



Watch List 2019

Third Update | 15 October 2019

Watch List Updates complement International Crisis Group's annual Watch List, most recently published in January 2019. These early-warning publications identify major conflict situations in which prompt action, driven or supported by the European Union and its member states, would generate stronger prospects for peace. The Watch List Updates include situations identified in the annual Watch List and/or a new focus of concern.

This update includes entries on:

1.
Afghanistan: Cause for Anxiety and Optimism
2.
Coaxing Nicaragua Out of a Deadly Standoff
3.
Keeping Sudan's Transition on Track
4.
Yemen's Multiplying Conflicts

Headquarters

International Crisis Group

Avenue Louise 149 • 1050 Brussels, Belgium

Tel: +32 2 502 90 38 • Fax: +32 2 502 50 38

brussels@crisisgroup.org

Preventing War. Shaping Peace.

Afghanistan: Cause for Anxiety and Optimism

The war in Afghanistan was the world's deadliest in 2018, and it has stayed that way. Battle deaths thus far in 2019 nearly outnumber the combined toll in Syria and Yemen. The number of civilian casualties is poised to reach, or even surpass, the country's previous records since 2001. The U.S., Afghan government and Taliban all stepped up operations on the ground in 2019, even as U.S.-Taliban talks in the Qatari capital Doha gained momentum. Those nearly year-long talks, aiming for a deal that paves the way for intra-Afghan talks and an eventual ceasefire, collapsed in early September. The presidential election in late September 2019 could further complicate peace efforts, and the run-up to the polls triggered more Taliban attacks. The risk is high that top candidates will contest the election results, leading to a period of extended political wrangling. In early October, there were glimmers of an opening for the resumption of U.S.-Taliban talks with both sides visiting Islamabad, Pakistan's capital, simultaneously. If talks restart and produce a deal, that could mark the beginning of a serious peace process. If, on the other hand, they remain frozen, Afghanistan may descend into worsening violence.

The EU and its member states should:

- Encourage a resumption of U.S.-Taliban negotiations, as a prelude to broader peace negotiations that include all major Afghan stakeholders. The political and military realities that prompted the U.S. to accept the Taliban's preferred sequencing of talks – first between the U.S. and Taliban, then among the various Afghan parties – have not changed, and this approach remains the only realistic option for starting a peace process among Afghans.
- Support and expand the EU Special Envoy's efforts to establish a regular channel to the Taliban via the movement's political representatives in Doha. EU humanitarian officials should also pursue high-level contacts with the Taliban, modelled upon their communications with authorities in Sanaa, Yemen, which have enabled the provision of humanitarian aid to areas held by the Huthi movement.
- Support the EU Special Envoy's use of his good offices to mitigate tensions among non-Taliban factions as they arise after the September 2019 election, in close cooperation with the UN, the U.S. Embassy in Kabul and other diplomatic actors. The Special Envoy could also encourage non-Taliban factions to participate in a unified negotiating team, in preparation for intra-Afghan negotiations.

- Expand cooperation with the World Bank to prepare financial scenarios for Afghanistan during peace negotiations and after the conclusion of a political settlement, including the perspectives of all major factions: the Afghan government, political opposition groups and the Taliban. Such planning would signal to all conflict actors that only through a consensual process would Afghanistan benefit from large-scale future assistance.

Since the beginning of 2019, the Afghan conflict has continued to intensify. The Taliban, pushing ahead with their war of attrition, mounted major attacks against Afghan government targets and captured more territory. The Afghan government continued to hold major cities, but also to lose ground to the Taliban in rural areas, in keeping with a trend over the last decade. U.S. and Afghan government forces stepped up their airstrikes and night raids in Taliban strongholds. In this spiral of violence, civilians are increasingly caught in the crossfire. Since the year began, more than 1,000 Afghan civilians, on average, are displaced by the conflict every day. The vast majority of the violence relates to the struggle between the U.S.-backed Afghan government and the Taliban. A very small fraction of incidents – 2 per cent, by one estimate – concerns the so-called Islamic State Khorasan Province, which maintained a foothold in eastern Afghanistan despite battling the Taliban, Afghan forces and the U.S. military.

Political developments have offered some hope of curtailing the violence. U.S.-Taliban negotiations witnessed significant progress over the last year. The talks were poised to reach a conclusion, and to make the delicate transition to broader intra-Afghan peace negotiations, when President Donald Trump interrupted them in early September 2019. Trump's reasons for scuttling the talks are not clear, but options for U.S. policy remain unambiguous. The U.S. could start pulling out of Afghanistan unilaterally without a Taliban deal; it could maintain a troop presence and support pro-government forces indefinitely; or it could return to the bargaining table and finalise its agreement with the Taliban. Two of the three options would have predictable results. A unilateral pullout would almost certainly precipitate an intensified civil war and possibly bring about the central state's collapse, particularly if U.S. and other funding dried up as troops departed (the Afghan government remains dependent on foreign donors). The status quo option has no prospect of reducing violence. Current trends would likely continue: the government would lose territory, its armed forces would weaken as recruitment fails to keep pace with attrition, and the Taliban would exploit the narrative of continued foreign occupation. Negotiations with the Taliban offer a less clear outcome. But a U.S.-Taliban deal that explicitly sets the stage for talks among Afghans is the only option that presents some possibility of diminished violence and economic growth.

The presidential election of late September 2019 adds further uncertainty to peace efforts. Previous elections have all led to months of political tensions, often over allegations of rigging and contested results. Whatever happened at the ballot box is likely to consume politicians' energy and the public's attention into 2020. The likelihood is low that the future government will be in a better position to garner greater national consensus behind peace talks and the Talib-

an's inclusion in the country's political order, meaning that the election should not be expected to open up new vistas for the peace process.

The coming months thus present reasons for both optimism and anxiety in Afghanistan. If a U.S.-Taliban deal is reached soon and opens the door to crucial intra-Afghan talks, those talks would be a milestone, possibly the best opportunity at achieving peace in a generation. Yet no one should underestimate the complexity and fragility of such a process. Given the diversity of interests involved, many obstacles will have to be overcome for such a process – which undoubtedly will be chaotic – to succeed.

The priorities for the EU and its member states should thus be to encourage the resumption of U.S.-Taliban talks, press Washington to ensure that any deal with the Taliban sets the stage for intra-Afghan negotiations and do everything within their power to improve prospects for successful intra-Afghan talks.

In this light, the EU and European governments should support the EU Special Envoy's efforts to open his own regular channel to the Taliban and look to expand on them. Regular contacts could allow European donors to show the Taliban that they remain committed to the Afghan people's humanitarian and development needs, as well as to human rights, including those of women and girls. The idea of engaging in diplomatic contacts with the Taliban still generates resistance among politicians and civil society groups in Brussels and other European capitals. This opposition is understandable, given the Taliban's track record, but the group's military strength means that whatever course the U.S. follows, establishing regular contacts with the Taliban will be essential to protecting as best possible the well-being of Afghans in areas controlled by the group.

At the same time, the EU and its member states should support efforts by the EU Special Envoy, together with the UN, the U.S. Embassy in Kabul and other diplomats, to avert or resolve tensions among non-Taliban factions after the September 2019 election. The Special Envoy has built significant goodwill with President Ashraf Ghani and his rivals for executive office and could play a useful role if disputes emerge. The EU should increase its monitoring of factionalism in the Afghan security forces and the activities of pro-government militias, as a system of early warning to minimise risks of multi-factional civil war. More broadly, the EU Special Envoy could use his good offices to encourage non-Taliban factions to form a unified negotiating team ahead of potential intra-Afghan talks.

The EU and European governments could also consider additional steps to ensure that the hundreds of millions of dollars they spend each year on aid contribute toward a political settlement – or, at minimum, do not harm prospects for one. They could, for example, introduce or expand conflict sensitivity assessments before approving projects that do not involve humanitarian aid. These would examine the potential impact of the project, its value in terms of strengthening or weakening public support for a settlement, and any risks of the assistance being repurposed in a manner that sustains the conflict. These assessments would take place before, during and after a peace process.

Lastly, the EU and European governments could deepen their planning work with the World Bank and attempt to involve the Taliban alongside other

Afghan actors. Analysis of potential financial scenarios for Afghanistan during negotiations and after a political settlement would be more realistic if it canvassed all major factions. Afghans' early cooperation on the country's future relationships with donors could even become a confidence-building measure in the initial stages of peace talks or a prelude to intra-Afghan negotiations. Most importantly, such planning would send a message to all conflict parties that only by cooperating among themselves would they benefit from large-scale future assistance. The EU's involvement could also help reinforce the normative standards expected by donors.

Coaxing Nicaragua Out of a Deadly Standoff

A year and a half since the eruption of mass anti-government protests that paralysed the country, Nicaragua is edging toward protracted, low-intensity conflict. Sparked by controversial social security reforms in April 2018, last year's demonstrations were met with a ferocious crackdown by police and para-police forces, resulting in more than 300 dead, chiefly on the protesters' side, while hundreds more were detained. The government and protesters, gathered under the umbrella opposition group Civic Alliance, have twice tried negotiating a peaceful way out of the crisis. In March they struck two agreements on releasing political prisoners and upholding citizens' rights, although the government has only partly complied. Since May, talks have been suspended, and President Daniel Ortega has shown scant interest in addressing issues of pressing concern to the opposition, notably electoral reform and justice for victims. Meanwhile, the government continues to crack down on dissent through detentions, harassment and intimidation; murders of protesters and political opponents are reportedly also on the rise.

Already one of Latin America's poorest countries, Nicaragua is expected to face a loss of up to 5 per cent of GDP this year following a 3.8 per cent fall in 2018. Thousands of Nicaraguans have fled, particularly to neighbouring Costa Rica, where migration authorities expect 100,000 asylum requests by the end of the year. The Nicaraguan government claims the country is back to normal and repeatedly denounces foreign meddling in domestic affairs, dismissing the findings of a recent UN human rights report and denying entry to a high-level commission of the Organization of American States (OAS).

The EU has long called for the resumption of dialogue between the government and opposition, and offered its support to that end. Its latest decision to put in place a framework to enable targeted sanctions against individuals is an attempt to push the government back towards dialogue and deter repressive conduct that will make resolution of the crisis yet more difficult. The EU and its member states should now take the following steps:

- Continue to call on the government to honour the agreements struck in March and resume talks with a focus not only on electoral reforms, but also on creating a truth commission, with a mandate to address the country's recurrent cycles of violence over recent decades. They should also call on the government to support thorough and impartial investigations into alleged state-sanctioned killings.
- Keep reminding the government that intensifying repression will result in travel bans and asset freezes against responsible government, judicial and security officials, within the framework of the EU's new targeted sanctions regime.

- Offer incentives such as supporting local peacebuilding initiatives and providing an economic stimulus, should the government return to negotiations and fulfil the pledges it has already made.
- Coordinate its next steps with the OAS, particularly should the high-level commission's assessment of Nicaragua, due in November, match the EU's appraisal.
- Provide technical support to overwhelmed Costa Rican migration authorities and give financial backing to national and international humanitarian organisations working to alleviate grim living conditions for Nicaraguan migrants and refugees, as well as Costa Rican host communities.

Political Standoff, Repression and Recession

Talks between the Nicaraguan government and the Civic Alliance resumed in early 2019. This was a time when Ortega was facing mounting criticism from the U.S., the OAS and the EU, and thought he was about to lose his main regional ally, Venezuelan President Nicolás Maduro, who appeared at risk of being toppled by his internationally-backed opposition. By the end of March, the government and opposition had signed two agreements, one to release political prisoners and the other to ensure respect for citizens' rights.

Government misgivings about the merits of compromise and deep mistrust between the two sides overwhelmed this fragile progress. Ortega's inclination to find a negotiated solution with the opposition dimmed. This could have been connected, on one side, to Maduro's survival and, on the other, to the imposition of additional U.S. sanctions in April, including on Ortega's son Laureano. In fact, Ortega conditioned any further progress in negotiations on opposition support for lifting sanctions, which they refused to offer. Talks then faltered. On 20 May, the Civic Alliance left the negotiating table after authorities killed a political detainee during a prison riot, stating they would only resume talks after the government released all political prisoners, who number around 700 by opposition estimates. Ortega both released 500 over the course of the year and passed an amnesty law before 18 June, the deadline set by the deal. This was sufficient for the Civic Alliance to call for the resumption of talks, although both they and foreign powers still argued that Ortega had only partly complied with the March agreements. Ortega chose not to heed their calls and, in late July, informed the dialogue facilitators, papal nuncio Waldemar Sommertag and OAS special representative Luis Ángel Rosadilla, that the talks were over.

Meanwhile, the government's crackdown on dissent has been unrelenting. The UN High Commissioner for Human Rights (OHCHR) recently reported the government continues to violate basic civil rights. Opposition groups say anti-riot police officers are regularly deployed at their press conferences or demonstrations, and arrests of protesters, albeit mostly temporary, continue; around 140 still languish in jail. Pro-government forces have recently harassed high-level opposition figures, daubing threatening messages on the walls of their houses, or chasing or attacking with stones the vehicles in which they travel. Civic organisations assert repression is even harsher outside urban areas and report an increase in murders of rural residents and political opponents, thirty of whom were murdered in the first nine months of 2019. Security and

para-police forces are allegedly responsible for many of these killings, which mostly took place in the region bordering Honduras. The police have failed to conduct thorough investigations into these deaths, sometimes dismissing them as the result of personal quarrels.

Ortega's government rejects all accusations of abusing power, and claims it has restored normal life after an attempted U.S.-sponsored coup last year. It asserts that it is promoting peace and welfare, and has launched around 10,000 "reconciliation, peace, and justice" commissions across the country but without providing further details about their work. According to public opinion polls, support for the government remains stable at around 25 per cent this year, having fallen 40 per cent in 2018.

Economic scars inflicted by the political turmoil are also proving hard to heal. Nicaragua's economy, once among the fastest growing in Latin America even as per capita income remained well below the regional average, suffered a steep downturn. Following a 3.8 per cent GDP contraction in 2018, national organisations, the International Monetary Fund and the World Bank expect it to drop by another 5 per cent this year. The Nicaraguan Foundation for Economic and Social Development reported that, in the first months of the year, prices of basic goods and energy bills rose significantly, while more than 200,000 jobs could be lost by the end of 2019. In response, the government raised taxes at the start of the year and started hunting for foreign investment in Asia and the Middle East, striking a trade deal with Iran in August.

This combination of political repression and economic hardship has pushed thousands of Nicaraguans to seek shelter elsewhere, particularly in neighbouring Costa Rica. Nicaraguans' asylum requests have boomed, numbering 32,269 new applications in 2018, and now stand at over 88,000, according to the UN refugee agency (UNHCR). Of these, around 70,000 have been filed in Costa Rica, where authorities expect almost 100,000 by the end of the year.

Costa Rican officials argue that many requests were filed by Nicaraguans already living in the country as a way to attain legal residency, and the International Organization for Migration insists that Nicaraguan migration has maintained its cyclical, primarily economic character. For these reasons, less than 1 per cent of asylum requests are approved, according to a UNHCR official. However, a survey conducted between April and June 2019 by the IOM found the number of highly educated young people emigrating has increased, and that three out of every four Nicaraguan interviewees left the country because of the socio-political crisis. Costa Rican authorities acknowledge that handling the sudden spike in asylum requests has proved challenging, while humanitarian workers report their capacity to provide housing and food to newcomers, particularly in the suburbs of Costa Rica's capital San José, has reached its limit, and complain about a chronic lack of resources.

A Fragmented International Response

Foreign powers, spearheaded by the U.S., have paid intermittent attention to Nicaragua, which has been overshadowed by Venezuela's political, economic and humanitarian crisis. The UN has only engaged directly with the Nicaraguan government through the OHCHR, and the country's predicament was not a

major topic at its General Assembly this year. The OAS has been moving slowly toward applying the Inter-American Democratic Charter. It took two months for the Permanent Council to create the high-level commission mandated by an OAS General Assembly resolution in June to “carry out diplomatic efforts to seek a peaceful and effective solution” in the country. The commission’s independence is also disputed, as all of its members – the U.S., Canada, Argentina, Paraguay and Jamaica – have been highly critical of Ortega’s government. The U.S. and Canada even jointly imposed sanctions on Nicaraguan officials in July, a measure that in turn reinvigorated Ortega’s anti-imperialist rhetoric.

The government’s attitude toward these efforts at foreign engagement has combined shows of resistance with tactical concessions. Ortega invited the OAS Secretariat in August to resume its work on electoral reform, which it started in 2017 after signing a memorandum of understanding with Managua. On the other hand, the government vehemently rejected the recent UN human rights report, claiming it was biased and based on a fabricated version of last year’s events. In mid-September it denied entry to the members of the OAS commission, stating it would not recognise any commission nor authorise any visit it has not requested.

Ortega is in effect seeking to elude further international condemnation while deploying an intransigent defence of national sovereignty when faced with what he deems foreign intimidation. However, denying the OAS and the UN access to Nicaragua is likely to prejudice these organisations in their final assessments, with possibly serious repercussions for the government. The OAS commission has to submit its report to the Permanent Council before 11 November, in which it will suggest responses. These might include expelling Nicaragua from the OAS, although this remains a remote prospect as it would require two-thirds of the votes of an extraordinary General Assembly. Short of this, the OAS is likely to pass another resolution to call for resumption of talks, while the U.S. may consider expanding sanctions to the military and try to block external financing from the International Monetary Fund and the World Bank.

Reopening Space for Dialogue and Mitigating Spill-overs

President Ortega appears reconciled to growing estrangement from some foreign powers, which could translate into further diplomatic isolation and economic hardship. However, his tough rhetoric has also been matched by moves to ease pressure and restore his international standing, suggesting that he recognises the dangers of consigning Nicaragua to pariah status.

Mounting international pressure on both Venezuela and Nicaragua helped persuade Ortega to resume negotiations with the opposition. But ill-coordinated and unilateral punitive measures have since jeopardised the process. The EU should take into account the OAS assessment due in November and possibly align its actions with the regional bloc’s and continue to press for compliance with the March agreements, a fresh round of negotiations and accountability for alleged killings.

The EU’s recent decision to adopt a framework for targeted sanctions against individuals should now be accompanied by diplomatic and economic incentives

to encourage government compliance with requested reforms. The fact that the EU coupled its decision with clear demands on the government offers the government a clear route to avoiding the implementation of sanctions under this framework.

As for incentives, in the short term, the EU or member states could consider expanding local confidence building projects supported by some European states, which have gained government backing, potentially also through the Instrument contributing to Stability and Peace (IcSP). In doing so, it would provide Ortega an opportunity to validate his claim of promoting peace while mitigating tensions between government and opposition forces. Thinking ahead to its next programming cycle for development assistance, the EU should consider earmarking resources to stimulate job creation and support future reforms agreed between the government and the opposition, especially changes to the electoral system.

The EU and member states should also recognise the Nicaraguan crisis has taken on a transnational dimension, with consequences felt most acutely in Costa Rica. In providing technical support to Costa Rican migration authorities, the EU and member states could help smooth the search for legal residency of thousands of vulnerable Nicaraguans, boost their economic opportunities and enable them to gain access to basic services. By backing UNHCR and local NGO efforts to provide humanitarian aid to those most in need, including in Costa Rican host communities, the EU and other donors would help address the grim conditions in which ever more people are living.

Keeping Sudan's Transition on Track

Against long odds, a protest movement triggered the ouster of Sudanese strongman Omar al-Bashir, one of Africa's longest-ruling leaders. He was finally deposed by military coup on 11 April 2019. In mid-August, the opposition alliance that grew out of the protest movement and Sudan's generals reached agreement on terms of a power-sharing transitional framework that, if fully implemented, will yield elections and civilian rule in three years. They have appointed a new prime minister, Abdalla Hamdok, a well-respected economist, named a civilian cabinet and formed a joint civilian-military supervisory council to oversee the agreement signed on 17 August.

Prime Minister Hamdok is under pressure to deliver against high popular expectations. Many Sudanese hope the civilian cabinet can steer the country to a better future after three decades of economic stagnation, political repression and gross violations of human rights under Bashir. The opposition alliance, Forces for Freedom and Change, led mainly by young professionals new to politics, has already fired the imagination of Sudanese everywhere. Its disciplined, sustained and diverse campaign (with women often at the forefront), delivered change largely peacefully even in the face of brutal crackdowns by police and paramilitary units.

But major obstacles lie ahead. The settlement outlined in the 17 August document is fragile and needs careful nurturing in the face of several linked challenges. First, Hamdok and his cabinet inherit an economy in deep distress. They have prioritised its revival, but in pursuing reforms they ultimately need to fundamentally reorder a rentier system that privileges both the generals with whom they now share power and Bashir's former cronies. Second, Sudan's generals only signed the power-sharing agreement under intense external pressure. They could still play spoiler during the transition if they choose to challenge new reforms they see as threatening their political and business interests. Third, armed groups from Sudan's long-marginalised peripheries have not endorsed the deal. Securing a comprehensive peace agreement to end Sudan's long-running internal wars will be a key priority, not least because these groups' leaders could be co-opted by the security forces and work to derail the transition.

The European Union and its member states have a clear interest in helping make a success of Sudan's promising yet delicate transition, and can support the country in the following ways:

- Offer technical and financial support to the transitional administration's efforts to revive the economy and set out new fiscal policy in two ways:

- Provide technical support to Hamdok and his team as they seek to stabilise government finances by consolidating revenue streams and centralising them within a transparent fiscal framework.
- Provide budget support and development financing to the government while Hamdok undertakes deeper reforms and addresses core economic challenges, including the need to stabilise currency and commodity prices, tackle inflation and reduce youth unemployment.
- Support the new cabinet's efforts to confront corruption. The EU Asset Recovery Office could partner with authorities in Khartoum to help trace and recover some of the funds directed away from state coffers through the corruption of former regime insiders.
- Press the U.S. to lift Sudan's designation as a state sponsor of terrorism, which would help Sudan reconnect to the international financial system and help spur foreign investment. It is also a necessary step for Sudan to obtain debt relief, although Hamdok's government would also need to clear the country's debt arrears and make progress on fiscal transparency.
- Support the new administration's efforts to negotiate a peace deal with armed groups fighting in states on Sudan's periphery, and offer technical and financial backing to talks currently hosted by Juba.
- If transitional authorities agree on a roadmap for unifying regular military and paramilitary Rapid Support Forces under a single command, help support the reintegration into civilian life of militiamen who do not join the consolidated entity.

Halting Steps into a Future without Bashir

President Bashir long revelled in his reputation as a political survivor, but he did not withstand the wave of protests that broke out in mid-December 2018. Amid soaring commodity prices, empty bank coffers, shortages of basic goods and a collapsing currency, Sudanese protesters poured out into the streets in towns and cities across the country demanding change. Unlike the 2011 and 2013 uprisings, the protest movement cut across social and geographic divides, drawing in not just university students and the urban middle classes but also traders, farmers, herders and civil servants throughout the country. Protesters, marshalled by a coalition of trade unions and professionals (notably doctors), organised through neighbourhood committees and by word of mouth even amid communication blackouts. Tens of thousands of protesters set up an encampment outside military headquarters on 6 April; the military ousted Bashir five days later.

Progress since has been mixed. Protesters sustained their campaign after Bashir's 11 April ouster, demanding a clean break from the kleptocracy that had governed Sudan for three decades, but they did not immediately succeed. A junta comprising security sector chiefs stepped into Bashir's shoes and showed no inclination to share power with the civilian protesters. Tensions grew until, on

3 June, security forces massacred up to 120 civilians at the protest encampment outside military headquarters, drawing widespread condemnation.

The 3 June massacre proved to be a turning point following which external actors, notably the U.S., the EU and the AU, successfully pressured the junta's backers in Riyadh, Abu Dhabi and Cairo to convince the generals to engage seriously in talks with civilians. Weeks of tense negotiations spearheaded by AU and Ethiopian mediators yielded a power-sharing agreement that, on paper, hands substantial powers to a civilian-led cabinet and a planned civilian-dominated legislative assembly, overseen by an eleven-member sovereign council comprised of five representatives appointed by the opposition alliance, five by the security forces and one civilian chosen by consensus.

A Tough Road Ahead

Sudan's new cabinet members, all nominated by the opposition alliance (excepting for the defence and interior ministers), face enormous challenges. Some of those are internal: maintaining unity within the sprawling opposition coalition, given its diverse membership and different appetites for compromise with the military, will test the group. Also, many in its ranks are inexperienced, having been excluded from mainstream politics during Bashir's three decades in power. Asserting authority over a civil service still dominated by holdovers of the old regime, whose cooperation is key to implementing new policies and reforms, will be a difficult task. And tempering public expectations will be yet another key challenge; Hamdok and his team will need to communicate that picking Sudan up from its economic ruins will be a tough slog, requiring the public's patience.

The cabinet and still-to-be-formed legislative council will have their work cut out in dealing with the security forces. To ensure his own survival, Bashir kept the security forces divided to prevent any unit from amassing enough power to depose him. Consequently, the once-powerful Sudanese Armed Forces has in recent years been weakened and supplanted by the Rapid Support Forces, a paramilitary group formed from the remnants of the Janjaweed militia accused of atrocities in Darfur. Its leader, Muhammad Hamdan Dagalo "Hemedti" is widely regarded as the most powerful man in Sudan, commanding substantial resources and styling himself as kingmaker and the primary decision-maker behind the scenes of the transitional process.

Helping Sudan Navigate a Fragile Transition

Reviving an economy on life support is an immediate priority for the new administration. If the civilian leadership can offer some quick wins for Sudanese citizens impoverished by a long-mismanaged, patronage-based economy, they may be able to boost popular support and forge a political base, which would strengthen their hand against the generals. Here the EU and its member states can play a pivotal role. The EU could start by offering rapid technical support to Prime Minister Hamdok's government to streamline its budgeting process and revenue collection, and to help improve oversight to ensure the new finance minister and the prime minister have full control of state funds. The EU should

also consider budget support and development financing: Prime Minister Hamdok says the country requires up to \$10 billion to stabilise the currency and help the administration tackle key challenges over the next two years.

The Hamdok administration has also outlined other policy goals, which the EU should support. A critical and immediate priority is addressing mass youth unemployment and underemployment, which fuelled protesters' grievances and has driven substantial emigration in recent years. The incoming European Commission and the new EU leadership should back the new administration's efforts to revive the economy, rapidly mobilising needed financial support for the country. The EU should, in particular, take a lead in pulling together a package of internationally-backed relief measures to help breathe new life into Sudan's economy. Brussels could also offer targeted developmental financing to boost skills development for local entrepreneurs and support market development for local businesses.

Working to curb rampant corruption is another priority. Sudanese authorities should move to ratify the Cotonou Agreement, a treaty outlining terms of engagement between the EU and its partners in Africa, the Caribbean and the Pacific; signatories agree to strengthen the rule of law and improve government transparency, including by combating corruption. For its part, the EU should support Hamdok's anti-corruption efforts, including by funding a civil service reform initiative and updating government procurement systems. The EU should also consider deploying its assets recovery office to track funds Bashir's regime allegedly sent abroad. Sudanese authorities should request EU help with this.

The EU should also encourage Washington to lift Sudan's designation as a state sponsor of terrorism under U.S. law. The designation cuts the Sudanese people off from the international financial system and encourages foreign investors to stay out of Sudan, which explains why the 2017 lifting of U.S. sanctions had only a modest economic impact. It also hampers debt relief (which will also require Sudan paying off debt arrears and making progress on fiscal transparency) and makes it impossible to obtain direct budget support from multilateral financial institutions. In addition to helping address these concerns, rescinding the designation would give Hamdok a huge political victory and strengthen his hand against the generals; conversely, the generals might wield any failure to lift the designation against him. Because rescinding the designation entails a loss of leverage over potential spoilers, Washington and the EU will need to consider other deterrence mechanisms, including the use of targeted sanctions.

Bashir's fall offers a rare chance to begin healing rifts between Khartoum and regions on Sudan's peripheries that have been given short shrift since independence. The opposition alliance and security establishment will have to be attentive to the armed factions' deeply held grievances as they work toward a comprehensive peace deal to end Sudan's internal wars and consolidate its fragmented security sector. Here, the EU can help by offering ongoing mediation efforts now hosted in Juba both diplomatic support and, where helpful, technical assistance. The EU and the U.S. should further urge other potential mediators including Riyadh, Abu Dhabi, and Cairo to fully back the Juba initiative and prevent the parties from forum shopping.

Sudan ultimately needs to unify its varied security forces under one command. This difficult task will require deft engagement among the civilian leadership, the head of the military and figures such as Hemedti. Riyadh, Abu Dhabi and Cairo will need to underscore the importance of unifying the security forces with actors such as Hemedti, who has marketed himself to Egypt and the Gulf states as a strong leader and a bulwark against Islamism in Sudan. Once transitional authorities arrive at a roadmap for unifying the security forces, the EU, with its experience in supporting security sector reform and reintegration programmes around the world, could help implement such a roadmap and reintegrate militiamen who prefer to return to civilian life.

Yemen's Multiplying Conflicts

As 2020 approaches, Yemen confronts two acute security challenges: avoiding further entanglement in the wider regional conflict between the U.S., Saudi Arabia and Iran, and preventing a war within a war among anti-Huthi forces. On 14 September, the Huthis claimed responsibility for an attack on Saudi oil facilities that temporarily cut off nearly 50 per cent of the country's oil production capacity. Riyadh, Washington and several European governments accused Iran of the attack, and the Huthis' claim has tied the group more closely to Tehran in the eyes of its opponents.

While the conflict could turn into a true proxy war or trigger a wider regional confrontation, there is still a chance to avoid such outcomes. Signs are tentative but promising. A week after the Aramco attacks, the Huthis unilaterally suspended cross-border attacks into the Kingdom and called for the Saudis to freeze airstrikes in exchange. Riyadh has reportedly responded positively, limiting but not entirely halting its aerial campaign in Yemen. The fragile arrangement needs to be preserved and built upon.

As Yemen's war intersects with and fuels regional tensions, it is also becoming more internally complex and harder to resolve. An August 2019 takeover of the internationally-recognised government's temporary capital of Aden by separatist forces aligned with the United Arab Emirates (UAE) – Saudi Arabia's main coalition partner – could set off a larger battle between UAE- and Saudi-aligned components of Yemen's anti-Huthi bloc for control of the country's southern governorates. Here too, there has been progress toward an understanding, but it is far from done.

International actors, including the EU, need to move quickly to turn the fragile de-escalation between Saudi Arabia and the Huthis into an agreement that ultimately yields a ceasefire and restarts UN-led negotiations among Yemeni political groups to end the war. Continued diplomatic support is also needed to reconcile opposing forces within the anti-Huthi camp. A deal between the government of President Abed Rabbo Mansour Hadi and separatist southern forces, in particular, would offer an opportunity to update the UN peace process for Yemen and make negotiations more inclusive.

Recommendations for the EU and its member states include:

- Support EU-wide and French initiatives to de-escalate tensions between Iran and the U.S., and between Saudi Arabia and Iran; push local and regional parties to the Yemen war toward a political settlement.
- Coordinate diplomatic pressure on Saudi Arabia and the Huthis to reach a de-escalation agreement that includes a halt to cross-border attacks, which in turn could enable a return to UN-led intra-Yemeni talks.

- Advocate for broadening the UN-led peace process to include Yemeni actors beyond the Huthis and Hadi government, both in official negotiations and in informal Track II meetings.
- Work with the office of the UN special envoy to coordinate all EU-sponsored Track II initiatives, especially those related to the south and women's participation in the peace process, so that these talks better inform UN-led negotiations. To do this, the EU could fund a coordinator role within the envoy's office.
- Swiftly deliver technical assistance and staffing support to the UN Mission to Support the Hodeida Agreement (UMMHA) to which the EU and its member states have already committed, and increase support to the mission.

Preventing Further Escalation in the Region

Huthi claims of responsibility for the 14 September Aramco attack threatened to drag Yemen deeper into the regional power struggle between the U.S. and Saudi Arabia on one side and Iran on the other. Although the Trump administration decided against a military response and there have been signs of potential Iranian-Saudi engagement, the situation remains fragile. Another major attack of this kind, attributed to Tehran or its allies, could raise again the threat of retaliatory measures, with consequences throughout the region, including in Yemen.

In the eyes of Iran's regional and international rivals, by claiming the Aramco attack the Huthis signalled their complicity with Tehran in its regional power struggle against Saudi Arabia and broader struggle with the U.S. Some Huthi officials seem to see a major regional war involving the U.S. and Iran as inevitable, and argue it would benefit them, as it would divert Riyadh's attention from its southern neighbour. Others want to avoid such an outcome and have offered de-escalatory measures.

On 20 September, the Huthis announced a unilateral suspension of cross-border attacks against Saudi territory. The move offered an opportunity for direct Saudi-Huthi talks and mutual de-escalation. Although Saudi officials remain sceptical of the Huthis' intentions, wary that they might use a pause to replenish and reposition their forces, they have signalled both publicly and privately an interest in testing the proposition. The Saudis reportedly reduced airstrikes in response. Huthi hardliners mirror Saudi scepticism and question the logic of the move. Any resumption of Huthi strikes on Saudi territory – notably a successful attack on critical infrastructure or one that results in civilian casualties – could spark a broader conflagration, especially if any of the victims were American. Such a resumption would be hard to avoid if the two sides fail to reach agreement not only on cross-border strikes but also on easing Saudi-led coalition restrictions on access to Huthi-controlled territories, particularly limitations on fuel imports.

Yemen's Multiplying Internal Conflicts

Yemen now hosts multiple overlapping internal conflicts driven by three central belligerents: the Huthis in the north west, the UAE-backed separatist Southern

Transition Council (STC) in the south and Saudi-backed Yemeni government forces, whose main hub is Marib in the north east. Both the STC and government-aligned forces are battling the Huthis, but the two nominal allies are also fighting each other, reflecting deepening divisions between Abu Dhabi and Riyadh. On 10 August, UAE-trained and -equipped forces affiliated with the STC seized control of Aden, the Hadi government's interim capital, in what the government described as a UAE-backed coup. After Saudi-aligned government forces mounted a counter-attack, UAE airstrikes stopped them in their tracks. In an escalating war of words, the UAE claimed it had targeted "terrorists", while the government asked the UN to intervene against what it described as a direct assault on its sovereignty by a foreign power.

Left unresolved, the power struggle between the STC and the government could ignite another war within Yemen's civil war, with the UAE and Saudi Arabia on opposing sides. In September, the Saudis stepped in to mediate between the Yemeni sides, gathering the parties in Jeddah. But tensions remain high, and both STC- and government-backed forces are reportedly preparing for another round of fighting over oil-rich Shabwa governorate. Tensions are also high in neighbouring Hadramout between the government and the UAE-backed governor, Faraj al-Bahsani, who remained neutral during the August battle for Aden.

There are some grounds for optimism. At proximity talks in Jeddah, Riyadh proposed forming a technocratic government with a prime minister acceptable to both sides. Also under discussion is an STC quota in the government's negotiating team that would participate in future UN-mediated talks with the Huthis. If agreed, this would be an important step toward greater inclusiveness in the peace process, potentially paving the way toward a more credible and durable political settlement. Any deal to end the war will require buy-in not just from the Hadi government and the Huthis, but also from the STC and other Yemeni groups, such as Islah (the country's main Sunni Islamist party), the former ruling General People's Congress (GPC) party and non-STC affiliated southern groups.

A Role for the EU and its Member States

Ending the Yemen war is increasingly urgent given both its dramatic humanitarian costs and regional tensions. EU member states are already involved in direct mediation efforts with Iran, including through EU and E4 (France, Germany, Italy and the UK) consultations and individual initiatives, such as France's direct diplomacy with Tehran and Washington. The EU and member states should build on these efforts to strengthen the UN-led political process to end the Yemen war. In that context, the EU and its member states should advocate for a clear de-escalation plan between the Huthis and Saudi Arabia, which in turn would facilitate starting intra-Yemeni negotiations.

The EU and member states are well-placed to advocate a more inclusive (and therefore more credible) political dialogue. EU institutions and member states have sponsored Track II dialogues among Yemeni groups on a range of local and national issues since the beginning of the war. A core criticism of these initiatives is that they are not sufficiently linked to formal UN efforts. In cooperation with the UN special envoy's office, the EU and member states

could help ensure findings from Track II meetings on the south and women's participation in the political process, as well as on tribal and local perspectives, feed into UN-led negotiations, and that Track II exercises are informed by the UN envoy's approach.

The EU and member states, which have direct channels with Riyadh, are in a strong position to press the Hadi government and Saudi-led coalition to broaden participation in the official peace talks by diversifying the government negotiating team to make it more representative of the anti-Huthi bloc. The EU and member states should also use their channels with the Huthis to press for greater inclusivity on their part, including by women. The European External Action Service should also continue to meet with and channel perspectives from groups not involved in the UN-led process to the UN envoy, the UAE and Saudi Arabia.

The 2018 Stockholm Agreement, and particularly the agreement to demilitarise the port city of Hodeida, can be either a stepping-stone toward a more comprehensive peace process or, should it remain stalled, a stumbling block. EU member states have offered technical and staffing assistance to the UN Mission to Support the Hodeida Agreement (UNMHA), the UN body set up to oversee the agreement through technical assistance and personnel secondment. But they have delivered little to date. UNMHA remains severely understaffed, in part because of delays in personnel transfers. EU member states should promptly fulfil their commitments in this regard.