



# Watch List 2022

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Crisis Group's annual Watch List for the European Union 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 2022 includes an Introduction, detailed conflict analyses and EU-targeted recommendations on the following countries and conflicts: Afghanistan, Bosnia and Herzegovina, Colombia, Ethiopia, Israel/Palestine, Kashmir, Lebanon, Sudan, Tunisia, and Venezuela.

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**Preventing War. Shaping Peace.**



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# President's Take: Europe and the Ukraine Crisis

Comfort Ero

As we go to press, Russian troops are gathering in ever larger numbers at Ukraine's border. If the crisis escalates, it could pose the gravest threat to European security in decades, which is why Ukraine topped our global rundown of the world's most pressing conflicts in 2022 and why I'm covering it here. One can only hope that the frantic diplomacy currently under way will avert what could be an enormously destructive war. Already, though, the crisis poses European leaders thorny questions about how to maintain a united front against Moscow's intimidation, about what would happen were Russia to escalate in Ukraine and about the continent's security architecture more broadly.

While Ukraine has been at war since 2014, when Russia helped separatists seize part of Ukraine's east, this latest military buildup could herald a confrontation on a vastly different scale. Eight years ago, Russia, angry at what it saw as the Western-backed overthrow of a leader in Kyiv friendly to Moscow, annexed Crimea and helped separatists seize territory in Donetsk and Luhansk, in Ukraine's eastern Donbas region. Russia still holds Crimea, while low-intensity fighting continues along front lines in Donbas. In March and April 2021, Moscow placed substantial infrastructure and forces near Ukraine, but pulled back the troops within weeks. In the autumn, it commenced a new buildup, notably on Ukraine's northern and eastern flanks.

While Moscow insists that Western media and governments are overhyping the threat, denying that anything out of the ordinary is afoot, Russia has, in the course of negotiations with Western powers, put forward demands that make clear what it wants: in short, to recoup a sphere of influence that Moscow feels is its due. Some demands explicitly concern Ukraine, but most are broader. Russia wants iron-clad guarantees that the North Atlantic Treaty Organization (NATO) will not expand further, including into Ukraine, and that the alliance's military drills with Russia's neighbours in eastern Europe and the Caucasus will cease. Moscow also wants NATO to pull forces and infrastructure out of countries that joined the alliance after 1997. It has reiterated its desire for a mutual ban on the deployment of intermediate-range missiles in Europe and the removal of U.S. nuclear weapons from the continent.

Russia also has demands of Ukraine itself, which date back some years. These focus on implementation of the Minsk agreements, signed in 2014 and 2015 with the aim of ending fighting in Donbas. Those accords' terms, according to Russia's understanding, would grant separatist-held areas "special status" that, in effect, gives them and therefore Moscow a veto over aspects of Ukrainian security and foreign policy. Moscow thus aims to curtail and reverse Ukraine's

growing closeness to Western states and aspirations for NATO and European Union (EU) membership.

Nothing suggests that Ukraine or its Western supporters will capitulate. Although Kyiv's official line is that Ukraine will implement the Minsk agreements when and if Moscow holds up its side of the deal, many officials view those accords as setting the terms for an unjust victor's peace. Russia's policies since 2014, particularly its support for the separatists, have only deepened hostility to Moscow among Ukrainians. As for NATO's leaders, accepting curbs on the alliance's membership and rolling back to the 1997 balance of force are out of the question. The alliance has no present plans to bring Ukraine into NATO, but its longstanding policy is that it will make such decisions itself, not be forced into them by outside powers. Meanwhile, newer member states see Moscow's proposed restrictions on force presence as intended explicitly to leave them undefended. Finally, members agree that conceding to Russian gunboat diplomacy would set a dangerous precedent for future encounters with a Moscow eager to assert itself across the global stage.

Nor, however, do Western states intend to go to war with Russia over Ukraine – which does not benefit from the security guarantees that bind NATO members. Instead, working together and communicating both unilaterally and through NATO and the European Union, they have threatened to impose dramatic costs on Moscow if it escalates, without upping the stakes so high that a global conflagration is in the offing. At the same time, they have opened the door to negotiations that, while not giving Moscow what it demands, could lay the building blocks for exercise and deployment limitations that might leave everyone more secure. If, however, Russia concludes that escalation will strengthen, rather than weaken, its negotiating hand vis-à-vis both Ukraine and its Western friends, then negotiations may come only after it has made a move.

That would mean more, and potentially greater, war. What that will look like and how long it will last is unclear. Admittedly, thus far there is no drumbeat in the Russian media. But Russia's buildup gives Moscow many options. It could reprise its 2014 and 2015 interventions, backing separatist forces to pressure front lines or sending in Russian forces to carve off more territory. The size and scope of the buildup would also allow for an all-out assault that sees Russian forces attempt to seize and occupy wider tracts or even all of Ukraine. The core goal of military action would likely be to force Ukraine to comply with Russia's understanding of the Minsk agreements, or to force the Ukrainian president himself from office in favour of a government friendlier to Moscow.

However much Russia believes it could improve its hand with another escalation, such a step – whether small or large – would leave everyone far worse off. Ukraine will suffer most grievously. Alongside the bloody, destructive mayhem of war, vulnerable Ukrainian civilians will surely flee their homes, creating flows of displaced people within Ukraine and in all probability into Poland, Russia and perhaps other neighbours. Moscow, for its part, will face stronger Ukrainian opposition than it expects, especially if it tries to occupy all or part

of Ukraine, with attendant human and economic costs. Its own economy will suffer as a result of the sanctions Western states have threatened and will impose. EU member states, too, will suffer economically, especially if an energy crunch results. World markets and economies, already volatile after two years of pandemic, could be hit by the proposed sanctions. Moreover, if Moscow expects a conflict to improve its negotiating position with the West it is sure to be disappointed. Western powers will instead focus on precisely the military buildups on NATO's eastern flank that Russia wants to avoid, potentially making the continent as a whole more unstable and future crises involving NATO and Russia all the more dangerous.

But if diplomacy succeeds in averting conflict in the near term, more crises will follow unless Western leaders and Moscow commit to what will likely be even harder negotiations aimed at laying the groundwork for a more stable European security architecture, one that reflects today's fears, interests and weapons technologies rather than those of three decades ago. As Crisis Group laid out in a December 2021 briefing, the resulting new arrangements might include the military exercise and other limits Western states have already put on the table, as well as a pledge to limit intermediate-range and other weapons and military activities in volatile zones, like the Black Sea and Baltic Sea regions. NATO could reaffirm prior commitments to not station substantial combat forces on the territories of new members (and work with Moscow to define what substantial means in this instance). NATO leaders cannot and should not guarantee that the alliance will never enlarge, but they could make clear that they have no plans to admit Ukraine or Georgia in the foreseeable future. All parties could pledge not to place weaponry or infrastructure on the territory of non-allies (with provisions for agreed-upon exceptions). All could also agree that their promises will be null and void if and when another party violates its own pledges.

Sketching out the notional contours of a deal is, of course, much easier than negotiating one. Even if Russia agrees to talks, exchanges of views to date show how far apart its and NATO's positions are. Western powers may also struggle to come to unified positions on issues where European states – facing a wide range of security threats and economic risks – have very different perspectives.

That said, for now Western powers have been reasonably united. Although the potential costs of sanctions will not be equally borne within NATO or the EU, European member states have spoken with one voice on the need to respond to aggression and support Ukrainian sovereignty. To be sure, there are differences on tactics, some countries preferring to send lethal assistance, others, including EU institutions, leaning toward other forms of support. But such efforts can and should be seen as complementary. Maintaining overall policy coherence is critical, as is contributing to both diplomacy and deterrence in cooperation with their counterparts in Washington and Ottawa. If that happens, the approach so far – forging a path between capitulation and the risk of a dangerous military confrontation between NATO and Moscow – is the right way forward. As for Russia, it now faces a decision that could shape security dynamics in Europe

for years to come. It can make a move toward negotiations and the prospect of a more secure and stable environment for all Europeans. Or it can place its bets on more war and all the risk and horror that entails. For Ukraine's sake, and for all of Europe, Russia included, we must hope that President Vladimir Putin opts for talks.



# AFRICA

## Ethiopia: Giving Talks a Chance

Ethiopia enters 2022 at an impasse in its civil war that opens a narrow window for peace. The conflict between the federal authorities and Tigray regional government has devastated the country's north, leaving tens of thousands dead. In November 2020, political discord led to armed confrontation, with federal units, allied forces from Amhara region, which neighbours Tigray, and Eritrean troops moving into Tigray. A year later, Tigray's forces aided by Oromo rebels appeared set to march on the capital Addis Ababa. A counter-offensive by the federal coalition compelled Tigray's fighters to retreat to their home region in December 2021. Neither side has been able to fully defeat the other. The see-saw battle and accompanying carnage are likely to continue unless leaders in Addis and Tigray's capital Mekelle rethink, stop assembling reinforcements and give talks a chance. Both sides made de-escalatory moves in December, but formidable obstacles to a settlement remain, not least territorial disputes in southern and western Tigray – the latter also implicating neighbours Eritrea and Sudan – and mistrust on all sides.

### **To help steer the parties toward a negotiated resolution, the European Union (EU) and its member states should:**

- Work in concert with former Nigerian President Olusegun Obasanjo, the African Union's (AU) special envoy for the region, and other external actors to press the belligerents to formally cease hostilities before embarking on detailed discussions about permanent ceasefire arrangements and a political settlement.
- Support federal government efforts to facilitate a national dialogue while emphasising that the initiative needs to be fully inclusive in order to address the political differences underpinning the violence. The dialogue should be preceded by an amnesty for the remaining jailed political leaders and include all conflict protagonists and key Oromo nationalist figures.
- Continue suspending EU budget support until federal authorities facilitate unrestricted delivery of humanitarian aid to famine-stricken Tigray, achieve a ceasefire there and embrace a national dialogue along the foregoing lines. Addis Ababa should also unconditionally restore basic services to the region, including banking, electricity and telecommunications.
- Maintain pause on development cooperation with Eritrea as part of calls for Eritrean forces to withdraw from Tigray.
- Press the federal government to release those detained without charge under emergency regulations, while supporting efforts by AU and UN commissions to investigate credibly alleged atrocity crimes as a means of advancing accountability.

- Urge Tigray's leadership to recognise the legitimacy of Prime Minister Abiy Ahmed's government and to refrain from further military offensives, while calling on the federal parliament in return to reverse its May 2021 designation of the Tigray People's Liberation Front (TPLF), the ruling regional party, as a terrorist organisation.

### **Protracted Conflict**

Fifteen months of civil war have sown deep misery in Ethiopia's north. Yet a bright spot unexpectedly emerged when the belligerents paused major offensive operations at the end of 2021. In a 19 December letter to UN Secretary-General António Guterres, TPLF leader Debretsion Gebremichael announced that Tigray's forces had withdrawn northward, calling for an inclusive dialogue and international action to protect the region. On 22 December, federal authorities said they would halt advances into Tigray as they press ahead with national dialogue plans. Although these were only small steps toward peace, they marked a welcome shift away from outright aggression.

Still, the lull may not last. Tigray's forces fought in part to end a blockade Addis Ababa reimposed on the region after federal and allied troops departed in June. Millions of Tigrayans urgently need food and medicine, and Tigray's commanders have signalled they will keep fighting until the federal government restores trade, aid and services. Territorial disputes meanwhile fester in western and southern Tigray, which neighbouring Amhara region took over at the war's onset. Eritrea, a longstanding enemy of the TPLF, has also stationed troops in the area, as well as in Tigray's north east. Eritrea's presence in Tigray and atrocities its soldiers have committed against civilians have fed secessionist sentiments among Tigrayans who feel betrayed by their compatriots for allying with Eritrea against them. Eritrean officials, Amhara's regional government and some Ethiopian opposition parties continue to press Addis to disarm Tigray by force, with any such move likely to entail more conflict.

Trouble is simmering elsewhere, too. Ethno-nationalist insurgencies in the Oromia and Benishangul-Gumuz regions have killed thousands in recent years. Near the start of the Tigray conflict, Sudan's military seized swathes of fertile borderland, evicting thousands of Ethiopian farmers, a move that continues to anger Addis. Meanwhile, the federal government is still at loggerheads with Sudan and Egypt over the giant dam it is constructing on the Blue Nile.

### **What the EU Can Do**

As Crisis Group and others have long argued, the ethno-political fault lines dividing Ethiopia can be sustainably bridged only at the negotiating table. Federal authorities intend to facilitate a national dialogue, though the details have yet to be determined, leaving outstanding the crucial question of who will participate. Working with other international partners, the EU and its member states should encourage federal authorities to make the process fully inclusive. In particular, European actors should urge the government to grant amnesty to all remaining jailed political leaders for terrorism and similar alleged offences.

Building on welcome releases in early January, the amnesty should include Tigray figures as well as the other top Oromo opposition politicians whose imprisonment has fed a burgeoning insurgency in Oromia, the country's most populous region. Addis Ababa should make clear that these released leaders need to be part of the dialogue.

The EU and its member states should also caution the authorities about the risks of using the dialogue to unilaterally usher in constitutional reforms on explosive matters such as regional autonomy and the role of ethnicity in politics, as such moves could elicit violent backlash from any actors that are excluded from the process. Any potential constitutional change should be preceded by an inclusive debate involving the full spectrum of Ethiopian political society and should only be implemented in strict conformity with the existing constitution. For their part, opposition representatives, including armed groups, should agree to engage in political negotiations without imposing conditions first. Brussels should urge the opposition in this direction.

While relations between Addis Ababa and Brussels have sunk since the EU froze budget support in December 2020, and subsequent U.S. sanctions have made Abiy disinclined to take counsel from Western partners, Ethiopia needs donor support. The civil war is heaping pressure on state coffers, jeopardising Abiy's economic reforms. Hence, Brussels could have some influence. Senior EU officials who retain access to Abiy, including Commissioner for International Partnerships Jutta Urpilainen and Special Representative for the Horn of Africa Annette Weber, should continue to impress on the government that renewal of EU budget support hinges on Addis ending restrictions on humanitarian access to Tigray and other conflict-affected areas, achieving a ceasefire and embracing dialogue with all its opponents along the lines described above. European officials should also urge those countries arming Abiy's government to lend their weight to calls for a peace process, while continuing to freeze cooperation with Eritrea until its forces withdraw from Tigray.

EU and member state representatives should urge the federal government to reverse repressive measures, while supporting investigations of atrocities. With full-scale hostilities paused, authorities plan to end the national state of emergency that the government imposed on 2 November, which, among other things, has had a chilling effect on local NGOs assisting people in need. (Their employees, aid workers told Crisis Group, worried that the measure heightened the risk of arrest for supporting banned groups.) European officials should encourage federal authorities to release all of the thousands of mostly Tigrayan and Oromo civilians who have been detained without charge under emergency regulations, and to support existing investigations by the African Commission on Human and Peoples' Rights and UN commission of experts on human rights on Ethiopia as a means of pursuing accountability for atrocities. Such atrocities include the sexual and gender-based violence that the belligerents have reportedly used as a weapon of war.

To the extent they enjoy channels to armed opponents of the federal authorities, the EU and member states should press these actors to show greater

flexibility as a step toward a return to peaceful political competition. As well as recognising the Abiy administration's legitimacy, Tigray's leadership should embrace serious federal offers of negotiations, if those are forthcoming, rather than use a prospective truce to prepare new offensives. They should call off any planned military operations to allow meaningful dialogue to develop. Tigray's leaders could also release prisoners of war to build trust. Likewise, the Oromo Liberation Army (OLA) should halt its insurgency in Oromia as the authorities release remaining jailed opposition leaders and show a genuine commitment to inclusive dialogue, which would go some way toward assuaging Oromo nationalist concerns. In return, the federal parliament should remove terrorist designations from the TPLF and the OLA.

Ethiopia's civil war has been fought at a terrible cost. Unless the protagonists embrace this rare chance to start negotiations, the country faces more fighting that would further destabilise not just Ethiopia but its neighbours, too. The EU and its member states should work with regional and other powers to urge the belligerents to end this ruinous conflict.

## **Sudan: Toward a Reset for the Transition**

Sudan's once-promising transition away from autocratic rule has veered off course. On 25 October 2021, the country's generals deposed the civilian-led cabinet in a coup, abruptly ending the civilian-military power-sharing arrangement that was to steer the country to free elections. Under considerable international pressure, armed forces chief General Abdel Fattah al-Burhan reinstated Prime Minister Abdalla Hamdok on 21 November. That concession did little to mollify protesters furious at the military's power grab. Hamdok, unable to forge consensus between the street and the generals or to agree with the military on the shape of a new, "technocratic" cabinet, resigned in frustration on 2 January. Difficult days lie ahead should the military persist with its crackdown on popular resistance to its rule.

The generals have taken a number of steps to strengthen their grip on power. Days after dissolving the cabinet, Burhan reconstituted Sudan's executive branch, the Sovereign Council, replacing its civilian officials with Islamists from the party of long-time dictator President Omar al-Bashir, who was driven from power following massive protests in 2019. Burhan also added other figures congenial to the armed forces. In December, he issued an edict giving authorities sweeping powers to clamp down on dissent, including granting security officers immunity from prosecution in carrying out these orders. That directive echoed laws in place under Bashir. Security forces continue to meet regular protests with lethal force, firing into crowds and killing dozens.

Sudan faces other pressing challenges. The economy is in deep trouble, with sky-high inflation and shortages of essential goods causing considerable pain to ordinary Sudanese. A peace deal designed to end the many insurgencies that have wracked the country's peripheries for decades has barely been imple-

mented, protests related to that agreement have shut down the country's main port on several occasions, attempts to bring two main rebel leaders into the accord have faltered and deadly violence resurged in Darfur at the end of 2021.

**To help reset Sudan's transition, the European Union (EU) and its member states should:**

- Insist that the security forces halt all violence against protesters and make clear, in coordination with partners including the African Union (AU) and the U.S., that the generals will face consequences including asset freezes and travel bans if they are responsible for the killing of unarmed demonstrators.
- Support efforts by the UN mission to encourage credible Sudanese efforts to forge consensus between civilian and military officials through inclusive talks, with participation from the Forces for Freedom and Change (FFC) and neighbourhood resistance committees. The 2019 power-sharing agreement should be the blueprint for a compromise that could restore civilian-military governance and lead to elections.
- Should the transition get back on track, work with other donors to condition the release of budget support on the achievement of benchmarks, including the establishment of a legislative council, which is expected to plan for elections. Until the condition is met, the EU could channel some funds instead to civil society groups pressing for reform, including the women-led groups integral to the protest movement. It should also maintain the supply of humanitarian assistance.
- Press authorities to maintain ceasefires with and among armed groups in Sudan's peripheries, including Darfur, South Kordofan's Nuba Mountains and the restive east.

**From Bashir to Burhan**

Sudan's stirring protest movement, with women and youth at the forefront, succeeded against the odds in ending President Bashir's three-decade rule in April 2019. Facing a popular revolt, the top brass removed Bashir in a palace coup but continued to suppress street actions calling for the military's exit from politics. On 3 June 2019, security forces massacred protesters encamped near military headquarters in the capital Khartoum. International censure was swift. The African Union suspended Sudan's membership. The AU, U.S., EU and UK pressured the junta into signing a power-sharing agreement with the Forces for Freedom and Change, a loose alliance of civilian activists that was coordinating the demonstrations alongside neighbourhood resistance committees. The generals also accepted a constitutional declaration, adopted in August 2019, which mandated the hybrid transitional government headed by Hamdok to pave the way for elections transferring power to civilians.

The new government faced enormous challenges. The agreement called for investigations into past abuses, the establishment of a transitional legislative council to oversee constitutional changes and free elections, and security-sec-

tor reforms to prise parastatals, arable land and other valuable assets out of the military's hands. But the hybrid government was slow to make many of these changes, hampered by foot dragging among officials but also by Bashir-era economic mismanagement that had left the treasury starved of revenue. Civilian leaders meanwhile struggled to provide a political counterweight to the security forces, which retained the real balance of power. Hamdok took steps to rescue the country from fiscal collapse, securing significant debt relief and removing costly fuel and wheat subsidies. But living conditions for most Sudanese deteriorated during the transition, keeping social discontent at a low boil.

Always reluctant participants, the generals slammed the brakes on the civilian-military partnership on 25 October. Soldiers placed Hamdok under house arrest after he refused to sign an agreement dissolving his cabinet. They also detained scores of civilian leaders and declared a state of emergency. The EU responded by threatening to suspend aid as the U.S. froze \$700 million in emergency assistance, while the World Bank halted its support, jeopardising future debt forgiveness. In the weeks following the coup, Burhan tightened his grip with a set of executive orders deepening military and old-guard Islamist influence upon key institutions such as the central bank. Another executive order on 20 November stipulated that the prime minister cannot undo any of these edicts.

The Sudanese public rightly interpreted the 21 November reinstatement of Hamdok as the military's cynical attempt to give the internationally condemned coup a veneer of legitimacy. Burhan and his allies clearly hoped that Hamdok's return to the premiership would keep donors' purses open – an unrealistic expectation absent meaningful steps to get the democratic transition back on track. When that did not happen, Muhammad Hamdan Dagalo "Hemedti", the head of the Rapid Support Forces, a powerful militia, issued a thinly veiled threat to open Sudan's borders and send migrants toward Europe.

Protesters, meanwhile, kept taking to the streets in the thousands, demanding not just reinstatement of the 2019 agreement but the military's complete withdrawal from the transition. Finding a way forward that meets their demands for more democratic and accountable governance and that the generals will accept will not be easy. Indeed, prospects for return to the status quo ante appear increasingly slim, given the military's refusal to relinquish control and the protesters' rejection of compromise with the armed forces. Hamdok leaves no obvious successor who could independently unite Sudan's disparate actors while competently pursuing urgent economic reforms in a cabinet under military scrutiny. Further polarisation seems inevitable.

### **What the EU Can Do**

Sudan is a pivotal state on the continent, sharing borders with seven other countries and straddling the Horn of Africa, North Africa and the Sahel. The EU and its member states, like other outside powers, have a strong interest in pursuing a resolution to the post-coup crisis that can usher in greater stability.

The immediate priority is to stop the bloodshed. The EU, in coordination with other international actors such as the U.S. and the UK, should impress on Sudan's leaders that use of excessive force against protesters will carry consequences, including individual sanctions such as travel bans and asset freezes. The EU should lobby the AU Peace and Security Council, whose assertiveness after the 3 June 2019 massacre helped compel the junta to accept the power-sharing agreement, to adopt a similar stance in response to the continued attacks on peaceful protesters. With Sudan's AU membership still suspended, Brussels should push the Council to send a clear message to the generals that it will impose individual sanctions on actors who continue to authorise the killing of protesters and to stand in the way of the AU's demands for the "effective restoration" of a civilian-led transitional authority.

Building consensus on how to restore the primacy of civilians in leading the transition will be tougher still. Given the paucity of ideal options, Brussels should support efforts by the UN political mission in Sudan to facilitate Sudanese-led talks on a way forward. Any such talks should be maximally inclusive and in particular should welcome participants from both the FFC and neighbourhood resistance committees. The EU should continue to make clear to the generals that it will reject any unilaterally appointed cabinet that does not receive broad support from the FFC and other civilian forces. Any premier who fails to gain the backing of civilian actors is likely to flounder. The EU and other partners should also press both sides to reach a military-civilian compromise that acknowledges the previous power-sharing arrangement – to culminate in elections – as a blueprint.

If the parties reach a deal to restore civilian leadership and recreate a path toward transition, the EU should work with the World Bank and the International Monetary Fund as well as bilateral donors to condition future budget support on concrete steps to advance the transition, including installation of the legislative council, which is expected to coordinate election preparations. In the interim, they should continue to offer humanitarian support and could channel enhanced funding to civil society groups campaigning for reform, including those led by women. Furthermore, Brussels should work with the U.S. and others to urge key states with direct influence in Khartoum – such as Egypt and the Gulf states – to tell the generals that the power-sharing arrangement they torpedoed with the coup remains Sudan's best and perhaps only chance for stability, a goal all profess to share.

Amid work to resolve the national crisis, the EU and member states should also call on Sudanese authorities not to lose sight of progress made toward ending the long wars in Sudan's troubled peripheries, particularly in Darfur and the Nuba Mountains, where rebel leaders Abdulaziz al-Hilu and Abdulwahid al-Nur remain outside the landmark 2020 Juba Peace Agreement. While ceasefires with those groups are largely holding, renewed violence rages in Darfur and the country's east is increasingly on edge due to discontent with the peace deal.

# ASIA

## Stopping State Failure in Afghanistan

Afghanistan is now the site of the world's largest humanitarian crisis, in which millions of children could starve to death. As Crisis Group and others have pointed out, the extension of Taliban-specific sanctions to the entire Afghan state is a primary cause of the Afghan economy's freefall, along with the cutoff of non-humanitarian aid to the country and the freezing of Afghan state assets held in the United States and Europe. The Taliban government's refusal to acknowledge the scale of the humanitarian disaster, much less take steps to address it, is another factor – although it is unclear what a Taliban-led government could do to ease economic woes in the face of stifling international sanctions. At the same time, the Taliban seems increasingly disinclined to make concessions to Western donors that might, in theory, earn their government some assistance. The crisis is putting great strain on Afghan society, risking disintegration and a refugee exodus.

### **The European Union (EU) and its member states should:**

- Propose and urge adoption of alternative mechanisms for more targeted sanctions at the UN. A revised sanctions regime could continue to target individual Taliban leaders and include an arms embargo while eschewing broad prohibitions that are choking the Afghan economy and disconnecting Afghanistan from the global financial system.
- Draw a distinction between the Taliban as a movement and the Afghan public sector, which largely remains an apolitical body. The EU should take a leading role in funding specific state functions that ameliorate the humanitarian crisis and could help preserve the social gains of the past twenty years. Top priorities should be support for rural development, health, agriculture, electricity, local governance, education and civil service personnel retention. Keeping the public sector afloat is crucial as it is the country's single largest employer.
- Help restore central banking functions to enable the revival of economic activity. The EU should likewise lead in proposing a plan for such restoration, including recapitalisation of the Afghan banking system by gradually unfreezing assets held in European countries, urging the U.S. to unfreeze assets held there, and soliciting participation in recapitalisation from other states interested in Afghanistan's stability.
- Work to establish robust monitoring mechanisms to address concerns that the Taliban could divert aid for stabilising essential services delivery. The EU should help design these mechanisms. Member states with influence over the UN Security Council should ensure that it structures the UN mission in



Afghanistan to carry out monitoring activities. The recent re-establishment of a small EU diplomatic presence in Kabul can provide support for such monitoring.

- Engage persistently with Taliban authorities, to refine and reinforce expectations and work to identify a plausible steady-state relationship that could prevent a failed state and drastic, long-lasting erosion of rights gains.

### **The Taliban Adopt a Transactional Approach**

Following the Taliban's takeover of Afghanistan in August 2021, the EU framed its engagement with the Taliban government around five benchmarks. These entailed the Taliban: 1) allowing the safe, secure and orderly departure of all foreigners and Afghans who wish to leave the country; 2) promoting, protecting and respecting human rights, particularly for women and minorities, the rule of law and fundamental freedoms; 3) enabling free access for humanitarian operations (including for female staff) in line with international humanitarian law; 4) preventing anyone from financing, hosting or supporting terrorist activity from inside Afghanistan and ceasing all ties with international terrorism; and 5) lastly, establishing an inclusive and representative government through negotiations. European and many other foreign officials understandably see the Taliban as having done little in the way of compromise or to address international concerns since seizing power. Today, in the face of increasing challenges, the Taliban's calculations appear to be evolving and their stance potentially hardening even further, which could bear on the EU's approach to Afghanistan.

The Taliban's biggest challenge, with serious implications for the well-being of the Afghan population, is to deliver sustainable governance, particularly in the face of looming humanitarian catastrophe and armed group attacks on their fighters. As the Taliban's international pariah status becomes cemented, the new authorities in Kabul will have fewer incentives to make overtures to donors and instead seek alternative means of burnishing their credentials. Steps they have already taken include moves to remove opposition symbols, including portraits and busts of famous anti-Taliban commanders, and promulgation of ideologically driven policies to showcase their Islamist bona fides, such as restrictions on taxi rides for women. Security forces have also assumed a belligerent stance in border disputes in a bid to show the government's nationalist inclinations.

Faced with a continued lack of formal recognition, the government's overtures to Western countries increasingly focus on tangible goals such as the unfreezing of Afghan central bank reserves, financial support to pay the previous government's debts, small-scale development aid and donor assistance to manage the humanitarian crisis. In exchange, the Taliban have offered rhetorical gestures such as assertions that they will eventually allow all girls to attend school.

Given these realities, it is doubtful that the Taliban will make concessions that meet the EU's five-part conditionality framework. Taliban attempts to address international concerns thus far, including this framework, were covered in a

previous Watch List update. These steps did not satisfy EU requirements, but Taliban interlocutors have told Crisis Group that the movement should have received some form of EU acknowledgement of its achievements, for instance ensuring the delivery of humanitarian aid without interference. In the absence of political credit and, more importantly, financial assistance, the Taliban see little incentive to take further steps they regard as potentially jeopardising their internal unity. The new authorities appear to be abandoning previous attempts to make what they view as broad compromises in exchange for normalisation of relations. They are switching to a transactional approach in which they offer symbolic moves in the hopes of reciprocation with limited financial assistance.

According to Taliban interlocutors, the new officials in Kabul feel that Western powers have betrayed the movement, walking back commitments made previously, and making more demands without offering anything substantial in return. Such perceptions are growing even as outside powers scale up what is already the world's largest emergency relief operation in Afghanistan (with a six-fold increase in EU humanitarian aid throughout 2021), because the Taliban view the hunger crisis as a result of Western economic restrictions. The sense of betrayal appears to be strengthening arguments among Taliban leaders for adopting a hardened stance and going back on some of their own commitments.

One example is the authorities' efforts to form an "inclusive" government, as requested by donors, by retaining elements of the previous civil service and appointing non-Taliban technocrats to deputy ministerial positions. The Taliban have made small steps to diversify their government's ethnic composition. In addition to previous appointments, the de facto government named Abdul Latif Nazari, a member of the Shia Hazara minority, as deputy economy minister in late December. While the Taliban's efforts fall far short of many foreign powers' expectations, they argue that their government comprises officials from all of the country's major ethnicities and therefore should be considered inclusive. The Taliban have yet to include any women in top government positions, which is a key indicator for meeting the requirements of inclusivity from the EU's perspective. Women appear to have little input overall under the Taliban's government.

Nor, despite Taliban officials holding high-profile meetings over recent weeks with minority groups including Shia Hazaras and Sikhs, has the government taken steps to incorporate the rights of minorities formally into the new political order. More broadly, that order remains ill defined, with no written description of the new system and no new constitution. The new government ministers have so far shown a propensity to declare policies with no reference to the rights of minorities. Now, facing financial burdens, the Taliban could backtrack on even the modest steps toward inclusion they have taken, making further cuts to the public sector and reducing it to an even more skeletal version of a state apparatus, manned exclusively by Taliban loyalists.

One of the few policy areas where the Taliban have promulgated directives at the highest level is women's rights. An early December decree by the Taliban's top leader, Hibatullah Akhundzada, enumerated some basic rights of women,

pertaining to marriage and inheritance, that the government's ministries should respect. Conspicuously missing from the decree was anything pertaining to women's rights to education or work.

So far, the Taliban have allowed women who had been working in the public sector to return only to roles in health and education or to security positions requiring direct interaction with females. Meanwhile, they have failed to appoint a woman as a minister or deputy minister. The previous women's ministry remains shuttered, its building occupied by the Taliban's ministry for promotion of virtue and prohibition of vice, though Taliban interlocutors say authorities have not officially removed the women's ministry from the government structure. The government has reopened public secondary schools for girls in nearly a dozen of Afghanistan's 34 provinces – but not across the country. There are indications that private secondary schools for girls are open. Recently, Taliban forces have reportedly harassed and forcibly disappeared women protesters, with some protesters still missing. This worrying development could portend a trend of suppressing women's civil dissent.

On counter-terrorism, the Taliban claim to be committed to the 2020 U.S.-Taliban Doha agreement benchmarks. The group no longer invokes that agreement, however, when speaking about its counter-terrorism policies. Taliban interlocutors suggested to Crisis Group that the new authorities view the Doha agreement as no longer in effect due to what they argue are U.S. breaches (the Taliban see Washington's freezing of Afghanistan's assets and refusal to lift sanctions or recognise the Taliban government as breaches, even though the Doha agreement was premised on the Taliban entering talks with the Afghan government and other political forces, not seizing power by force). They further suggested that the group no longer sees itself as bound by the agreement. Still, Taliban interlocutors say authorities will continue to honour counter-terrorism commitments as a matter of internal policy.

### **How the EU Can Help Prevent State Collapse**

Donor states' approach of exerting pressure to extract concessions has yielded no significant compromises. The new authorities show little sign of buckling under the pressure; to the contrary, the Taliban's positions appear to have hardened.

There is another path available for donors such as the EU: providing targeted assistance to the Afghan public sector to test Taliban willingness to cooperate with international demands, and to prevent a collapse of public services that would have dire consequences for the Afghan people. Some European state donors have already started down this path, pledging support for the UN multi-donor trust fund that would go beyond emergency relief and, at least to a limited extent, address the economic roots of the crisis. The EU has supported this approach, too, committing over €268 million to projects primarily for health, education and food security, channelled through UN agencies and other international and non-governmental organisations. Although these funds are critical (yet insufficient) to improve Afghans' living standards, they are not

delivered through state structures and thus give the government only limited incentive to alter policy. Offering some development aid would give the EU and member states the ability to increase or decrease assistance contingent on the government's cooperation – a degree of leverage that is impossible with strictly humanitarian aid.

The policies of Western donors have not kept pace with the fast-growing humanitarian crisis. The continued isolation of the new authorities in Kabul is likely to amplify voices in the Taliban leadership arguing for rolling back the meagre compromises they have offered so far. Financially strained, the Taliban will likely give short shrift to policies adopted to allay Western concerns. For example, it is unlikely that the Taliban will have the capacity or will to fund the salaries of civil servants who previously delivered social programs or to finance girls' public education. There is a risk that the Taliban will increasingly monopolise state machinery as they seek to hold on to power.

Several actions would enable the EU to balance the Afghan population's need for a reasonably functioning state and the importance of engaging with the Taliban on respect for rights, especially of women and minorities, while developing a realistic working relationship with the authorities short of official recognition. The EU's recent establishment of a minimal diplomatic presence in Kabul and the direct talks between EU officials and the Taliban authorities in Doha could help achieve this goal. Measures to revise sanctions regimes would loosen the unintended stranglehold on the Afghan economy. Targeted assistance for state structures that directly support livelihoods and Afghans' well-being would stave off the collapse of essential services. Support for restoration of central banking functions, with international and European technical assistance and oversight, would help alleviate Afghanistan's economic troubles without depending upon wider Taliban progress in improving governance. Increasing efforts along these lines also would give the EU a firmer footing for dialogue on governance, rights and security issues than would a more disengaged stance.

## Keeping Kashmir on the Radar

Away from the international limelight, the decades-old conflict in Indian-administered Kashmir grinds on, as New Delhi grapples with a Pakistan-backed but largely local separatist insurgency. In August 2019, Prime Minister Narendra Modi's Hindu nationalist government unilaterally scrapped Jammu and Kashmir's semi-autonomous status, abrogated its statehood and redrew its geographic boundaries. The government claimed that its decisions would put an end to militancy in India's only Muslim-majority region and ensure its economic development. Neither has occurred. Instead, Kashmiris are increasingly alienated from the Indian state, with more and more youth joining insurgent groups – many to be killed by security forces in a matter of months, if not weeks. Meanwhile, the Modi government continues to steer clear of engagement with the Kashmiri political class, though it did release many of those it had detained for months after the August 2019 reforms.

More encouragingly, New Delhi has held back-channel talks with Pakistan, leading to an agreement to respect the 2003 ceasefire along the Line of Control – the unrecognised border that divides the Himalayan region in two. But with both countries laying claim to the entire region, and with New Delhi accusing Islamabad of supporting the insurgency, bellicose rhetoric remains the norm on both sides. Any significant militant attack in Indian-administered Kashmir would inevitably raise tensions between the nuclear-armed neighbours. The level of violence has not returned to what it was at the insurgency's height, but incidents nonetheless occur every week, with various signs pointing toward an uptick in conflict.

**The European Union (EU) and its member states can help address the deadlock by:**

- Pushing for resumption of formal bilateral relations between India and Pakistan, which were suspended in 2019, at the earliest. While reports of back-channel talks are encouraging, and were welcomed by the EU high representative, such informal exchanges will not be sufficient to bring about enduring peace in Kashmir. Meanwhile, the risks of military escalation between the two countries are too high to contemplate.
- Pressuring Pakistan to take meaningful action in reining in anti-India jihadist groups operating from its territory. Islamabad's assurances in this regard lack credibility given Pakistan's history of active support to militancy in Indian-administered Kashmir.
- Persuading the Indian government to re-engage with Kashmiri political leaders of all stripes – both those from “pro-India” (ie, mainstream) parties and separatist leaders, who for the most part enjoy greater credibility with Kashmiris. It should also nudge New Delhi to live up to its promises to restore Jammu and Kashmir's statehood and hold regional elections.
- Making clear to New Delhi that the relentless crackdown on Kashmiri civil society is both anti-democratic and a driver of instability that it should wish to avoid. The EU should raise the issue of abuses against journalists, activists and ordinary Kashmiris with the Indian government, and urge New Delhi to allow foreign reporters and observers back into the region.
- Encouraging the Indian government to show greater respect for religious sensitivities in Kashmir, for example by handing over bodies of slain militants (or suspected sympathisers) to kin, instead of burying them in faraway graveyards, and lifting the ban on Friday prayers at Srinagar's historic mosque. The present policies only reinforce Kashmiris' perception of the state being anti-Muslim, fuelling support for militancy.

**A New Escalation of Insurgency**

The decision to end Jammu and Kashmir's semi-autonomous status had been part of Prime Minister Modi's Bharatiya Janata Party (BJP) manifesto for years. Emboldened by its May 2019 re-election and increasingly driven by its Hindu

nationalist ideology, the BJP approached Kashmir with an iron hand. Not only did New Delhi scrap the state's unique status, it also rescinded its statehood, splitting Jammu and Kashmir into two Union Territories – Jammu and Kashmir, and Ladakh – both administered directly by the federal government via an unelected lieutenant governor. Authorities also detained the entire Kashmiri political class, including three former Chief Ministers, for months. The state legislature had been previously dissolved, depriving residents of an elected regional government.

More than two years later, anger and anxiety prevail among Kashmiri Muslims, whose resentment of New Delhi has only deepened in light of a series of measures the government has taken since the 2019 moves. Modi's administration has made sweeping legislative and administrative changes, leading to fears it is playing at demographic engineering in India's only Muslim-majority region. Indians from other parts of the country can now buy land, get residency rights and apply for government jobs in Jammu and Kashmir for the first time. Militants have stepped up attacks on migrants in response. The central government has also removed Kashmiri Muslims from most important positions in the local administration and police, bringing in outsiders to carry out its agenda.

Meanwhile, Kashmiri political life remains at a standstill. The mainstream politicians (called "pro-India" by the Kashmiris) who were detained in August 2019 have since been let go, but their freedom of movement and expression remains extremely limited. Most separatist leaders had been jailed during the BJP's first term and are still in detention. New Delhi has promised to hold regional elections as soon as it finishes reorganising the constituencies in the new Union Territories. Many observers, however, fear the exercise is designed to ensure the Jammu region – where the population is over 60 per cent Hindu – has more seats in the new Jammu and Kashmir regional assembly than the Kashmir valley, which is overwhelmingly Muslim.

Whatever the case, in the Indian federal system an elected assembly in a Union Territory would wield little clout, as executive powers would remain firmly in the hands of New Delhi's appointed lieutenant governor. Modi and his influential home minister, Amit Shah, have both hinted at restoring Jammu and Kashmir's statehood, which would provide Kashmiris with more meaningful political representation as it would allow for the election of a local government, but New Delhi has taken no action so far.

The government has also stifled freedom of speech in Kashmir with a brutal crackdown on journalists and human rights defenders, social media users and civil society at large. The intimidation and arrests of journalists, including under draconian anti-terror laws, is particularly alarming. Condemnation by international organisations such as the Committee to Protect Journalists and the UN Office of the High Commissioner for Human Rights has brought only denials and sharp criticism from New Delhi.

Despite the government's assurances to the contrary, the iron-hand approach is backfiring. Desperation among Kashmiris is pushing more youth to view

armed resistance as the only way to counter New Delhi's unilateral moves. India has responded with ruthless counter-insurgency operations: of the 128 youth who reportedly joined militant groups in 2021, 30 were killed within a month. According to government data, security forces killed a total of 366 militants between August 2019 and November 2021, losing 81 of their own men in the process. Civilians are caught in the crossfire: at least 96 civilians were killed during this period. A lot of locals question the authenticity of many counter-insurgency operations, as the security forces often have no evidence to present linking those killed to insurgency. Kashmiris accordingly allege that many of these operations are actually staged encounters, targeting civilians or suspects already in custody rather than active militants.

Citing COVID-19 concerns, security forces have been burying the bodies of those killed in encounters in far-flung graveyards instead of handing them over to their families, who therefore cannot conduct last rites. After completing an operation, they also blow up the houses where alleged militants were holed up, leaving families homeless. Such punishments add to the anger among the population, leading to widespread moral support for militancy.

Yet, for all its evident failings, the Modi government refuses to re-evaluate its ideologically driven approach to Kashmir, which is largely derived from its deeply held Hindu nationalist agenda. Consistent with that agenda, it also instrumentalises the Kashmir issue for electoral gain in other parts of India, where many BJP supporters regard Kashmiris as traitors loyal to Pakistan.

As for Pakistan, it is an open secret that Islamabad actively encouraged, trained and funded the Kashmiri insurgency in the 1990s. Over the last two decades, pan-jihadist groups it helped create for this purpose have carried out a long series of deadly terrorist attacks in India, from storming the federal parliament in 2001 to mounting the Mumbai attacks in 2008, to killing 40 Indian paramilitaries in Kashmir in February 2019. The last incident dangerously raised tensions between India and Pakistan, leading them to suspend diplomatic ties. Since then, no major attack has taken place, and it is difficult to determine how much support Islamabad is presently providing to the new wave of Kashmiri militancy, which is largely indigenous and appears to have no sophisticated weapons and little training. But given the history, Islamabad's assurances about offering nothing more than moral support to Kashmiris' "freedom struggle" will continue to ring hollow as long as Pakistan takes no meaningful action against the anti-India groups known to operate from its territory.

Against this backdrop, the best news to come out of Kashmir in the last two years arrived in February 2021, when India and Pakistan recommitted to the 2003 ceasefire after holding back-channel talks. For India, the decision could well have been a consequence of tensions rising on its China border, which has prompted it to redeploy security forces there, rather than genuine will to lower the temperature with Pakistan. Whatever the case, the reduction in direct friction between the two nuclear powers in what is one of the world's most militarised regions is a positive development. But the ceasefire accord alone will not bring about long-term stability, especially in the absence of proper

diplomatic ties. With India accusing its neighbour of supporting militant groups, any large-scale attack in Indian-administered Kashmir will inevitably result in heightened tensions – and probably in military escalation.

### **Moving Forward**

The EU should use its regular exchanges with Islamabad and New Delhi to actively encourage the nuclear-armed neighbours to move toward normalisation of diplomatic relations, more formal bilateral summits and a higher tempo of meetings to build trust. It should further work to ensure that proper communication channels are in place in case of a major militancy-related incident in Jammu and Kashmir.

Persuading India to move along this path will be challenging. Given how the BJP exploits frictions with Pakistan to boost its domestic political fortunes, the Indian government is likely to be happy with maintaining the status quo. Moreover, since it regards Indian-administered Kashmir as an internal issue, and systematically reminds international actors that Pakistan and India have agreed to resolve their differences bilaterally, it will likely bristle at what it views as foreign meddling. Convincing it will require, at a minimum, international actors such as the EU and its member states to exert pressure on Pakistan to take tangible action against pan-jihadist groups operating from its soil, which New Delhi continues to blame for much of the militant activity in Jammu and Kashmir. The EU should seize both security dialogue and counter-terrorism meetings with Pakistani authorities to nudge them in that direction, if nothing else to make clear that this oft-repeated request remains a European concern.

Brussels should not close its eyes to what is happening in Indian-controlled Kashmir. While it may feel pressure to safeguard Europe's strong trade and security ties with New Delhi, and hope to see India emerge as a regional counterweight to China's growing influence, a smouldering crisis in Kashmir will serve neither purpose. Although they have sometimes tended to avoid the issue, the EU and its member states should systematically raise the escalating human, social and security costs of India's actions in Kashmir at bilateral forums such as EU-India summits and in human rights dialogues. In so doing, they should point out that New Delhi's repressive policies in Kashmir are alienating a large section of the population and that its interests would be better served by addressing grievances and achieving greater stability in the restive region. In identifying those grievances, they should be highly attentive to local voices, as Kashmiris complain that their views are often lost in the shuffle as diplomats focus their attention on New Delhi and Islamabad. The EU and its member states should also press New Delhi on the need to respect media freedom in Kashmir. At a time when India wishes to be perceived as an emerging great power, they should highlight that its heavy-handed approach in Kashmir is a blot on its image abroad.

At the political level, the EU should encourage the Indian government to hold regional elections at the earliest and to restore Jammu and Kashmir's statehood. In the immediate term, it should do its utmost to convince New Delhi



of the need to re-engage with Kashmir's political class. The Modi government should, in particular, review its treatment of "pro-India" politicians. Although these leaders enjoy limited support, the central government's efforts to make them irrelevant is counterproductive, depriving it of its few potential allies in Kashmir. It should give them space to operate democratically, allowing them to exercise their freedoms of speech and assembly. Ideally, New Delhi should also soften its stand on engaging with separatist leaders, many of whom are idolised by Kashmir's youth; with most of these leaders in jail, many youngsters feel they have no peaceful, democratic avenue for their political aspirations, leading most to tacitly support militancy and some to actually take up arms.

The way India conducts security operations is also of great concern. In order to send a strong message to the population, security forces often go after militants in crowded areas, leading to civilian deaths. Such heavy-handed counter-insurgency tactics have a spiralling effect in pushing youth toward militancy. Brussels should continually remind New Delhi of the imperative of protecting civilians and abiding by its obligations under international humanitarian law.

Finally, the EU and its member states should take up the issue of the Indian government's poor handling of Muslim religious sensitivities in Kashmir. The security forces' refusal to hand over bodies of militants killed in security operations fuels resentment toward the Indian state, which Kashmiris increasingly perceive as anti-Muslim. So, too, does the ban on Friday prayers at Srinagar's historic mosque, Jamia Masjid, in place since August 2019. The significant increase in persecution of Muslim and Christian minorities in other parts of India by Hindu nationalist activists given a free hand to act with impunity under the Modi government has also deepened Kashmiris' sense of insecurity and rattled their already shaky confidence in Indian democracy.

# EUROPE AND CENTRAL ASIA

## **Bosnia and Herzegovina: Deterring Disintegration**

The Dayton peace agreement that has held Bosnia and Herzegovina together since the 1991-1995 war is unravelling. For more than 25 years, that accord has united two self-governing entities – one dominated by ethnic Serbs and the other by Bosniaks (Bosnian Muslims) – in a single state. But now Serb leader Milorad Dodik is threatening to withdraw from state institutions, including the army, that are shared among the country's three main ethnic groups, Bosniaks, Serbs and Croats, in a bid for greater autonomy that could be part of a drawn-out process of secession. His challenge to the Bosnian state is the most serious since the 1995 Dayton Accords ended the Bosnian war. It also comes at a moment of intense polarisation among the country's three "constituent peoples", as the constitution calls them. Trust among those communities' politicians has almost entirely broken down, with a long-running dispute between Bosniak and Croat leaders over the country's election law having produced a tactical alliance between Croats and Serbs – who already share a dislike of central authorities in Sarajevo.

Efforts by the European Union (EU) and member states will be key if Dodik is to be moved off his current path, which risks deepening instability. But while deterring Serb separatism is necessary to see the country through the year in one piece, it will not be sufficient for Bosnia to survive over the long term. The country's leaders need to find a way to work together again. If the immediate crisis can be overcome, European leaders should support a process to repair Bosnia's constitutional foundations, as Crisis Group has urged.

### **To stop disintegration and reduce the risk of violence, the EU and its member states should:**

- Seek to mediate the dispute between Bosniak and Croat leaders by brokering a compromise to ensure that the Croats will be able to choose their representatives for national office in the October elections;
- Seek to dissuade Serb separatists by making clear that the Serb entity will be isolated diplomatically and otherwise from the EU should it secede, and by threatening to impose harsh sanctions on any leaders and businesses who take major steps in the direction of secession, such as re-establishing a Bosnian Serb army or rejecting the jurisdiction of the Constitutional Court;
- Make clear that following the elections European actors will support an inclusive, locally driven constitutional reform process and in this context affirm previous commitments to support ending international supervision, including by closing the Office of the High Representative and ending the role of foreign judges on the Constitutional Court;

- Ensure that contingency plans to reinforce the EUFOR Althea peacekeeping mission are up to date.

### **Serb Separatism and the October Elections**

Bosnia and Herzegovina is composed of two self-governing entities, one called the Federation of Bosnia and Herzegovina and the other named Republika Srpska (RS). RS is divided into eastern and western halves, which are joined at the centre by the Brčko autonomous region. The Bosnian state is headed by a rotating three-member presidency made up of a Bosniak, a Serb and a Croat. The Dayton Accords that established this framework also confer authority on an international overseer, called the high representative, who enjoys broad powers over local authorities as a formal matter, but whose assertion of them (a rare occurrence in recent years) has engendered controversy, especially in RS. Over the years, under pressure from the Office of the High Representative (OHR), the Bosnian state added a common army, judiciary and tax authority to its core institutions. The country hosts EUFOR Althea, a small EU-led peace-keeping mission.

In October 2021, the governing coalition in RS, led by Dodik's Alliance of Independent Social Democrats party, began pushing to cut the ties that bind it to the rest of the country. In practice this has meant taking back, or threatening to take back, powers once enjoyed by the two autonomous entities but subsequently transferred to the state in Sarajevo. Thus far, the authorities in Banja Luka, the de facto capital of RS, have reasserted control over medical regulation, while making moves toward assuming bigger responsibilities including for the armed forces, indirect taxation and judicial appointments. The RS leadership also rejects the jurisdiction of other Bosnian state agencies (such as the state police) as well as of the OHR. These separatist moves are a response to the previous high representative's decision in July 2021 to impose a law criminalising genocide denial. While RS leaders acknowledge their forces committed atrocities during the war, they (along with most Serbs) deny that these amounted to genocide.

These unilateral steps are almost certain to be struck down by the country's Constitutional Court, which may be the point. Dodik has been itching for a confrontation with the court, which has a record of past rulings unfavourable to Banja Luka. These include a September 2021 judgment striking down RS's claim to jurisdiction over forests and other lucrative natural assets on its territory, as well as a November 2015 ruling banning the RS national holiday. The court is a good symbolic foil for Dodik because of its composition: two members from each "constituent people" and three members selected by the European Court of Human Rights who can neither be from Bosnia nor a neighbouring state. The court's makeup means that the Bosniak judges can band together with the foreigners to outvote the four Serbs and Croats at key moments, which has happened in the past. A decision by this coalition striking down RS efforts to stake out greater autonomy could play into Dodik's hands by inflaming secessionist sentiment among Bosnia's Serbian population.

Thus far, Banja Luka has adopted a slow-motion approach to increasing its power, making threats and setting deadlines, then pushing them back to allow for negotiation in the hopes of winning concessions on sovereignty. Whether they are willing to stop short of secession is unclear. RS authorities could be engaging in a defensive action to reassert control over criminal justice processes (a power once exclusive to the self-governing entities but now partly transferred to Sarajevo) and ward off the potential for state prosecution of high-level corruption cases. They could be seeking to claw back other powers or pursuing other goals short of secession – or they could be seeking outright independence or union with neighbouring Serbia. Whatever the case, Dodik probably hopes that his moves will help him in the next election. Serbian opposition parties agree with his aim of taking back power from Sarajevo but criticise his strategy and timetable. They argue that RS cannot risk defying Western governments as Dodik is doing and are also reluctant to be seen following his lead in an election year.

The separatists' approach leaves open some potential for a compromise solution. In past crises, Serbian leaders framed their demands as precursors to independence. This time, by framing their first steps in terms of return to what they call the “original Dayton” – in which two near-sovereign entities were linked by a small, weak central government – they may be aiming to force a renegotiation rather than a repudiation of Bosnian statehood.

A major impediment to any effort to achieve a negotiated settlement to the crisis, however, is that the Bosniaks and Croats are far from united in meeting the Serbs' challenge to the Bosnian project. The majority Bosniaks are embroiled in bitter wrangling with the Croat minority over Bosnia's electoral system, particularly as it relates to the three-person national presidency and fifteen-member House of Peoples (one of two legislative chambers). The system has been found wanting in several European Court of Human Rights judgments, one of which found that all citizens – not just members of the three constituent peoples recognised under the constitution – should be eligible to run for the presidency. For Bosnian Croats, a key demand is that they have a mechanism for electing their own representative to the presidency, perhaps by being allotted their own electoral district in which they are the majority. Such a mechanism would help prevent the Bosniak majority in the Federation from electing the Croat member of the presidency with minimal Croat support, as has happened on three occasions. For Bosniaks, however, drawing a Croat-majority electoral district seems like an unwelcome step toward separatism.

The long-running dispute poisons relations at the national level as well as in the self-governing Federation, but more immediately it undercuts any hope that the Croats and Bosniaks might present a united front against Serb separatism. Indeed, it has had exactly the opposite effect, drawing the Croats' leaders and Dodik together in mutual opposition to Sarajevo. Croat leaders also take out their frustrations by obstructing government in the Federation when they can.

The country is thus divided into two almost equal halves, with the predominantly Bosniak Sarajevo-based parties that want to strengthen the national

government arrayed against the Croat and Serb parties that seek autonomy if not complete independence from it. Serbs and Croats have different grievances and different goals – the Croats do not want to see RS secede – but support each other in most cases. In these conditions, and with an election looming in October, no one is inclined to compromise. Croats are threatening to boycott the polls if their demands are not met, and should they do so Serbs might try to organise their own parallel election. The ensuing dispute about who has been legitimately elected could tear the country apart.

The one bit of welcome news in this scenario is the absence, at least thus far, of signs that leaders are preparing for armed conflict. Conditions throughout the country make civil war much less likely than in 1991, when strife last erupted. Years of emigration mean there are far fewer young people; those who remain do not want to fight and have no military training. There are almost no heavy weapons. Fighting could still break out unplanned – for example, if RS tries to evict state police from the border posts or if either side tries to take full control of the shared Brčko District. But even in the worst case it would be unlikely to feature the searing atrocities of the last war, in part because of the tragic reality that because of the conflict most territories are now (unlike then) ethnically homogeneous. For the time being, there is no need to reinforce the EU's small peacekeeping force, but the Union should update its contingency plans in case the crisis deteriorates and fighting breaks out.

### **The EU's Role**

The most urgent task is to prevent RS secession or widespread electoral boycott. No meaningful progress toward a sustainable future for Bosnia can be expected while such dangers loom. The EU and its member states, working with the U.S., should address these two main threats at the same time. Progress toward healing the Bosniak-Croat breach should make responding to the Serb challenge easier.

First, European officials should encourage Bosniak and Croat leaders to compromise on elections if the country is to escape serious harm. This task will not be easy. The problem is complicated and local leaders and international envoys have repeatedly failed to resolve it. But the urgency has never been greater or the costs of failure higher. Ideally, EU and U.S. envoys can persuade enough legislators to amend the constitution and election law in time for the October elections to go forward under the new arrangements. The compromise must allow voters in predominantly Croat regions to elect a representative to the state presidency, as those in predominantly Bosniak and Serb areas already can. If the clock on new legislation runs out, then a gentleman's agreement to the same effect is the next best course.

For such an agreement to avoid a risky boycott, it will be necessary for Željko Komšić, the current Croat member of the presidency who is popular with Bosniaks but less so with Croat voters, to step aside for the good of the country. If Komšić runs, as he intends to, he will likely again win on the strength of votes from the Bosniak majority despite his lack of support among Croats. In

that event, Croat parties will likely see reason to boycott. He can still play an important role in national politics, perhaps as chair of the Council of Ministers. Achieving compromise will also mean pressuring Bosniak and Croat leaders to back down from their maximalist positions. Notably, Croat leaders must stop obstructing Federation governance and agree to cooperate in reining in the RS.

To deal with the risk of RS secession, the EU should make the costs of breaking away clear to Dodik and the Serbs. Secession would leave RS isolated from the EU diplomatically and otherwise. The EU and member states should shun a breakaway RS, and its leadership, if necessary to the point of closing European borders to it. However uncertain their impact may be, the EU should also threaten to match harsh U.S. sanctions on leaders responsible for moves such as establishment of an RS army or rejection of the Constitutional Court's jurisdiction. It should expand its sanctions toolbox beyond the asset freeze and travel bans contemplated by the framework it has in place so that the possible penalties also include bans on EU citizens and firms doing business with sanctioned individuals and companies. (The U.S. imposed such measures on Dodik on 5 January 2022.) Brussels should also broaden the basis on which sanctions can be imposed: its current framework enables sanctions for undermining the Dayton Agreement or Bosnia's sovereignty or territorial integrity. It should also add high-level corruption and organised crime to that list, and not hesitate to use the threat of sanctions as leverage in talks.

Brussels should offer an off-ramp as well. In exchange for RS suspending moves toward separation and committing to participate in the October elections, the EU should urge the high representative to suspend his predecessor's genocide denial law. There is precedent for such a compromise: the OHR "reinterpreted" a decision in 2007 in the face of Serb opposition.

These are all short-term moves, however, and by themselves they may not be enough even to see Bosnia past the obstacles that lie ahead in 2022. Without the prospect of resolving their complaints about how Bosnia and Herzegovina is governed, Serb leaders may conclude that the pain of whatever restrictive measures the EU can impose is the lesser of two evils. Brussels should therefore make clear that it will actively support a post-election effort to address those grievances. To this end, the EU should encourage, and offer to provide assistance for, a locally driven process to draft amendments to the constitution and place the country on a sustainable foundation. This process should aim to address accumulated frustrations on all sides, including resentment of international supervision. In this context, the EU should affirm its earlier support for ending both the OHR's mandate and foreign participation in the Constitutional Court.

# LATIN AMERICA AND CARIBBEAN

## Tackling Colombia's Next Generation in Arms

Colombia's hard-won peace is withering in the countryside. Following the signing of the 2016 accord between the state and the Revolutionary Armed Forces of Colombia (FARC), levels of violence dropped across much of the country. But armed conflict is now escalating in a small but growing number of rural pockets, where communities report that violence and coercion are as bad as or worse than before the peace agreement. Competition between armed groups, criminals and the military in certain areas seems likely to worsen in 2022, and the homicide rate across the country is on an upward trajectory. More seemingly stable regions risk being dragged back into a cycle of conflict.

Rather than ideology, the ebbs and flows of the illicit economy define localised violence in enclaves found along the Pacific coast, near Colombia's borders with Venezuela and Ecuador and close to the Atlantic. Armed and criminal groups strong-arm communities for resources and recruits, often disproportionately harming women and families with their coercive tactics. In some affected communities, mothers have become the last line of defence against child recruitment and face brutal punishment for speaking out against this practice.

The coming year could well place additional strains on conflict-affected communities. Presidential and congressional elections are due between March and June, with local elections scheduled for early 2023. As in past electoral contests, armed groups and sometimes also political and business interests may use or commission violence to consolidate their influence, particularly in regions with a history of conflict and where institutions have little capacity to resist co-optation.

### **In this context, the European Union (EU) and its member states should:**

- Publicly and privately urge all candidates to recognise that implementation of the 2016 peace accord remains a priority for the international community. Of particular importance are reforms to the rural economy and political system that were intended to take place over the medium to long term but in many cases have not yet begun.
- Advocate for and devote aid programming to the gender focus and ethnic chapter of the peace accord, implementation of which is lagging.
- Expand support for the Attorney General's Office in an effort to lower rates of impunity for crimes against social leaders and ex-combatants.
- Drawing on experience in Bolivia and Peru, help Colombia craft a new path for coca crop substitution, which is vital to sparing poor farmers from involvement in the drug economy.

### Security Divergence

Colombia's present security challenges date to rapid changes in territorial control that started in 2017, when the FARC laid down its arms. The 2016 peace agreement had envisaged the state moving to establish control over former FARC bastions, but armed groups proved far swifter and nimbler along key trafficking routes and in far-flung regions. Without the FARC controlling lucrative markets, "the territory was left naked", as one social leader in Nariño put it. In a rush to capture illicit rackets, armed groups swept in, including the remaining leftist insurgency the National Liberation Army (ELN), so-called dissident groups initially formed from a small number of former FARC who resisted demobilisation, post-paramilitary outfits that trace their origins to right-wing groups that fought the FARC, and local criminal syndicates. The dissidents in particular are emblematic of this new phase in Colombian conflict. Rather than forming one organised insurgency, the dissidents comprise dozens of separate local fronts largely focused on controlling area businesses, from coca to marijuana to illegal mining, and routes for illicit goods. Local frustration over the government's failure to meet pledges it made in the peace accord to jump-start rural development, sponsor programs for coca substitution and protect former FARC combatants have heightened the dissidents' ability to co-opt certain communities.

Since the start of the pandemic, violent groups have moved toward exerting full-fledged control of the regions where they operate. Armed organisations have absorbed more recruits, consolidated their influence with locals and clashed with rivals. Vulnerable communities have few resources to resist them. The Gulf Clan, a post-paramilitary group, used COVID-19 lockdowns to intimidate civilians into staying out of its way while swallowing up its most significant rival, the Caparros. After a brief humanitarian ceasefire in early 2020, the ELN has similarly used violence to impose quarantines and movement restrictions, upped its asymmetrical attacks on state security forces, and spread into areas where it had not had a significant presence before. Two major dissident factions – one under the leadership of Gentil Duarte and Iván Mordisco and another calling itself the Segunda Marquetalia – have begun consolidating dispersed fronts within loose rival alliances. Leaders of the former never entered the peace process and consider themselves the only remaining true expression of the FARC, while the latter emerged after chief negotiator Iván Márquez and Jesús Santrich announced they had taken up arms again in August 2019. The two umbrella groups confront each other as mortal enemies when they meet.

Regions caught in the middle of disputes between armed outfits, or between armed outfits and the military, continue to see the highest levels of visible violence. In Nariño and Cauca on the Pacific coast, the two rival dissident alliances seek to displace one another, while the ELN tries to stay afloat and safeguard its coca and mining enclaves. The military has carried out operations against all three. The ELN and Gulf Clan engage in regular violent clashes in places such as Bajo Baudó and San Juan in the region of Chocó, often in the midst of civilians. Along riverine trafficking routes in Putumayo near the border with



Ecuador, post-paramilitary groups, as well as bands connected to the two main dissident strands, are all competing for control.

Other parts of the country that appear quiet may in fact be under the largely invisible but highly coercive rule of a single armed group. The Gulf Clan runs the show in southern Córdoba, regularly threatening local authorities and social leaders, and demanding extortion fees from nearly all merchants. In southern Guaviare, dissidents allied with Gentil Duarte issue rulebooks for local communities to live by. All these groups capitalise on the economic ruin caused by the pandemic and fading confidence in the government's willingness to implement the rural reforms contemplated by the peace accord. They urge discouraged and often desperate farmers to plant coca, resulting in consistently high rates of cultivation nationwide.

### **Patterns of Violence**

The many thousands of Colombians living in conflict-affected zones report that their situation is as bad as it has been at any point in the last decade – and, in some cases, worse. In seeking to control the illicit economy, armed groups need to control land where coca is grown, gold is mined and trafficking routes pass. To do so, they must also control people, which they do through a repertoire of coercive methods. Rising assassinations of local activists (commonly known as social leaders) who have spoken out against armed groups and their practices are one stark example of disciplinary violence. Threatening or killing a community figure often has the effect of silencing an entire sector of the population. Outspoken female leaders are particularly vulnerable. They report receiving threats not only to themselves but also to their children and extended family members. They say they are also targeted for sexual violence.

Armed groups learned perverse lessons from the pandemic that continue to shape their behaviour. After eighteen months of school closures, they have developed a wealth of strategies for luring children and youth to their ranks, from organising sports and social clubs to throwing parties to running online video game competitions. Their overwhelming success in recruiting minors has shattered social cohesion in some communities. Families in areas with a notable dissident and post-paramilitary group presence say it is nearly impossible to avoid some form of capture by these networks; once inside, children find it hard to escape. Families who report cases of recruitment or approach the group directly for help can face violent reprisal and social ostracism. “Before, mothers published on social media when someone was recruited, saying they were missing, but now they are quiet”, said one female indigenous authority in Cauca.

Armed groups have also imposed confinement well beyond the scope of COVID-19 quarantines as a means of control. With the exception of the ELN and some dissident fronts, most armed groups are neither uniformed nor based in camps, rendering it difficult even for their own members to know who belongs. Confinement is a way to clarify who is a member and to ensure that rivals

do not enter an area. Between January and October 2021, well over 50,000 people were subject to confinement imposed by armed groups, ranging from curfews to blanket movement restrictions. According to the UN Refugee Agency, almost all of the victims were from vulnerable Indigenous or Afro-Colombian communities. Throughout the summer and autumn, farmers in Nariño's Telembí Triangle reported how competing dissident factions planted landmines at the exits of their rural neighbourhoods, warned anyone who considered fleeing that they would not be allowed to return, and in extreme cases prevented residents from leaving their homes even to tend crops. Humanitarian agencies across Colombia have scrambled to respond to this invisible and growing crisis, at times struggling to understand who they should even approach to secure access. Beyond posing a threat to communities' ability to maintain food supplies and security, forced isolation of these areas often deprives children of access to school and health care.

These conditions are likely to worsen in the months ahead both because the government does not yet appear to have a compelling strategy to address the latest manifestations of violence, and because electoral campaigning in 2022 and 2023 will dampen any immediate prospects for reform. Elections tend to increase violent competition for territorial control in Colombia – a matter of particular concern in the lead-up to local votes in 2023. Mayoral and town council races are vulnerable to manipulation – including through voter intimidation and violence – by both illegal and legal political interests that covet the influence local state officeholders have over who receives lucrative public contracts, who fills key regulatory posts and how funds are allocated. Meanwhile, Colombia's armed forces have struggled to adapt to the changing configuration of conflict. Their insistence on tactics used to combat the former FARC insurgency – captures, coca eradication and strategic checkpoints – do little to weaken today's more convoluted webs of criminality or to protect the vulnerable communities forced to live within them.

Parts of the 2016 peace accord that were meant to short-circuit the illicit economy have stalled. The failure of a coca crop substitution program stands out as especially problematic. Some 100,000 small-hold cultivators voluntarily ripped their crops out of the ground in 2017 and 2018; they have yet to receive promised support for a new livelihood. Four years later, many have reluctantly started replanting coca, faced with the imperative of putting food on the table and, in many cases, compelled to do so under orders from an armed group. Programs supporting rural development that would render legal crops more competitive have moved far too slowly to arrest the strides of the illegal economy. Meanwhile, mechanisms to ensure that these and other aspects of the accord include and respect the autonomy of ethnic communities remain underfunded and peripheral to the policymaking process. A promise to prioritise gender (taking into account women's particular needs to ensure participation and protection) in program design and policy has today evolved into little more than a box-checking exercise to ensure female attendance at meetings.

### **What the EU Can Do**

The EU and its member states are in the unusual position of enjoying high levels of trust in the Colombian government, civil society and conflict-affected communities. A memorandum of understanding recently signed by Bogotá and Brussels testifies to the strength of the EU-Colombia relationship. The EU has also been a key donor to the peace process, and has been especially supportive of disarmament and efforts to demobilise and reintegrate former FARC members in civilian life. It has also been among the few donors to give priority to meeting the needs of female ex-combatants, whose projects can require different types of technical and logistical support given their specific requirements, such as child care.

Still, the critically important effort to implement the 2016 accords has been undercut by the failure to deliver on reforms necessary to give communities economic hope and the ability to engage in the nation's political life. In the run-up to elections, the EU can signal its priorities to useful effect, making clear that international donors continue to insist upon the complete implementation of the peace accord, including politically difficult rural and land reforms that have so far languished, some in congress and others in rollout, often for lack of political will. The Special High-Level Mechanism for Ethnic Peoples – which is meant to ensure that the constitutional rights and prerogatives of Indigenous peoples and Afro-Colombians, including territorial autonomy, are respected in implementation of the peace agreement – is another example: the body lacks sufficient funding, and has not been included in planning processes linked to the accord's implementation.

The EU's support for the Attorney General's Office has been essential to its efforts to strengthen investigations of crimes against social leaders and former FARC combatants, the two waves of assassinations that have claimed around 700 lives since the peace accord and have been central to armed groups' attempts to establish social and territorial control. So long as impunity remains the norm for perpetrators of violent crime in the countryside, the EU should continue and expand this support.

Finally, the EU remains one of the few international bodies that could credibly help the Colombian government find a new route toward coca crop substitution, based on previous experience in Bolivia and Peru. The peace accord legally prioritises substitution before forced eradication, a confrontational strategy that tends to put the brunt of counter-narcotics efforts on impoverished farmers and has been proven ineffective in reducing crops. Yet more effective, voluntary approaches are underfunded and have never enjoyed broad political support. Colombia needs a new, more viable off-ramp for the thousands of families who grow coca out of necessity. The EU and member states should throw their weight behind efforts to build one.

## Venezuela: Maduro's Timid Thaw Unsettles the Opposition

Venezuela remains immersed in a complex humanitarian emergency whose principal component is political deadlock between President Nicolás Maduro's government and an increasingly fragmented opposition. The U.S. and a handful of its close allies continue to recognise Juan Guaidó, former president of the National Assembly, as the country's legitimate acting head of state. But Guaidó's authority over the multiparty Unitary Platform alliance he nominally leads has waned since controversial legislative elections in December 2020 – boycotted by the main opposition parties – restored control of parliament to Maduro. The failure of Guaidó's strategy of forcing Maduro from power through external (primarily U.S.) pressure has reduced his popularity to a level similar to that of the president. The Platform's decision to participate in the 21 November 2021 local and regional elections, over Guaidó's objections, increased his isolation, especially after he refused to campaign for its candidates. Bitter accusations of corruption in the handling of foreign assets by his "interim government" have further damaged opposition unity.

Over the past year, Maduro's authoritarian government has created a narrow political and economic opening, offering a slightly more level electoral playing field (in particular an electoral authority with two officials from the opposition side) and liberalising economic policy by relaxing state controls, quietly allowing de facto privatisation of many state-owned businesses and permitting large-scale dollarisation. In August 2021, it returned to Norwegian-facilitated negotiations the two sides abandoned in 2019, signing a memorandum of understanding in Mexico City with a delegation representing the Unitary Platform. But little was agreed in the ensuing talks, and the Maduro government suspended its participation in October, after businessman Alex Saab, a key ally of the president, was extradited from Cape Verde to the U.S. to face money-laundering charges.

### **In these circumstances, the European Union (EU) and its member states should:**

- Maintain contact with all genuine opposition groups and their external allies; encourage them to unite around a strategy centred on achieving free and fair presidential elections in 2024 in exchange for the phased lifting of sanctions and mutual guarantees of freedom from persecution for the eventual loser in those polls, including a transitional justice regime to clarify responsibility for acts of violence.
- Engage with Maduro government officials at different levels, as well as with their principal foreign allies, in order to determine what incentives might induce them to agree to phased restoration of representative politics and the rule of law.
- Work with allies and multilateral bodies, including the UN, to support and strengthen internationally backed negotiations, should they resume, and

to help devise creative solutions to the dispute over control of Venezuela's external assets.

- Substantially increase aid, both to alleviate the conditions of Venezuelan migrants in the region and to address the humanitarian emergency inside the country, with attention to mitigating risks that disproportionately affect women and girls.

### **Humanitarian Emergency**

The Venezuelan economy has shrunk by around four fifths since President Maduro took office in 2013, provoking a mass exodus of around one in five Venezuelans. A combination of corruption, mismanagement and economic collapse has wrecked the country's infrastructure, leading to frequent large-scale blackouts, chronic energy and water supply problems, a breakdown of public and private transport, and a critical lack of medical services. U.S. economic sanctions, particularly on the oil industry, have exacerbated the situation. Under Maduro, the statistics the Venezuelan state makes public are sporadic and unverifiable, hindering efforts to ascertain the true extent of everything from economic damage to crime to the impact of the COVID-19 pandemic. An annual survey by major universities estimates the poverty level at 94 per cent.

In recent years, the government has begun to allow in foreign humanitarian aid, notably through a 2021 agreement with the World Food Programme. But hunger, disease and malnutrition remain widespread and available welfare programs – whether run by the state, by local and foreign NGOs, or by multilateral agencies – fall far short of what is required. Poverty has left large segments of the population, in particular women and girls, highly vulnerable to human trafficking, especially for the sex trade in neighbouring countries.

### **Opposition Disarray**

A last-minute agreement among the main opposition parties permitted Guaidó to renew his controversial mandate as “interim president” just before it ran out on 5 January. His claim to the office is based on the contention that the democratically elected 2016-2021 National Assembly remains the country's true parliament, despite the election of a new legislature in December 2020 in a poll the mainstream opposition boycotted and dismissed as a sham. But the opposition is deeply divided and dysfunctional. Its leadership, including Guaidó, has come under severe internal criticism over allegations of corruption and incompetence regarding the management of Venezuela's overseas assets.

The more fundamental split is, however, over strategy. The failure of the U.S.-led “maximum pressure” campaign to oust Maduro – centred on foreign (and especially Washington's) backing for the Guaidó “presidency”, economic and individual sanctions, and an election boycott – persuaded the Unitary Platform to take part in regional and local elections in November 2021. Yet Guaidó and his hardline allies declined to join the campaign. The result is a paradox: a movement whose leaders do not share its ideas about how to proceed. The

disagreement is due in part to the perverse incentives created by external recognition of the interim government, which has impeded efforts to renew the opposition's political leadership on the basis of popular support in Venezuela. Moreover, opposition parties outside the Platform now represent a significant body of voters.

### **Hints of Reform**

Obligated to adapt to economic collapse and U.S. sanctions, the Maduro government has embarked upon somewhat chaotic economic reforms, partially dollarising the economy and returning many state-owned businesses to the private sector in opaque transactions. It has also achieved a modest increase in oil production. Without resolving the country's severe economic crisis, these changes have halted the decline in GDP and made life easier for a minority of the population – particularly those who are able to earn dollars.

Reform has also allowed a modicum of democracy within the ruling United Socialist Party of Venezuela, raising the possibility that political as well as economic change might come first from within the ruling party rather than from its adversaries' activity outside. In turn, this development strengthens the hand of those in the mainstream opposition movement who argue for a less confrontational stance toward the Maduro government.

Even so, the opposition leadership rejected moves in 2020, led by former opposition presidential candidate Henrique Capriles and others, to negotiate partial, ad hoc agreements with Maduro, insisting that only a comprehensive, all-or-nothing settlement including free and fair presidential polls was acceptable. Talks in Mexico City on such a deal, facilitated by Norway, began in August 2021, but little progress was made and the government suspended its participation two months later, after Cape Verde extradited its ally Alex Saab to the U.S. At the time of publication, the talks remain on hold.

### **Adapting to Circumstances**

A solution to Venezuela's political and economic crises is not likely in the short to medium term, and when it eventually emerges it is likely to be in the form of a process rather than an event. Along with the armed forces, the Maduro government – or at least a faction of it – is set to play an important (and probably guiding) role in any move toward a settlement. Progress will require complex and lengthy negotiations, preferably building on the suspended Norwegian-facilitated process but bolstered by additional external support. In order for talks to succeed, however, the opposition coalition must resolve its decision-making and strategy disputes; restore its credibility with the electorate, crucially (but not exclusively) by ensuring that party leadership's choices respect internal democratic preferences; and broaden its base by reaching agreements with those non-Platform sectors that are not mere appendages of the government.

One task of the EU and its member states, along with other external parties seeking an end to Venezuela's crisis, is to encourage the various opposition

factions to take this route, emphasising gradual change and engagement with the Maduro government and its foreign allies. As far as possible, they should encourage moves toward greater opposition unity and avoid laying emphasis on support for the “interim government”, whose authority over the opposition as a whole and role as an agent mobilising political loyalty is likely to diminish further. They should also seek closer policy alignment among the opposition’s main external backers, especially by urging Washington to back renewed negotiations with an explicit roadmap that lays out how sanctions can be first eased and then lifted in return for progress toward a settlement involving free and fair elections and restoration of constitutional rule. Plans for electoral reform should draw on the findings of the EU observation mission for the November 2021 local and regional polls, while an agreement should include guarantees that the losing side in a future vote will not suffer persecution. An ideal settlement would also include transitional justice arrangements that would rectify the prevailing impunity for crimes against humanity allegedly carried out during the political conflict, to the satisfaction of the International Criminal Court and with the government’s consent.

A second task is to keep close contact with the Maduro government as well as the Venezuelan armed forces. The EU and its member states should press these interlocutors to specify what incentives they might accept in exchange for allowing the revival of peaceful political competition as part of a deal like that outlined above. In tandem, European diplomats should also urge the Maduro government’s outside partners, including China and Russia, to put their weight behind the search for a negotiated solution that restores economic growth and stability, as well as addressing both their own concerns and those of the government.

Should negotiations to resolve Venezuela’s crisis start once more, a third job for the EU and its member states is to offer incentives and targeted material support to encourage both sides to agree on the difficult compromises required to restore peace, democracy and security. Meanwhile, the EU should urge the opposition to establish a non-partisan model for management of the external assets that are in its power as well as provide guidance as to how the dispute over these assets might be settled in a final agreement.

In parallel with these diplomatic efforts, the EU should significantly increase financial support (to a level much closer to what it grants to countries closer to its borders) to attend to both the Venezuelan migrant crisis in the region and – through negotiations with government officials at various levels – problems of malnutrition and disease inside the country. Of concern is the disproportionate impact of poverty and migration on women and girls, who are especially vulnerable to the increasingly prevalent phenomenon of human trafficking. The EU and its member states should use their influence on regional governments to persuade them to fully implement provisions of the many international laws and treaties that prohibit human trafficking and sex slavery, especially the Palermo Protocol to the UN Convention Against Transnational Organised Crime.

# MIDDLE EAST AND NORTH AFRICA

## Israel-Palestine: Getting Beyond Business as Usual

Since a wave of violence swept through Israel and the Palestinian territories in April-May 2021 and grabbed international attention, the Israeli-Palestinian conflict has again largely fallen off the world's radar. Prospects for a viable peace process remain out of sight, and rhetorical commitments to a two-state solution by outside actors like the European Union (EU) and its member states seem more removed than ever from the steadily evolving reality on the ground. As the intensity of the 2021 fighting and the geographical spread of Palestinian protests showed, this state of affairs is becoming increasingly untenable.

Effective conflict resolution in Israel-Palestine would require an unlikely paradigm shift in international policy. The more realistic immediate need, given the circumstances, is to prevent the conflict from becoming much worse. Working with the U.S. and others, the EU and its member states should press Israel to take steps that would mitigate the impact of its de facto annexation of the occupied West Bank and support renewal of the Palestinian political sphere while working toward an approach to the conflict that would prioritise respecting the rights of Israelis and Palestinians equally.

### **The EU and its member states should:**

- Press Israel to cease settlement construction, home demolitions and state-backed settler violence; refrain from expelling Palestinian residents from East Jerusalem; abide by the terms of the historical understanding known as the Status Quo at the Holy Esplanade; and rescind the recent terrorism designation against six Palestinian civil society organisations.
- Push for intra-Palestinian reconciliation; encourage the Palestinian Authority (PA) to reschedule elections; protect and expand the space for Palestinian civil society; and publicly distance themselves from the PA's repressive and authoritarian practices, while denouncing Hamas's resort to indiscriminate violence.
- Link European cooperation with Israel and the PA to the foregoing objectives – for example, by excluding illegal settlement activity from bilateral agreements and using financial support both to encourage Palestinian reforms and to discourage Israel from further closing space for Palestinian civil society or restricting the PA's access to funding.
- Have the European External Action Service and the Commission start work on an options paper concerning positive and negative incentives Europe has at its disposal to advance its objectives vis-à-vis Israel and the PA.



### **A Steadily Evolving Status Quo**

The Israeli-Palestinian conflict grinds on without resolution or a blueprint for reaching one. The diplomatic vacuum should not be confused with stalemate: Israel's military occupation of the Palestinian territories (East Jerusalem, the West Bank and Gaza) conceals de facto annexation in the form of land expropriation and settlement expansion as well as legal and administrative separation of the territories' Palestinian and Jewish populations. The status quo is not stasis but creeping transformation.

The violence that roiled East Jerusalem, the West Bank and Israeli cities in April-May 2021, along with the eleven-day war between Israel and Hamas in Gaza, served as a powerful reminder that this status quo is dangerous. As the political horizon for Palestinians living under various forms of Israeli control keeps receding, spasms of conflict are becoming more severe and widespread.

At the epicentre this time stood – once again – occupied East Jerusalem, where a series of interconnected events combined to bring Palestinian protesters into the streets. These included the threatened eviction of Palestinian families from the Sheikh Jarrah neighbourhood; restrictions on Palestinian movement into East Jerusalem and around the Damascus Gate and the Holy Esplanade (the Haram al-Sharif and Temple Mount, sacred to Muslims and Jews, respectively) during the Muslim holy month of Ramadan; and Israel's resistance to letting East Jerusalem's Palestinian residents vote in Palestinian elections, which were scheduled for later that spring but were cancelled by PA Chairman Mahmoud Abbas, who likely feared that his Fatah faction would lose. Confrontations between Israeli police and demonstrators turned ugly, particularly near the Haram al-Sharif, where officers shot sponge-tipped bullets, stun grenades and tear gas canisters at Palestinians throwing stones, bottles and chairs.

Things escalated further from there. Citing a need to defend Jerusalem, Hamas fired a rocket barrage from Gaza at the city, and then also at other locations in Israel; Israel responded with a devastating air assault on Gaza that left much of the enclave's civil infrastructure in ruins and over 250 people dead. Subsequently, protests broke out in the West Bank, which the Israeli army brutally suppressed. Israeli cities with mixed Jewish and Palestinian populations also saw an uncommon wave of protests and clashes between civilians, in which synagogues and mosques were targeted and, in some cases, mobs of Jewish vigilantes attacked Palestinian shops and individuals with the protection of Israeli authorities.

A new Israeli government elected in June, which replaced the cabinet of Prime Minister Benjamin Netanyahu, has brought little change. While adopting a softer tone toward Israel's nominal allies than its predecessor had, it maintained Netanyahu's uncompromising approach to the occupied territories. Settlement expansion and demolition of Palestinian homes continued apace; state-backed settler violence increased, devastating Palestinian livelihoods, especially during the critical olive harvest in September-November; and in October, the government banned six respected, European-funded Palestinian civil society

organisations on the specious charge of affiliation with the Popular Front for the Liberation of Palestine, which Israel calls a “terrorist” organisation.

Meanwhile, the Palestinian Authority carried out its own repression of dissent, for instance, by arresting opposition voices (one of whom, Nizar Banat, died in PA custody following his arrest). It also stuck by Abbas’s decision to postpone indefinitely Palestinian national elections (originally scheduled for May-August), despite strong popular demand that the voting proceed. Resumed high-level political talks between Israel and the PA are a positive, but their mandate is narrow, with Israel’s government having ruled out political negotiations; these talks rather serve primarily to bolster an unreformed PA.

### **Business as Usual**

There is a disconnect between the EU’s stated goals in Israel/Palestine and European policies. Together, the bloc and its member states are the PA’s largest international donor. The EU’s ultimate goal in the Israeli-Palestinian conflict is a negotiated two-state solution “that meets Israeli and Palestinian security needs and Palestinian aspirations for statehood and sovereignty, ends the occupation that began in 1967, and resolves all permanent status issues in order to end the conflict”. To this end, it has publicly opposed Israel’s settlement policy and evictions in Sheikh Jarrah, advocated for maintaining the historical framework of understandings governing Jerusalem’s holy sites known as the Status Quo and verbally supported the holding of Palestinian elections. Yet its actions do little if anything either to advance its preferred policy or to hold Israel or the PA accountable for conduct that runs counter to it.

Indeed, the past year suggests that the EU and its member states have settled into a pattern of simply trying to manage the status quo as they see it. In May, following the eleven-day war in Gaza, EU High Representative Josep Borrell said the situation in the enclave had “long been unsustainable”, and reiterated the call for a political solution to the conflict, but added little else. In October, the EU responded to Israel’s terrorism designation of the six Palestinian civil society organisations, some of which have received European funding, with a standard demurrer that it had seen no evidence to warrant this move. Brussels condemned the move but took no further action. The tepid response cast a chill on Palestinian civil society and can only serve to strengthen Israel’s sense of impunity. Worse, the European Commission has suspended an EU-funded project of one of the organisations, Al-Haq, the most prominent Palestinian human rights group, despite determining upon review that it had found no “breach of obligations or irregularities”.

European officials appear to have also backed themselves into a corner in their policy concerning the PA. While they support Palestinian elections, their reluctance to confront Israel over allowing Palestinians in East Jerusalem to participate, and perhaps their greater fear that Hamas might win, prevents them from making a stronger push for putting polls on the calendar. Moreover, hemmed in by outdated and counterproductive conditions the Quartet (the

U.S., UN, EU and Russia) imposed on Hamas in 2006-2007 – recognising Israel, renouncing violence and accepting all previous Israeli-Palestinian agreements – they hew to a self-defeating no-contact policy toward Hamas that provides the PA with a built-in excuse to avoid elections. Their reliance on the PA as a provider of stable government and a potential peace partner for Israel has encouraged them to close their eyes to the PA's repressive and authoritarian practices in the West Bank.

The 2021 violence and the European response suggest that, with the Israeli-Palestinian peace process and related 2003 roadmap having lost their relevance after being the focal point of diplomatic attention for years, the EU and its member states need to rethink. Attempting to manage the status quo is tantamount to acquiescing to constant deterioration on the ground and continued violation of Palestinians' rights, all while the prospect of a two-state solution fades. As concerns Israel, they offer little more than rhetorical opposition to an unfolding de facto annexation they claim to oppose. As concerns the PA, they throw good money after bad by continuing to support a repressive government without conditioning funding on elections and across-the-board reforms.

### **Changing the EU Approach**

The responsibility for ending the conflict peacefully, or at least lessening tensions to create an environment in which a better way forward can be envisioned, rests with the main conflict parties. Yet none of these actors is likely to take such steps absent a firmer international line. By staying largely silent, the EU and its member states are, in effect, acquiescing in Israel's military occupation and de facto annexation of the West Bank. Without more pressure on the PA, political renewal is unlikely to happen. This reality stands in direct contradiction to the aim of reaching a two-state solution or upholding international law – and, indeed, to any chance of a negotiated, durable end to the conflict.

Working with the U.S., the EU and its member states should therefore press for a long-term truce in Gaza, a return to the historical Status Quo in the Holy Esplanade and a halt to eviction orders in East Jerusalem. They should strictly apply the EU's differentiation policy vis-à-vis Israel and the occupied territories (measures to exclude settlement-linked entities and activities from bilateral relations with Israel), and press Israel to rescind the terrorism designation of the six Palestinian civil society organisations. They should support Palestinian elections under the freest and fairest conditions attainable, including with East Jerusalem Palestinians' participation. In this connection, they should work with other members of the Quartet to revise the conditions the group imposed on Hamas in a manner that at least allows the group to participate in a unity government, for example by nominating ministers who are not card-carrying Hamas members.

The EU should not just press rhetorically. It should back up its words with actions, focusing in particular on the tools it can use to discourage Hamas's indiscriminate attacks; Israel's policies of discrimination, dispossession and de facto annexation; and the PA's repressive measures targeting individuals

and groups that are critical of it. For example, the EU should more consistently and robustly work to ensure that all bilateral arrangements with Israel exclude illegal settlement activity; and use budget support as a tool, not just to press for Palestinian reforms, but also to discourage Israel from placing restrictions on the PA's access to funds and from banning Palestinian civil society organisations. Very specifically, the European Commission should immediately lift the suspension of EU funding to Al-Haq. Additionally, the European External Action Service and the European Commission should start work on an options paper concerning positive and negative incentives Europe has at its disposal to advance its objectives vis-à-vis Israel and the PA, even if consensus among EU member states around a course of action seems likely to be elusive, as the work would at least help advance the debate in the EU Council on its Israel-Palestine policy.

While important, these steps will not be sufficient, however. The latest bout of fighting offers fresh evidence that the peace process seems increasingly detached from the situation on the ground. The EU and member states should begin thinking about what kind of new international approach might take its place, taking into account that the conflict's current trajectory is becoming increasingly untenable; that depriving the Palestinian people of a unified national voice by dividing them will lead to neither peace nor surrender; that neither Jews nor Palestinians have a unique claim on self-determination; and that the way forward should be based on the overriding principles of respect for international law and protecting people's rights in Israel-Palestine, regardless of what form a political solution may take.

## **Lebanon: Fending Off Threats from Within and Without**

As Lebanon's economic crisis deepens, its state institutions are also getting weaker, undermining the central security agencies' capacity to maintain order amid a potential surge in social unrest. Self-dealing political elites have stymied the reforms necessary to keep the economy from further melting down and get it on the right track, and little progress seems possible before elections set to start in May. With public safety imperilled, local security structures that include non-state actors, often with political affiliations, take an increasingly prominent role. As the non-state groups proliferate, they may clash with one another over turf. Meanwhile, regional tensions – between Iran and its allies, on one side, and Israel plus Saudi Arabia and its Middle East allies on the other – are playing out in Lebanese domestic politics. Sunni and Christian parties increasingly blame Hizbollah, the Shiite Islamist movement close to Tehran, for the state's paralysis, and vice versa. Regional frictions could also spill out into broader sectarian tensions, pitting Shiites on one side against Sunnis and Christians on the other, and raising the likelihood of armed confrontation. Israel, which considers Hizbollah a wholly owned strategic asset of Iran, might under

certain scenarios be inclined to take military action against it; any such action could lead to dangerous escalation.

**The European Union (EU) and its member states should:**

Provide direct financial, material and technical support to Lebanese state security agencies, including stipends for salaries, preferably through an international mechanism, such as the UN Office for Project Services.

- Step up direct material aid to key public institutions and infrastructure, such as water systems (including for sewage and fresh-water treatment) and schools, while continuing to condition more substantial assistance on major reform.
- Press Lebanese politicians to hold elections on schedule and signal readiness to sanction potential spoilers under the sanctions framework set up in July 2021.
- Intensify efforts to reduce tensions involving Iran, Israel and Saudi Arabia; and keep open channels of communication with Tehran and its allies.
- Maintain troop contributions to the UN Interim Force in Lebanon (UNIFIL), back its efforts to perform a mediating role between local parties and reduce the risk of escalation, and support further mandate extensions at the UN.

**Sources of Unrest Amid Compounding Crises**

The greatest driver of instability in Lebanon is a shattering economic crisis that has spiralled increasingly out of control since late 2019. Politicians have been loath to make much-needed institutional reforms in part because of a desire to protect the prerogatives that they enjoy under the current system. In a country divided along sectarian lines among Christian, Sunni and Shiite factions, they instead use a mixture of identity politics and patronage to secure support. The result has been disastrous for most Lebanese. The Lebanese lira has plummeted in value from 1,500 to 25,000 to the U.S. dollar over a period of two years. Meanwhile, some reports over the past year suggest that food prices have risen by a factor of ten or more. The average family's purchasing power has collapsed, with around 80 per cent of the population living in poverty.

Addressing the massive financial-sector crisis and the crushing public debt will require substantial foreign support, but that is not in the immediate offing. In order to obtain a stabilisation package from the International Monetary Fund, which will be key to opening the gates to more donor assistance, the country will need to take major steps toward restructuring its banking sector; cleaning up the central bank's opaque accounting practices; shrinking the public sector; rooting out corruption and waste; and restoring a basic level of rule of law. The latter has been shaken of late as Hizbollah and its allies have exerted massive pressure to derail the investigation into the August 2020 Beirut port explosion. But pushing through major reforms will be a Herculean effort and there are few signs of progress. Certainly, there is little chance the government – led by Najib

Mikati, a Sunni businessman who is serving for the third time as prime minister – will make significant progress in that direction prior to the parliamentary, municipal and presidential elections that are all scheduled for 2022.

The impact of the country's economic woes on its security forces is an especially pressing concern, as runaway inflation has devaluated the operational budgets of Lebanese security agencies, such as the Lebanese Armed Forces and the Internal Security Forces, and the salaries of their personnel. Morale has deteriorated, with many personnel resorting to moonlighting and a growing number deserting. The state's capacity to police the streets is hollowing out, particularly in peripheral areas, while crime rates are rising sharply. More citizens are buying firearms in the black market to protect their families and properties. A mosaic of local security arrangements is forming as municipal police and political party activists join with commercial providers and resident volunteers to keep neighbourhoods and villages safe. Official security agencies, witnessing the erosion of their own capacity, will have to cooperate with these actors to keep performing their role, blurring the lines as to who is authorised to use force. The effectiveness of local security providers varies. It depends, among other things, on the presence and capacity of political actors, local economic resources and social, sectarian and political cohesion. Areas where these are lacking, or where security actors compete for influence and resources, will almost certainly suffer increased crime and security disturbances.

Political polarisation and institutional deadlock can only aggravate the situation. The leading national parties remain stuck, trading accusations as to which is preventing reform. A broadening array of politicians charge Iran-backed Hizbollah, in particular, with blocking progress and deepening Lebanon's isolation, in particular from the Gulf states, on which it depends as export markets and sources of diaspora remittances. Meanwhile, Hizbollah and its support base believe its domestic opponents are doing its regional enemies' bidding.

The Hizbollah question has come to dominate political debate, causing tempers to flare and proving yet another impediment to constructive discussion about suitable strategies for exiting the economic crisis. The resulting rancour fuels spreading sectarian tensions, pitting Shiites (who make up at least 30 per cent of the population) against other groups. In combination with the increasing difficulty of maintaining order, such tensions could provoke violent incidents in areas dominated by the Shiite parties Hizbollah and Amal that border those where their opponents prevail. The risk could heighten if external powers such as Saudi Arabia increase material support for Hizbollah's rivals and/or if an escalation of regional tensions amplifies the party's threat perception.

Regional tensions may increase the risk of a military escalation between Hizbollah and Israel. Israel has repeatedly indicated that it might act unilaterally to destroy parts of Iran's nuclear program if talks to revive the 2015 nuclear accord with Iran collapse or fail to address its security concerns, though some officials have called into question its capacity to do so. Even if the capacity issue were addressed, however, Israel would also need to take into account Hizbollah's missile arsenal, which the latter could use to retaliate on Iran's behalf

by launching attacks at Israeli targets. A sudden worsening of regional tensions or problems at the nuclear negotiations might prompt Iran to strengthen its deterrence of Israel by sending more missiles to Hizbollah, or to Tehran's Syrian affiliates, deepening Israeli threat perception. Some combination of these factors could lead Israel to take military action against Hizbollah in Lebanon to degrade its retaliatory capacity. Such action might involve Israel sabotaging military infrastructure, carrying out other covert operations or launching direct attacks on Hizbollah in Lebanon, in addition to intensifying its longstanding campaign against the party's supply routes through Syria and against Iranian assets there.

While neither Israel nor Hizbollah appears to want open conflict at the moment, should either undertake operations against the other, even if limited in scope, it would come with a considerable risk of escalation – through miscalculation, error or otherwise. Attacks on Israel from Lebanon by other militant groups that have relations, even if ambiguous, with Iran and Hizbollah, such as Hamas, would further increase the danger.

Against this backdrop, the 10,500-strong UN peacekeeping mission, UNIFIL, provides a modest but important buffer between Hizbollah in Lebanon and Israel. It monitors the Lebanon-Israel border and has access to certain areas but has come under attack from local communities supportive of Hizbollah, who accuse it of espionage. A further degradation of UNIFIL access would increase the margin of manoeuvre for Hizbollah and other groups and might affect the UN force's ability to perform a mediating role that reduces the risk of escalation.

### **Preserving the Pillars of the State and Managing Regional Risks**

The EU and its member states can take several steps to help Lebanon manage these challenges.

Perhaps most important, Brussels and member states should provide direct material, financial and technical support for key state institutions, in particular to help the security sector make payroll, and thereby attenuate the conflict risks arising from the declining security situation. Direct assistance to state security agencies will help keep them central in the emerging hybrid security arrangements, potentially allowing them to impose minimum standards of conduct on non-state actors and mediate in disputes among them. It will also help them maintain public safety in areas where local elements cannot. Lastly, direct assistance and cooperation will allow donors a measure of influence over the state agencies' own compliance with human rights standards. The EU and its member states should cooperate with efforts to consolidate such support in a UN-sponsored mechanism to achieve coordination, bring transparency and address legal obstacles faced by some potential donor countries.

The EU and member states should also support other fraying state institutions in an effort to help stave off state failure. They will need to balance the overall goal of encouraging reforms, so that Lebanon can stabilise and recover, with the immediate objective of providing targeted support that dampens the imme-

diate crisis. European and other donors can best achieve this end by continuing to condition significant support on comprehensive reform, while at the same time providing broadly defined humanitarian assistance that includes funding for institutions like schools and infrastructure like waterworks. Keeping the public education system functional is critical not only for the well-being of the nation's youth but as a safeguard against increased use of child labour and a deterioration of women's participation in the work force.

Beyond the humanitarian imperative, there are strategic considerations that militate for this approach to supporting the security sector and other essential state functions. The last thing the eastern Mediterranean or adjoining regions need, next to the disaster in Syria, is another failed state incapable of providing for the basic needs of its citizens, who then feel impelled to seek a better life elsewhere. Continued humanitarian support for refugees and Lebanese citizens alike will also be crucial as destitution grows.

The EU should also press hard to ensure that Lebanon's elections – scheduled for 15 May – occur on time. In the recent past, the country's established parties have often postponed elections until they reached a basic consensus over the future balance of power. But a delay under current circumstances would deepen both the state's paralysis and citizens' alienation from the system. While elections are unlikely to be transformative, they may at least allow some of the social forces emerging from the protest movement that has formed over the past two years to gain a foothold in formal politics. These forces are unlikely to win a large share of power, but if they could get a bloc of parliamentary seats, it would be another crack in the establishment parties' control that might make them recalculate the cost of maintaining their obstructive positions on reform. In 2021, the EU created a framework to impose targeted sanctions on politicians who obstruct the democratic process; it should be used to deter attempts to derail the polls. The EU could offer to supply technical assistance to electoral institutions and to deploy an electoral observation mission.

Broader efforts to ease regional tensions could encourage Lebanese politicians to modulate their polarising rhetoric and refocus their attention on finding solutions to the country's problems. European states involved in negotiations to restore the Iran nuclear deal are particularly well positioned to make a contribution in this area. Together with the three European signatories to the agreement, the EU should keep pressing all signatories to return to full compliance. It should also urge the continuation of dialogues between regional rivals such as that between Iran and Saudi Arabia.

Finally, while the EU and member states should look for ways to help manage the risks of confrontation between Israel and Hizbollah in Lebanon, which will increase should Israel conclude that an evolving international understanding with Tehran will not address its security concerns sufficiently or (worse still) if the nuclear negotiations fail. Just as they will no doubt deepen their focused engagement with Israel in the interest of discouraging conflict, EU member states should use their existing channels of communication with Tehran to encourage it to act prudently at flashpoints across the region, including in Lebanon. EU



members and other European states that retain contacts with Hizbollah (such as France and Norway) should intensify their engagement in order to suss out and seek to mediate possible points of friction. UNIFIL is an invaluable asset for escalation control and cross-line communication; the EU and its member states should maintain their participation in the force, vigorously support further mandate extensions at the UN, and use existing channels to Hizbollah to urge the party to refrain from interfering with its mission.

## **Tunisia: Toward a Return to Constitutionality**

On 25 July 2021, when President Kais Saïed invoked Article 80 of the constitution to suspend parliament and dismiss the prime minister, he introduced a state of emergency that threatens Tunisia with unprecedented instability. The country faces a daunting set of economic and social challenges. Yet its leaders have limited means with which to tackle these problems or meet the population's high expectations. Foreign pressure and populist one-upmanship could exacerbate polarisation between pro- and anti-Saïed forces and push Saïed toward growing repression. This development in turn could further stir up tensions and violence, heightening the risk of political turmoil.

### **As Tunisia's main trade partner and in line with its European Neighbourhood Policy, through which it provides significant financial support, the European Union (EU) should:**

- Maintain bilateral cooperation as set out in the Neighbourhood, Development and International Cooperation Instrument (NDICI) for the period 2021-2027. In particular, as part of its Multiannual Indicative Programme (MIP), the EU should focus on activities addressing the root causes of popular unrest (clientelism, regional inequalities, the economic downturn, distrust of political parties and institutions) that provided grounds for the declaration of the state of emergency. The EU should also prioritise cooperation programs that could help the Tunisian authorities offer people from the country's interior greater economic opportunity and access to credit, avoid repressive legal measures that curtail freedoms, particularly in the economic sphere, and introduce clear rules about senior public-sector appointments to clarify relations between the state and political parties.
- Offer Tunisia further economic incentives if President Saïed revises his political roadmap to include a negotiated return to constitutionality through a national dialogue involving the country's main political groups, unions and associations. For example, the EU could help Tunisia integrate more effectively within the European and Euro-Mediterranean space. It could organise an international conference on Tunisia bringing together G7 countries to discuss the conversion of bilateral debts into development projects, and facilitate a new four-year International Monetary Fund (IMF) program for Tunisia, with a focus on social issues. It could also support the country in

its technological and industrial transformation, which the COVID-19 crisis accelerated.

### **Risks of Violence**

In a 13 December 2021 address, President Saïed formally announced a roadmap for a political transition, possibly in response to repeated demands from Tunisia's main international partners for a clear timetable. He stated that the "online consultation" on constitutional and political reforms he had mentioned in previous weeks would begin in January 2022. On 22 March, the anniversary of Tunisian independence, a national committee will summarise proposals from that consultation and draw up draft revisions to the 2014 constitution. A referendum will then take place on 25 July, the anniversary of the proclamation of the republic. Finally, new legislative elections will take place on 17 December, date of the 2010-2011 revolution's start. This roadmap extends President Saïed's state of emergency by another year and allows him to further strengthen his grip on power. At the same time, by scheduling new elections, he has, in effect, dissolved the suspended parliament. Saïed also continues to reject calls for a national dialogue by various actors, notably the Tunisian General Labour Union (UGTT), the country's main labour organisation.

The president's roadmap drew immediate criticism from the UGTT and most political parties, prompting efforts to unite opposition forces, which are divided into Islamist and non-Islamist camps. Opposition politicians have sought to reframe the political debate in terms of Tunisia's economic and social problems, the population's main concern.

Since 25 July 2021, when Saïed invoked Article 80, street protests have broken out periodically, both in favour of and against the president's show of strength, dangerously polarising society. A pro-Saïed group, apparently a slight but waning majority of the population, is pitted against anti-Saïed forces that seem still to be in the minority. Saïed's supporters still back the president's seizure of power, which he has dubbed the "25 July corrective measures", whereas Saïed's detractors reject what they call a "coup d'état". Some actors, mostly Islamists from the anti-Saïed camp, are pushing for parliament to reconvene under certain conditions: revising its internal regulations to make it more efficient, returning to the January 2014 constitution and restoring "democracy."

President Saïed may choose to turn up the volume of his patriotic, populist "sovereignty" discourse to divert attention from economic and social issues. If he does so, he might trigger uncontrollable reactions among the population, such as demonstrations at foreign embassies and delegations, as Tunisians might come to perceive that the EU and the U.S. are contributing to the country's economic suffocation. Other violence is also possible, especially if Saïed upsets local balances of power in the name of fighting corruption and with the intention of boosting his supporters' influence in particular areas.

### **Economic Risks**

Many Tunisians are reconciled with the political authorities and even still have high hopes for the future, but the stalling economy is beginning to erode their confidence. The country's GDP shrank by 9.18 per cent in 2020, partly due to COVID-19-related restrictions on tourism and other movement in and out of the country. The treasury can barely cover the salaries owed to public-sector workers or honour commitments to repay external loans amid rising public debt. Private debt has also skyrocketed. These indicators point to the risk of a serious budgetary and banking crisis ahead, potentially reducing living standards for many Tunisians.

In the short to medium term, Tunisia could be forced either to restructure its public debt – jumping through the hoops of the Paris Club (an informal group of creditor countries that seek to solve indebted countries' repayment problems) to do so – or to declare bankruptcy. In either case, the socio-economic fallout would be painful. Debt restructuring, despite appearing less onerous than the second option, would have a severe impact on the population. The effects could include, inter alia, currency depreciation, state-owned company privatisation, public-sector salary freezes and forced early retirements, drastically reduced imports (probably triggering chronic shortages in essential goods), net increases in unemployment and inflation, and the risk of insolvency at public banks.

Meanwhile, there is talk in the U.S. Congress of making further financial and military aid to Tunisia conditional on U.S. State Department findings regarding the army's role in any post-25 July abuses. The question is not settled. But should legislation to this effect pass and particularly should Washington indeed cut assistance, there could be turmoil within the armed forces as well as further disturbances in the street.

All these factors could have a snowball effect, pushing President Saïed further down the populist route. In particular, he could launch a selective crackdown on corruption and double down on discourse that criticises foreigners and the country's rich to channel the frustrations of his supporters, who expect him to "purify" state institutions as well as private business practices. Such measures designed to capitalise on resentment among the disadvantaged sectors of society could help engender unrest in which the unemployed or others vent their anger. Such protests could turn violent, particularly if police use excessive force to restore quiet. Senior politicians and businessmen may find themselves more frequently targeted for arrest, to be paraded before the public as symbols of corruption. Instead of benefiting the economy, such moves would risk damaging business in general without providing a significant boost to government funds.

### **Conditionally Offering Brighter Economic Perspectives**

The EU considers Tunisia a priority country for macro-financial assistance and development support for the period 2021-2027. In 2018, in the context of a revised European Neighbourhood Policy and within the framework of interna-

tional cooperation and development, EU institutions and Tunisia approved new strategic priorities for their relationship: inclusive and lasting socio-economic development, democracy, good governance and human rights, “rapprochement of Euro-Mediterranean peoples”, mobility and migration, security and combating terrorism.

Following the president’s power grab on 25 July 2021, however, Tunisia no longer meets the criteria for continued EU economic support. On 21 October, partly in solidarity with the dissolved Tunisian legislature, the European Parliament passed a resolution on the situation in Tunisia. Notably, it called for “a return to normal functioning of state institutions”, “the resumption of parliamentary activity”, within the framework of a national dialogue, the implementation of a “clear road map” and the re-establishment of the 2014 constitution before any constitutional reform. At the opening session of the plenary debate on this motion, EU High Representative for Foreign Affairs and Security Policy Josep Borrell declared that the EU will not base its actions on declarations but “on concrete actions and measures taken by the Tunisian authorities”. He concluded: “We will closely monitor the situation in the country and take steps based on its actions”.

After President Saïed announced the roadmap, the Council of the European Union stopped demanding a return to the 2014 constitutional order, opening the door instead to changes that might result from the forthcoming July 2022 constitutional referendum. On 16 December 2021, the EU said it had taken “due note” of the political milestones ahead, indicating that they “are an important step toward restoring institutional stability and balance” and insisting on the responsibility of the Tunisian people “to take sovereign decisions of great importance”. The EU member states also restated their willingness to support Tunisia “on the path of democratic consolidation”.

Within this framework, the EU should continue its bilateral cooperation as per the NDICI for 2021-2027. Above all, it should learn from its failures since the 2010-2011 revolution in trying to help successive Tunisian governments respond to public frustration. The EU should prioritise activities within the MIP that could help Tunisia tackle problems underpinning clientelism, the economic slump and widespread distrust of political parties and institutions, which helped Saïed’s power grab win approval from many ordinary citizens. It could, for example, set up programs to encourage authorities in Tunis to facilitate access to credit for people in the country’s interior; avoid repressive legal measures that curtail freedoms, particularly in the economic sphere; and introduce clear rules about senior public-sector appointments to clarify relations between the state administration and political parties.

Finally, if President Saïed alters his political roadmap to include a national dialogue involving the country’s main political actors, unions and associations, so that the dialogue occurs before the 25 July referendum, the EU could offer Tunisia brighter economic prospects. For example, the EU could help Tunisia integrate more effectively within the European and Euro-Mediterranean economic space; prepare for an international conference on Tunisia bringing together G7

countries to discuss the conversion of bilateral debts into development projects; enable a new four-year IMF program with a strong social component; and assist the country as it navigates the technological and industrial transformations the COVID-19 pandemic accelerated.

