European funds aimed at alleviating the consequences of COVID-19 are provided by "Team Europe" (a tag which is being used by the Commission to project the combined support of the EU, its member states and European financial institutions such as the European Investment Bank). Those funds, as well as financial support pledged in response to the hurricanes, should provide immediate aid to the poor and help the long-term development and security of communities by boosting domestic industries and agricultural programs.

Brussels can use channels provided by existing political cooperation agreements to encourage governments to fully deliver on their stated commitment to

tackle inequality and other ills that foster violence. López Obrador's Youngsters Building the Future initiative, for example, aims to offer Mexican youth licit alternatives to crime. Salvadoran President Nayib Bukele promises to reintegrate into civilian life young people ensnared in gang activities as well as jailed criminals. The EU should encourage the governments of Mexico and the Northern Triangle to pursue similar initiatives, with a particular focus on rehabilitation for those in prison, and support dialogue between gangs or other criminal organisations and governments aimed at permanently lowering violence levels, so long as there is clear evidence of good faith on both sides.

Building on the existing Europe Latin America Technical Assistance Programme against Transnational Organized Crime, the EU should also encourage the region's governments to move from prioritising coercive law enforcement toward more comprehensive efforts at curbing insecurity. It should identify and lend support to sub-national initiatives aimed at designing tailored local strategies and rolling them out. The EU, through the human rights component of its new global external cooperation instrument, should put women's collectives, as well as groups helping young people exit lives of crime, at the top of its list for support. It should also encourage regional governments to embrace efforts to combat corruption through legislation and new institutional mechanisms. The creation of independent, civilian-led law enforcement bodies with independent oversight bodies inevitably takes time, but the EU should do what it can to push governments in that direction.

MIDDLE EAST AND NORTH AFRICA

Keeping a Libya Settlement on Track

Ten years after Muammar Qadhafi's regime fell, the Libyan civil war that ensued remains far from resolved. If there is reason for hope, it is that the year-long assault on the capital Tripoli by Field Marshal Khalifa Haftar's forces ended with their withdrawal in June 2020. Haftar's retreat prompted a realignment of factors that points to the possibility of a peaceful settlement. In September, the field marshal and his allies lifted a nine-month oil export blockade, providing temporary relief to the country's oil-dependent economy. In October, officers of the two main military coalitions signed a ceasefire agreement. Then, in November, politicians from the two rival sides started a dialogue under UN auspices. Foreign backers of Libya's warring factions, while still working to cement their influence in the country, have toned down their bellicose rhetoric.

Yet there is also much reason for concern. Implementation of the ceasefire terms is lagging, with each side accusing the other of continuing to receive foreign military support. In such a volatile environment, any mishap – such as one side moving weapons around, and the other side interpreting the activity as mobilisation for an assault – could spark renewed fighting. Another reason to worry is that the UN-backed political talks, which comprise 75 representatives from a broad array of political and tribal groups and which the EU is helping finance, have thus far produced no consensus behind a new interim unity government. The various factions agreed on a voting mechanism to appoint top officials, but while paying lip service to a transparent vote they remain dangerously divided on who they want to see lead the country. All, furthermore, have the means to spoil the process. On the economic front, although hydrocarbon exports resumed, a dispute over management of oil revenues has led to a temporary freeze of hydrocarbon income, impeding economic recovery.

Keeping the peace process on track will be an uphill battle requiring redoubled efforts by those external stakeholders eager to see Libya's conflict come to an end. Events are increasingly driven by those outside actors who are providing military assistance to one Libyan side or the other, in particular Turkey, the Tripoli-based government's main backer, and Russia, the Haftar-led coalition's chief ally. Rival Arab countries that for years helped turn Libya into a proxy battleground are still pursuing their agendas as well, but for now by non-military means. The easing of the Gulf crisis might, over time, have a positive knock-on effect in Libya. Europe, as a party concerned to make peace, can still do a great deal to advance that goal, notwithstanding its diminished leverage.

The EU and its member states should intensify their efforts along the following lines:

- Support the creation of a Libya Ceasefire Monitoring Mechanism, which Libyan military officers from both sides negotiated and which the UN secretary-general called on Security Council members to adopt; deploy to the UN Support Mission to Libya (UNSMIL) monitors from European states accepted by Libyan parties.
- Extend the mandate of the EU's maritime operation EUNAVFOR MED IRINI so that it can help uphold the ceasefire monitoring. Despite being unable, for legal and logistical reasons, to block the transfer of weapons to Libya, the operation's vessels and satellites are helpful in monitoring the flow of arms to the country in violation of the UN embargo and in deterring some transfers. The operation can support the Ceasefire Monitoring Mechanism's work by providing UN monitors with information about suspected violations and military movements.
- Support efforts to reach consensus among Libyan parties on the need to hold parliamentary elections, if delegates to the political dialogue do not reach agreement on an interim government. Europe should also provide funds and technical support to the institutions that will have to ensure elections are credible and inclusive, including of women.
- Support the UN-led Libyan economic dialogue and continue to engage with the UN, the U.S. and EU member states to find a lasting settlement to the economic and banking disputes, especially regarding the allocation of oil revenues, that continue to hinder economic recovery.

Steadying a Shaky Ceasefire

On 23 October, the Libyan National Army – led by Haftar and supported by Egypt, the United Arab Emirates and Russia – and the Turkey-backed Government of National Accord (GNA), led by Prime Minister Fayez al-Serraj, signed a ceasefire formally ending a battle that had been raging on the outskirts of Tripoli and elsewhere since April 2019. The fighting had killed some 3,000 people and displaced hundreds of thousands. Turkey's direct military intervention to aid Serraj in early 2020 reversed what had been Haftar's advantage and forced the withdrawal of Haftar's forces to central Libya along a new front line.

The ceasefire was an important step toward political talks but remains fragile, as efforts to fully implement several of its provisions are sputtering. Haftar and Serraj committed to withdrawing their troops from front lines, expelling foreign fighters and ending all foreign military training. Yet both sides have backtracked on the original agreement. Their forces remain deployed on the front lines; foreign military cargo planes continue to land at their respective air bases, suggesting that outside backers are still resupplying their allies; Turkish officers are training GNA forces in plain sight; and Russian private military contractors remain part of Haftar's forces.

To bolster the ceasefire and press the parties to honour their commitments, the UN is backing a Ceasefire Monitoring Mechanism to be established in central Libya, where the GNA and Haftar's coalition continue to position their troops. Libya's rival factions requested the mechanism, and UN officials are discussing what it will entail. Libyan officers from both sides appear to have greenlighted deployment of a small group of unarmed international civilians "under UNSMIL's aegis", in the relevant UN report's words, to work alongside monitoring teams established by both sides.

The EU should support this effort. It should push the UN and Libyan military negotiators to negotiate an updated version of the October ceasefire agreement that reflects a more detailed consensus on controversial points, such as the departure of foreign fighters and the repositioning of armed groups, that the original agreement referred to only in vague terms, and press for full UN Security Council backing of that new agreement. It should also support a scalable monitoring mechanism that the UN secretary-general presented to Council members in December 2020. European governments should consider providing monitors from those EU member states to which the Libyan parties signal they would not object, to be deployed within UNSMIL's framework – the only one accepted by both parties. The EU can provide additional support to ceasefire monitoring by expanding the mandate of its maritime Operation IRINI to report any troop movement that may threaten the ceasefire and inform the UN monitors accordingly, in addition to reporting on detected violations of the UN arms embargo.

Toward Reunified Governance

The EU and member states could also assist in resolving Libya's governance crisis. To do so, they will need to make tough, perhaps counterintuitive, decisions. European and other states face a conundrum: should they keep supporting the faltering UN-led dialogue aimed at naming an interim unity government, which would prepare the ground for elections at the end of 2021? Or, should there be no progress in the coming weeks, should they instead endorse calls to hold elections without waiting any longer for Libyans to form an interim government?

The chances of agreement on an interim government appear quite slim. And the threat of EU targeted sanctions, which some European officials appear to be considering, is unlikely to increase the odds. Since November, the 75 delegates, who comprise representatives of Libya's two rival assemblies as well as several UN-selected independents, have been meeting in person and online. They agreed in general terms on the need for a new three-man Presidency Council to replace the one headed by Serraj and a separate prime minister. They also approved a voting mechanism to select these top officials. But despite this apparent progress, Libya's numerous competing factions remain profoundly divided on who they want to see leading the country. Any one camp could easily trigger controversies or spoil the vote to prevent an outcome it perceives as unfavourable.

With regard to elections, the delegates of the UN-backed political dialogue have succeeded in setting a date for elections but failed so far to decide on anything else. If Libya's rival legislatures fail to draft a legal framework for elections

by late February – little suggests they will be able to – then the 75 delegates are supposed to take over. But delegates remain divided on what they consider to be the best electoral roadmap, whether elections should be only parliamentary or also presidential, and whether a referendum on a draft constitution is also required.

In these circumstances, Europe's best course of action is 1) to encourage Libyans to hold only parliamentary elections in December 2021, even if the UN-backed dialogue fails to reach agreement on an interim unity government; and 2) to urge the 75 delegates to agree on a legal framework for elections as soon as possible, should Libya's rival legislatures fail to produce one by late February. The EU and European capitals should communicate unequivocal support for this course of action and urge other powers, particularly Egypt and Turkey, to accept the elections' outcome. It is obviously risky to hold elections in a highly polarised country – one camp controls the west and another the east – where weapons are abundant and corruption is ubiquitous. But absent a negotiated solution to reunify the country's governing institutions, attempting to forge consensus on a new vote for a single parliament appears to be the best – albeit inevitably risky – way out of the untenable status quo of rival legislative institutions and governments.

Settling a Financial Feud

Europe should also keep supporting UN efforts to settle the squabble over the country's financial institutions and continue to back the economic dialogue, alongside the political and military ones, as a pillar of the UN-led peace process. Over the years, the financial feud has manifested itself in different ways, ranging from division of Libya's Central Bank into two rival branches to a national banking crisis to oil sector blockades.

The most recent iteration is a controversial arrangement proposed by the Tripoli-based National Oil Corporation and accepted by the Haftar camp to temporarily freeze oil export revenues, which constitute almost the totality of government income, until a new unity government is formed and the Central Bank of Libya unified. This arrangement, which enjoys U.S. and UN backing, was put in place in September as part of a deal aimed at ending Haftar's nine-month oil sector blockade. Pursuant to the deal, the Tripoli government and National Oil Corporation modified how oil revenues were to be managed, ordering export receipts to be kept "temporarily" in a National Oil Corporation account from which they cannot be spent rather than being transferred automatically to the Central Bank, as used to be the case. This set-up was supposed to last only 120 days – the period that negotiators thought necessary to reach agreement on a new government that could revert to standard allocation procedures.

Without such a government, the country will need alternative arrangements for oil revenue allocations. Freezing revenues is untenable in the medium to long term. The EU and its member states should make their collective voice heard on the matter, calling on all Libyan parties to reach a new agreement – one that strikes a balance between, on one hand, providing Haftar and his foreign back-

ers guarantees that oil sales revenues will not fund their Tripoli rivals' military build-up and, on the other, using oil revenues now to cover public expenditures throughout Libya.

Reviving the JCPOA after “Maximum Pressure”

The Trump administration's “maximum pressure” campaign, which defined its Iran policy and underpinned much of its approach to the wider Middle East, did not succeed. Its punitive approach was meant to curtail Iranian nuclear activity, which increased instead, and to lower regional tensions, which rose dramatically. Tehran responded to U.S. unilateral sanctions with a series of breaches of the Joint Comprehensive Plan of Action (JCPOA), slowly weakening the landmark 2015 nuclear accord. The deal's further erosion could spark a non-proliferation crisis. Enmity between the U.S. and Iran, manifested in risky tit-for-tat military exchanges in the region, additionally strained relations between the Islamic Republic and U.S. allies Saudi Arabia and the United Arab Emirates (UAE). The mutual distrust simmered for years, frequently coming perilously close to a boil.

Joe Biden's election to the U.S. presidency has raised hopes for a new U.S. Iran policy in 2021 that can help bring down the temperature in the Middle East and alleviate the threat of nuclear proliferation by reviving the JCPOA. To assist in these endeavours, the EU and its member states should:

- Support the Biden administration in re-engaging with Tehran and returning the U.S. to the JCPOA if Iran restores its compliance with the deal.
- Encourage the Biden administration to facilitate international humanitarian support to Iran in response to the COVID-19 pandemic, including Tehran's request for an International Monetary Fund loan.
- Facilitate growth in trade between Europe and Iran as a crucial element in delivering the benefits envisioned under the nuclear agreement and laying the foundation for discussions with Tehran on a broader agenda, including Iran's regional power projection and ballistic missile program. At the December 2020 EU-Iran High-Level Dialogue, both sides affirmed their interest in deepening bilateral cooperation.
- Encourage Gulf Arab states and Iran to enter an inclusive regional dialogue aimed at reducing frictions and opening communication channels to prevent dangerous misunderstandings.

A Vital Opening for Nuclear and Regional Diplomacy

The 2018 U.S. withdrawal from the JCPOA put the nuclear deal under significant stress. Instead of delivering an improved accord, as the Trump administration boasted it would, it ended up demonstrating the importance of the existing one. Sweeping sanctions put in place by Washington in pursuit of maximalist demands, compounded in 2020 by the impact of the COVID-19 pandemic and

Tehran's mismanagement, have driven Iran's economy into three years of recession in a row and quashed Iranian expectations that the agreement would yield financial rewards.

Tehran has in turn broken its commitments to restrict its nuclear program. Notably, since 2019 it expanded its enriched uranium stockpile, raised the level of enrichment, and stepped up its research and development activity. On 2 December, following the killing of senior Iranian nuclear scientist Mohsen Fakhrizadeh the previous month, which media outlets and others widely attributed to Israel, the Iranian parliament passed legislation that would enable further breaches of the JCPOA. The government has already implemented the first of these parliamentary instructions by raising the uranium enrichment level to 20 per cent in early January. Another measure instructs the Iranian government to stop allowing enhanced international inspections under the Additional Protocol to the nuclear Non-Proliferation Treaty, which Tehran has been voluntarily implementing as part of the JCPOA, by 21 February if the JCPOA's other signatories do not deliver various economic benefits laid out in the deal by that time. Limiting access would be a serious concern for the UK, France and Germany – the so-called E3 – who, along with China, Russia and Iran, remain JCPOA participants.

The EU, which convenes the JCPOA signatory states under the Joint Commission, has played a pivotal role in diplomatic efforts to keep the accord alive, viewing it as the best available framework for holding Iran's nuclear activities in check. But, at least in Tehran's view, both the EU and E3 have failed so far to match their declared commitment to the deal with meaningful sanctions relief.

As the JCPOA began to unravel, regional tensions ratcheted upward in a series of incidents that risked major escalation. Some of these incidents involved Iran and the U.S. alone, but others, such as a string of attacks on commercial shipping in the Gulf, underscored the entanglement of their respective allies as well. The danger is heightened by the near absence of consistent communication and decades of accumulated distrust between Iran and the two major Gulf Arab powers, Saudi Arabia and the UAE, which have precluded a security dialogue needed to mitigate tensions. These Gulf Arab states – along with Israel – are also pressing the U.S. not to rejoin the JCPOA or lift sanctions without concrete commitments from Tehran on matters that they consider of paramount concern, such as Iran's ballistic missile program and what they view as its destabilising role in Yemen, Lebanon, Syria and Iraq.

Recommendations for the EU and its Member States

The EU can play an important role in stabilising the nuclear agreement and championing constructive dialogue among Gulf actors. Having spent the past two and a half years hailing the JCPOA's importance, the EU and its member states can claim vindication as they urge both Washington and Tehran to return to compliance with the agreement. Strong diplomatic support for reviving the JCPOA will strengthen the Biden administration's hand against domestic critics urging it not to relinquish the leverage purportedly accumulated as a result of the "maximum pressure" approach. The Joint Commission can also help

develop a roadmap and a timetable for Iran's and the U.S.'s full resumption of their JCPOA obligations.

The EU and member states could buy more time and space for the incoming Biden administration by offering Iran, with Washington's green light, some economic incentives of their own. For instance, they could revive President Emmanuel Macron's 2019 initiative to pre-purchase Iranian oil as long as Iran agrees to halt any additional nuclear and regional escalation before the new U.S. administration moves to effectively dismantle the sanctions. European states should also work with the private sector to expand trade between Europe and Iran, which has deteriorated despite initiatives such as the Instrument in Support of Trade Exchanges (INSTEX), through providing European firms willing to re-engage with the Iranian market or invest in Iran with economic incentives, such as tax breaks. As part of its engagement with the new Biden administration, the EU should press for any measures that can provide immediate humanitarian relief to Iran, including approval of Tehran's International Monetary Fund loan request for dealing with the COVID-19 pandemic.

Shoring up the JCPOA does not mean dismissing non-nuclear concerns. European governments, like the U.S. and some of its regional allies, are apprehensive about Iran's ballistic-missile development, its support of various armed non-state actors, and its human rights record. But stabilising an existing agreement that addresses a key strategic issue offers the best foundation for follow-on negotiations with Tehran.

In parallel to the nuclear file, Europe can help de-escalate regional tensions by encouraging and supporting dialogue between Iran and Gulf Arab states and emphasising that diplomacy offers the best way to both prevent violent incidents from spinning out of control and lay the foundations for a durable regional security framework. Launched as a diplomatic initiative by a core group of European states, with support from the EU high commissioner and the UN secretary-general, regional actors should be prepared to take ownership of such a dialogue to maximise the chances of success. While the Biden administration would need to nudge the Gulf Arab states to talk to Iran, European governments can hold preparatory discussions to understand interests, concerns and aspirations, as well as offer to provide venues for the dialogue, possibly in coordination with the U.S. They could also convene technical discussions among regional states, backed by the relevant UN agencies, to foster cooperation on issues of common interest, such as climate change, public health and maritime security.

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