



# Watch List 2018

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Watch List Updates complement International Crisis Group's annual Watch List, most recently published in January 2018. 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.

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*Preventing War. Shaping Peace.*

# Libya's Economic Reforms Fall Short

Libya has seen two major confrontations in recent months: a standoff between the east-based Libyan National Army and the west-based internationally-recognised government over the control of revenues from oil installations in the Gulf of Sirte in June-July, and recurrent attacks on Tripoli by militias from outside the capital since August. Both were sparked by conflict actors' desire for greater control over economic institutions and the perception that a handful of militias and interest groups in the capital have disproportionate access to the country's wealth. Though in September, the Government of National Accord<sup>1</sup> adopted the first economic reform package since the Qadhafi regime fell in 2011, the fight over resources will remain a central feature of the crisis. The package's measures fall short of what is needed to improve deteriorating living conditions, prevent the defrauding of the state, discourage attempts to change the status quo through violence and create an environment more conducive to a negotiated solution to the disputes that have divided Libya since 2014.

With this background in mind, the European Union (EU) and its member states should consider the following:

- ❑ Enhance monitoring of the implementation of economic reforms, press the Government of National Accord and the Central Bank of Libya to limit the allocation of funds on a preferential exchange rate, and prevent fraudulent letters of credit, which could easily allow the embezzlement of public funds, as in the past;
- ❑ Persuade the Government of National Accord and the Central Bank of Libya to move forward with more comprehensive policies, including more substantive subsidy reform (particularly of refined fuel), the devaluation of the Libyan dinar and a strategic review of budget priorities, and in the interim undertake transparent oversight of the funds generated by any special exchange rate mechanism;
- ❑ Encourage the Tripoli-based government and economic institutions as well as their counterparts in eastern Libya to take concrete steps to unify the Central Bank of Libya, and support an ongoing UN-led financial review of its rival branches in Tripoli and al-Bayda. The Palermo summit planned for 12-13 November, hosted by Italy, offers a chance to do so;
- ❑ Prioritise the reunification of economic institutions, starting with the Central Bank of Libya.

## *Flawed Economic Reforms*

Against the backdrop of renewed fighting in Tripoli, public anger over worsening living conditions and widespread accusations that militias were embezzling public funds in the capital, Prime Minister Faiez Serraj signed off on new economic measures on 12

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<sup>1</sup> The Government of National Accord is the sole internationally-recognised government of Libya, created by the December 2015 Libyan Political Agreement and based in Tripoli since March 2016. It is headed by the Presidency Council, which is led by Prime Minister Faiez Serraj.

September. The new policies suggest he is determined to address Libyans' economic plight. Ordinary Libyans have suffered from a persistent cash liquidity crisis and falling purchasing power due to the drop in the dinar's value; as a result, the price of consumer goods increased by a record 28 per cent in 2017 alone.

The proposed reforms' main objectives are:

- a) Reducing the gap between the official exchange rate, fixed at 1.3 Libyan dinars (LYD) to one U.S. dollar (USD) and the black market rate, which has fluctuated at around 6-7 LYD/USD throughout 2018. Militias and their political backers, especially in the capital where the main economic institutions are based, have taken advantage of their ability – often through coercion – to use the official exchange rate for personal gain and to consolidate power.
- b) Ensuring easier access to foreign currency through the official banking system rather than the black market in order to import goods.

To achieve this end, the government imposed a hefty 184 per cent service fee on the official exchange rate for all foreign currency purchases required for commercial or personal transactions. It in effect created a second official exchange rate of 3.90 LYD/USD. The government modelled this measure on a similar policy from the Qadhafi era; its advocates believe it will help lower the black-market exchange rate and increase liquidity. Proposed by Central Bank of Libya Governor Siddiq al-Kebir and backed by several military and political actors outside of Tripoli – including those trying to break the principal Tripoli militias' stranglehold over economic institutions – Serraj initially opposed it. He relented only following concerted pressure, including from Special Representative of the UN Secretary-General Ghassan Salamé, who saw the reforms as a means of de-escalating tensions in Tripoli and securing a ceasefire. A motivating factor for the militias that attacked Tripoli is the perception – widespread across the country – that dominant armed groups have abused their access to state institutions for personal and political gain.

The reforms are a step toward addressing a deteriorating economic situation, but international experts had advocated a devaluation of the dinar instead and say the service fee model goes against international best practices. The government countered that devaluation is impossible while the Central Bank of Libya is split and state institutions deadlocked. It champions the service fee model as a means of providing greater flexibility, allowing for rapid exchange rate adjustments to identify the market value of the dinar.

To the government's credit, the reforms have shown initial positive effects. Their announcement contributed to a de-escalation of fighting in the capital and an almost 20 per cent drop in the black-market exchange rate. Yet it remains too early to judge their long-term effectiveness, especially since the new system for allocating letters of credit is still being rolled out, and external variables, such as oil revenues, remain highly unpredictable. One immediate downside of the government's unilateral announcement of the measures is that it reduced international pressure on the Tripoli authorities to hold a meeting of the board of the Central Bank of Libya, a necessary step toward its reunification.

Many Libyans, moreover, are already concerned about possible abuses and uncertainties concerning the path ahead. The first concern is that interest groups, in-

cluding militias and political actors, will circumvent the fee-based rate and use the official rate, thus continuing to profit from a de facto double exchange rate system. The decree announcing the reforms is vague on the matter, but ongoing discussions in Tripoli suggest that the government is considering exempting a number of companies and selected goods from the fee-based exchange rate. Such an exemption system should be avoided as much as possible, as it will create opportunities for abuse.

The second concern is how the government will allocate the funds the service fee generates, anticipated to reach 20 billion dinars. Most think that the money should be used to repay public debt and finance development projects. But the decree announcing the reforms states only that the government's Presidency Council will determine how to allocate the funds. Some government officials are worried that Serraj and his entourage could use these funds to buy loyalty rather than finance sound development projects. Another question is whether these funds will go into the regular government budget, which auditors review, or will remain outside the budget line, which allows for less financial scrutiny. The state should establish careful oversight of these funds' allocation.

### *Next Steps*

The Libyan government should follow these initial measures with a gradual reduction of fuel subsidies, which encourage fuel smuggling (another feature of the illicit economy, estimated to cost the state as much as \$6 billion annually), and provide adequate targeted cash transfers for poor households to compensate for the increased prices of goods and services. Currently, the only compensation scheme it offers is indirect and consists of awarding every citizen the right to purchase \$1,000 at the official exchange rate, which is placed on personal debit cards. This scheme is risky because most people will likely turn to the black market to obtain needed dinars, which would provide black market traders with hundreds of million dollars in commissions.

A proper devaluation of the dinar, replacing the service fee system, is the only way to get rid of the easily abused dual exchange rate. A necessary precondition is to unify the Central Bank of Libya and conduct a review of both of the bank's branches, as agreed by Serraj and the bank's rival heads in late August. Bank unification would halt the eastern government's threats to sell oil through its own (internationally unrecognised) branch of the National Oil Corporation. It would also send a strong signal that stakeholders are serious about bridging the country's divides and stabilising the country.

Reforms will not have an impact overnight, but the package introduced in September is a start. If it merely reproduces corruption and fails to address the needs of ordinary Libyans, violent challenges to the arrangement are likely. The EU and its member states should therefore recognise the crucial task of addressing the underlying flaws in the economic policies proposed in September and press Libya's government and its economic institutions to continue work on more thorough reforms. Concretely, they should support efforts to reconcile economic institutions and reach consensus on economic reforms, and back the UN in developing the economic track of peace negotiations.

# Investing Diplomatically in Idlib

The 17 September Sochi agreement between Russia and Turkey forestalled the Syrian regime's imminent attack on rebel-held Idlib governorate and surrounding areas in Syria's north west. The agreement established a 20km buffer zone between rebels and the regime along Idlib's borders, which was to be emptied of heavy weapons by 10 October. By late October, the agreement's implementation appeared to be in progress: heavy arms were no longer visible, though it remained unclear if they had been removed. In any event, Russia expressed satisfaction with Turkey's efforts to demilitarise the zone.

The agreement succeeded in averting – for now – a battle that the UN warned could trigger the worst humanitarian catastrophe of the 21st century. But while Idlib's fate remains uncertain, European partners must work to support Turkish efforts to implement the deal's conditions and sustain a political process while bolstering preparations for managing the humanitarian fallout in the event of an attack, the threat of which remains real.

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

- ❑ Keep backing the agreement, both publicly and in direct contacts with Russia. Europeans should emphasise that an all-out assault on Idlib and a humanitarian disaster there would substantially impair their future cooperation with Russia on Syria, and thus prevent Russia from achieving its political objective – not just the regime's survival but a settlement that leads to a degree of regime rehabilitation.
- ❑ Engage prudently with Russia. The EU should be open to discussing avenues of cooperation with Moscow on Syria, both independently and in support of Turkish initiatives such as its 27 October quartet summit alongside France, Germany and Russia. At the same time it should resist Moscow's efforts to accelerate the provision of European reconstruction assistance in the absence of any political progress.
- ❑ Press Russia to continue to show flexibility with Turkey as it proceeds with implementing the commitment it made in Sochi in September. Europeans should continue to vocally support Turkey and, if necessary, condition future cooperation with Russia on such Russian flexibility.
- ❑ Encourage Turkey to continue its own humanitarian preparations in the event of an attack on Idlib, including planning, building aid infrastructure, and pre-positioning assistance; and materially support Turkey in these efforts.
- ❑ Urge Turkey to coordinate its humanitarian response with international allies. Europeans should ask Turkey to share more information, specifically about its security operations in Idlib that restrict humanitarian access. If the Syrian regime attacks Idlib, Turkey's allies will be more effective partners if they have jointly planned and prepared.
- ❑ Urge Turkey to allow humanitarian action in Turkish-controlled Aleppo independent of Turkish state and para-state bodies. Turkey may be uncomfortable with allowing autonomous relief actors into an area it is keen to keep under control, but otherwise Europeans and others cannot support its aid efforts.

### *Sochi's Origins and Stakes*

Several factors enabled the Sochi agreement, notably Turkey's strong indications it would resist an Idlib offensive – including its decision to send considerable additional weapons to Syrian rebels in Idlib – and U.S. pressure. Arguably most important was Ankara signalling to Moscow that an offensive would end Turkish-Russian cooperation on a political settlement. As one of the guarantors (together with Russia and Iran) of the Astana process, Turkey remains central to Russia's efforts to find a political resolution to Syria's war. Russia needs Turkish buy-in if it hopes to crown its military success with some international re-legitimation of the Syrian regime and secure outside funds for the country's reconstruction.

Along with the U.S., EU member states provided important diplomatic backing to Turkey in support of an Idlib deal. Emphatic public European opposition to an assault and energetic, direct diplomacy with Russia by EU member states convinced Moscow that an all-out attack would seriously damage cooperation on Syria. Europeans should continue to vocally support Turkey as it implements Sochi's provisions and, through direct channels with Russia, stress that a humanitarian disaster that displaces more refugees (and some militants) into Turkey and Europe directly prejudices European interests. EU member states should make clear that an attack on Idlib would poison further cooperation and cripple Syria's political process, on which major reconstruction funds depend.

### *The Potential Humanitarian Catastrophe*

The priority for Europeans and others must be preventing an attack on Idlib, as the humanitarian impact would outstrip even the best-planned and well-resourced response. But the EU should also anticipate the worst case scenario, namely the Sochi deal's collapse and an ensuing regime offensive. The EU needs to ensure it is prepared to the extent possible, helping humanitarian partners plan and pre-position supplies and funding the humanitarian response.

Turkey has been undertaking emergency preparations, though it has not always publicised them for fear of undermining good faith efforts at de-escalation. Yet its limited communication prevents donors and their international NGO partners from effectively coordinating and planning their contribution to a relief effort. Turkey has also restricted independent access for international organisations to the parts of Aleppo governorate it controls. Humanitarian capacity is already stretched in these areas, which are the likeliest destination for Idlib's residents if they have to flee.

Europeans must continue to appeal to Turkey to share information on their efforts in Idlib in order for other donors and humanitarians to appropriately plan. And the EU needs to push Turkey to allow independent humanitarian action inside Turkish-controlled Aleppo, where, if Idlib is attacked, Turkey will be unable to singlehandedly meet vulnerable Syrians' urgent needs.

# Helping Civilians in Ukraine's Eastern Donbas Region

With presidential elections scheduled for March 2019 and parliamentary elections to follow later that year, Ukraine is entering a period of jockeying and recrimination among its political elite. Prospects for improving the plight of more than six million residents of the eastern Donbas region caught up in the war between Kyiv's forces and Russia-backed separatists – requiring policies long stymied by Kyiv's general reservations toward those citizens – appear gloomy. Yet Ukraine's international partners should urge Kyiv not to view forthcoming elections as an excuse for inaction. The government should take long overdue steps to ease the suffering of the conflict's victims, which are vital to the eventual reintegration of those areas into Ukraine. In this context, the European Union (EU) and its member states should:

- ❑ Encourage the Ukrainian government to pass legislation that restores pension payments to residents of conflict-affected areas, irrespective of their status as internally displaced persons (IDPs). Currently only those registered as IDPs are entitled to such payments, and maintaining IDP status is burdensome or impossible for many pensioners.
- ❑ Provide resources for a government fund to compensate citizens for property lost during fighting or expropriated by the Ukrainian military over the past few years.

Though Ukraine's parliament has been considering draft legislation on these issues for months, officials warn that its passage is unlikely before elections. The current government sees little gain in prioritising the needs of citizens who in many cases cannot vote and are unlikely to vote for the ruling party if they could. Many staunch supporters of Ukraine's fight with Russia, who can vote, question the loyalty of citizens in occupied areas to the state. But failing to address humanitarian issues carries significant risk. In a time-sensitive battle to win hearts and minds of conflict-affected citizens, inaction erodes Kyiv's chances for eventually reintegrating peacefully areas currently outside its control. If Poroshenko does win re-election, he may find his 2014 pledge to end the war and bring Donbas back to Ukraine, which helped propel him to the presidency, increasingly out of reach.

The EU also has a crucial interest in ensuring that Kyiv tackle humanitarian challenges now. Many of the most vocal advocates for citizens who have borne the brunt of the Donbas conflict are Eurosceptic politicians and their parties, including Opposition Bloc and *Za Zhyttya*. In contrast, the Ukrainian leaders most dedicated to EU integration, including members of the ruling coalition and the *Samopomich* party, are more ambivalent and sometimes overtly hostile toward these citizens. This dynamic has contributed to a perception among some Ukrainians that EU integration is an elitist project, conceived without regard for society's most vulnerable, including the disproportionately elderly and female population in conflict-affected areas. The EU should encourage Poroshenko and his ruling coalition to break the populist Eurosceptic monopoly on calling for policies that care for those citizens.

The EU and its member states also have an opening to press Kyiv on pension provision. In September, the country's Supreme Court ruled that the government's practice since 2015 of withholding pensions for hundreds of thousands of IDPs (on the grounds that they had either failed to register as such or because they had returned to their homes in occupied territory) was illegal. The decision compels Kyiv to

enact legislation decoupling pension eligibility for citizens from areas outside government control from their IDP status. That step would allow all pension-age citizens from these areas to receive payments on government-controlled territory, or at their homes in uncontrolled areas with the help of aid workers.

Members of the ruling coalition resist such legislation, in violation of the Supreme Court verdict. This means those wishing to reinstate their pensions can only do so through the courts, although the verdict is expected to expedite their cases. Government sources attribute Kyiv's resistance to a mix of budgetary shortfalls, reluctance to prioritise people living in occupied territory, and fear of politically or financially risky moves ahead of elections. While the EU and some member states have lobbied the government for better pension provision in the past, they now have Ukrainian law on their side. They should emphasise the long-term economic and political costs: according to legal experts, state inaction could result in challenges at the European Court of Human Rights where plaintiffs would win most cases and whose verdicts would likely award damages.

Providing compensation for property damaged in fighting or appropriated by the Ukrainian military is another area where the EU could have a positive impact. Over 40,000 private properties have been destroyed or damaged during the conflict, but the government has yet to establish a legal procedure for compensation, with officials pointing to lack of funds. Many argue that Kyiv will eventually seek to compel Russia to pay these costs by resorting to international courts. Yet that process would take years, if it happens at all, leaving thousands of citizens unable to start new lives in the meantime. As with the pension issue, victims of property loss could take cases to the European Court of Human Rights, which would cost Kyiv more in the long term.

The EU could consider providing funds to a state compensation pool on the condition that lawmakers pass pending legislation. This measure could help thousands of Ukrainians avoid poverty and aid dependency. It would also be a useful signal to Kyiv that its international backers are ready to help it govern all its citizens to the best of its ability, even while its territorial integrity remains compromised.



# Colombia's Uneasy Peace and Troubled Borders

The inauguration in August 2018 of a new Colombian president, Iván Duque, from the right-leaning Democratic Centre Party, has fuelled uncertainty about the future of the 2016 peace agreement with the Revolutionary Armed Forces of Colombia (FARC). Nor is it yet clear how the new government plans to tackle expansionist armed groups, booming coca crop production and the humanitarian disaster in neighbouring Venezuela. President Duque came to power backed by ardent opponents of the FARC deal and having vowed himself during his election campaign to “modify” parts of the agreement. Thus far, he has charted a fairly moderate course, though could still face pressure from hardliners within his government and party to undercut the accord’s provisions. To shore up the FARC agreement, the EU and European governments, who are among its most prominent supporters, should:

- ❑ Press upon President Duque’s government the costs of backtracking on the deal, including the risk of alienating rural Colombians, strengthening the appeal in the countryside of non-state armed groups, including FARC dissidents, and potentially complicating relations with Europeans that back the deal;
- ❑ Continue to offer financial and political support to local reintegration initiatives led by former guerrillas, while pushing the government and former guerrillas to design and carry out a national reintegration policy that would assist former fighters transition to civilian life;
- ❑ Reiterate support for negotiations between the government and Colombia’s other guerrilla movement, the National Liberation Army (ELN);
- ❑ Encourage the government to address smallholder farmers’ longstanding grievances, notably unequal land ownership and the difficulty of securing formal land titles. The EU and European governments should also offer political and financial support to programs related to coca crop substitution, such as building roads, giving coca growers technical assistance in cultivating legal crops and improving market access for agricultural exports. Crop substitution is the most effective means of convincing coca growers to abandon illicit crops.
- ❑ Increase the provision of humanitarian aid to Venezuelan refugees who cross the border into Colombia in coordination with UN and other international agencies. By doing so, the EU and its member states would protect vulnerable Venezuelans and pre-empt potential claims from Bogota of being unable to finance the FARC deal and accommodate the Venezuelan influx at the same time.

## *The New Government and the FARC Peace Agreement*

In his inaugural address, President Duque spoke of revising the FARC deal, “to correct” those parts that he and his party consider faulty. But the explicit changes that he has proposed thus far are largely cosmetic. Instead of adhering to any dogma, his approach appears to be reactive to circumstances, in particular new security concerns and fiscal constraints.

Less pragmatic elements of Duque's party and governing coalition hold positions of influence, however, and could still undermine parts of the peace deal, above all the socio-economic reform the deal promises but that has yet to come to fruition. The president is considered to occupy middle ground in the Democratic Centre party, whereas many party stalwarts are loyal primarily to the party founder and former president, Álvaro Uribe, a determined opponent of the FARC deal. At Duque's inauguration, Ernesto Macías, head of Congress and member of the Democratic Centre, lambasted the peace agreement and its architect, former president Juan Manuel Santos. He argued that Colombia had not actually suffered a veritable armed conflict with the FARC requiring a peace deal but rather a sustained attack by a criminal group that left the country "awash in coca". María Fernanda Cabal, another party hardliner and senator, has called on Duque to replace the "useless" leadership of the armed forces, whom she sees as close to Santos. Opponents of the peace deal are likely to use their privileged positions as part of the ruling coalition to pressure President Duque toward policies and appointments that serve their cause. Duque's nomination of Claudia Ortiz, an outspoken critic of the accord and land reform, to lead the Rural Development Agency, as well as the lack of support from government and Congress for a new land registry as promised in the peace accord, suggest that rural reform may be the main victim of the new government's harder-line factions.

That said, the Democratic Centre does not govern alone. Duque's vice president, Marta Lucía Ramírez, hails from the Conservative Party, as do his high commissioners for "legality" (formerly peace) and "stabilisation". Ramírez would prefer to honour the peace deal in full, but the president has trimmed her authority over post-conflict planning and her influence will depend on whether Duque restores her powers.

### *Substantive and Symbolic Changes to the Peace Deal*

Notwithstanding the competing voices within his government, President Duque himself appears aware that overt opposition to the accord would cost him support at home and abroad. To both please hardliners and avoid offending the peace deal's supporters, he may cite Colombia's financial straits as justification for cuts that would dilute the most expensive parts of the deal. As described, one likely target for such cuts are provisions for rural development and land reform, costs of which are officially estimated at more than \$30 billion over more than a decade. A similar fiscal squeeze could befall the program for voluntary coca crop substitution laid out in the peace accord. Duque has stated that he will comply with agreements already signed with 80,000 coca-growing families to provide stipends and technical assistance to enable them to shift to legal farming. But he and his ministers have made clear that, in line with U.S. demands, they wish to prioritise forced eradication and fumigation of coca crops, possibly with drones.

The policies that Duque and his party have decried most vociferously in recent years – the peace deal's plans for transitional justice and FARC leaders' participation in politics, both ratified by Congress and approved by the courts – are more likely to suffer symbolic rather than substantive changes. For example, the deal makes FARC participants in the illegal drug trade eligible for immunity from prosecution so long as they can show their involvement was for the insurgency's material gain rather than their own. Duque plans to pass a law to eliminate all such judicial benefits for

convicted drug traffickers. But, even if he does, he will be unable to retroactively prosecute already demobilised FARC commanders and fighters, due to constitutional provisions requiring that the lightest sentence be imposed when more than one law applies to the crime (in this case, the lightest sentence is that outlined by the peace agreement). In terms of FARC's political participation, the movement currently has four legislators in both houses of Congress, part of an eight-year quota established in the peace deal. Any attempt to take away those seats would likely lead to a legal and political quagmire. It appears unlikely the new government will attempt to do so, however much the ruling party chafes at the presence of FARC deputies.

Other parts of the agreement President Duque resolutely backs. He repeatedly voices support for reintegrating former guerrillas into civilian life, though his government still lacks a clear policy for doing so. The National Reincorporation Council, created by the peace agreement to design a reintegration policy for former fighters, has approved a mere handful of projects to that end, though over 100 initiatives led by individual or small groups of low-level fighters are underway without its approval. Reintegration is also bedevilled by former combatants' frustrations with the process so far. Roughly 1,500 former guerrillas remain in the cantonments created for their reintegration, even though 13,000 people were accredited as having belonged to the FARC (of whom about 23 per cent are women). Of the 11,500 who have left, some have attempted to set up small businesses or cooperatives while awaiting government financial support; others have given up on receiving more assistance but aim to survive on their monthly stipends until they run out in August 2019. A small but growing number have joined armed dissident groups.

The Reintegration and Normalisation Agency, the Colombian body in charge of carrying out reintegration policies, is under new leadership appointed by Santos a few months before leaving office. That change may provide an opportunity to overcome the agency's longstanding disputes with the FARC over the most suitable programs for former combatants. Both the agency and the National Reincorporation Council, as well as the FARC itself, will need to make far greater efforts to ensure that reintegration packages are tailored to account for the gender and ethnicity of former fighters. Vice President Ramírez, who has special responsibility for the government's gender policies, should play a role in designing specific economic programs and protection against sexual violence for female ex-fighters.

### *Security Threats and the Drug Trade*

Despite the peace agreement, areas formerly under guerrilla control face persistent or even worsening insecurity, including displacement and high murder rates. At least 331 community leaders have died, since the start of 2016, while 71 former FARC members have also been murdered, according to the UN, since the peace deal was signed; suspected perpetrators of only a small number of these killings have been arrested. In response to rising violence levels, the government appears to be returning to the counter-insurgency model of "clear-hold-build" followed by President Uribe. But that approach largely failed at the time to clear territories of armed factions so that state institutions could take root, and there is little reason to believe it can succeed now.

FARC dissidents – who reject the peace deal – pose the most visible threat, along with ELN guerrillas and drug traffickers. At least thirteen dissident groups, comprising a minimum of 1,600 fighters, are recruiting across the country. In Colombia's south-eastern plains, Gentil Duarte, a prominent ex-FARC commander, seeks to unite the dissidents and create a new FARC. In the south west, along the Pacific coast and the Ecuador border, illegal economies, notably coca production and cocaine processing and trafficking, serve as the dissidents' financial base. In the north, fighting among dissidents and other armed groups has led violence to spike. Four key FARC commanders who once accepted the accord recently joined the dissidents in the eastern plains, suggesting that these emerging factions are becoming magnets for those sceptical of the new government's good faith in carrying out the deal or concerned about the prospect of criminal probes into their activities. The best way to stem the flow of defections would be to honour promises to establish effective reintegration programs for former fighters.

Crisis Group estimates that ELN guerrillas are still active in about 10 per cent of Colombia's territory, mainly along the border with Venezuela and the Pacific coast. The ELN has carried out massacres in the south west and north east, supposedly against armed rivals, while playing a greater role in drug trafficking and using violence to assert territorial control. In August, its guerrillas kidnapped (and later released) nine soldiers and policemen in Arauca and Chocó, in part to press for continuation of peace talks held under President Santos. Duque, however, has suspended talks until the ELN releases all its kidnapping victims, who now number ten according to a government list. Of these, at least one is confirmed dead, while seven others are suspected to have also died.

Duque has also demanded that the ELN stop all its criminal activities as another precondition for talks. He occasionally stipulates that the guerrillas assemble in cantonments, as the FARC fighters initially did, and insists that peace talks focus on disarmament and demobilisation rather than substantive reforms to the Colombian economy and state institutions. This last condition means in essence that the guerrillas would have to hand over their weapons without realising any of their core political demands. The ELN is sure to reject such preconditions. The new government's recent decision to remove Venezuela as a guarantor country further diminishes prospects for talks. With safe havens and growing operations in Venezuela, the ELN sees Caracas as a crucial ally. The ELN peace process so far has been frustrating, with mistrust between the sides and the guerrilla's continuing armed activity causing talks to stall earlier this year. But Duque and Colombia's international partners should persist, particularly given that the group's military defeat remains a remote prospect while it enjoys havens across the border.

Drug traffickers, including the Gaitán Self-Defence Forces, operate in north-western Colombia and along the Atlantic and Pacific coasts, though military operations and internal fractures have weakened them. Colombia's Congress passed a law in July that foresaw reduced prison sentences for the Gaitán in exchange for its demobilisation and information on its activities and allies, but the group has yet to accept the law's terms of surrender. In the meantime, Colombian authorities have killed or captured some of the group's leaders. Drug trafficking and production have suffered only limited damage from the military and police offensive against the Gaitán as other groups fill gaps in trafficking routes while farmers continue to grow coca for profit.

All armed groups exploit drugs to finance activities, gain local power and recruit. The UN Office on Drugs and Crime announced in September that coca cultivation areas reached record levels in 2017 of 171,000 hectares, with estimated cocaine production also at a high of over 1,300 metric tonnes. Under U.S. pressure, the Duque government has announced that it will rely on forced eradication to reduce illicit crop cultivation. But it has also stated that it will respect commitments to the peace agreement's crop substitution program, which has already eliminated at least 20,000 hectares of coca with local farmers' consent. Coordination between the military-led eradication and civilian-led substitution programs has been troubled since early 2017, prompting resentment from coca-growers who say they are willing to switch crops but have still watched their plants being forcibly destroyed.

Previous episodes of intensified forced eradication have shown that coercive counter-narcotic strategies, including fumigation, erode trust between coca growers and the government, while strengthening illegal armed groups purporting to defend the former. The EU should advise the Duque government that repeating this approach is likely to yield the same result. It could also fill gaps in funding for the crop substitution programs. The EU could, for example, support related initiatives, such as building infrastructure, offering technical assistance for coca growers to cultivate legal crops, or helping secure better access to European markets for Colombian products grown by former coca farmers.

### *Neighbour Troubles*

At least one million Venezuelans have entered Colombia fleeing economic misery, dire shortages of medical and other essential supplies and, in some cases, political repression since the start of 2017. Around half remain clustered in border areas marked by high rates of poverty and unemployment. President Duque has acknowledged the need to accept these migrants and work with Latin American partners and UN bodies to protect their well-being. He has sounded a firm line on Venezuela, telling the UN General Assembly that a stronger regional "diplomatic siege" is needed to "sanction ... those who have laid the way for this atrocious tragedy".

Growing tensions between Bogotá and Caracas, as well as the absence of stable channels of communication between the countries' armed forces, could lead to worsening violence. The risk is most acute along borders that armed groups, above all the ELN, regularly cross. In these areas, illegal economies flourish, including trafficking in cocaine, fuel, cattle, and illegally mined gold and coltan. Venezuela's president, Nicolás Maduro, accused Duque's predecessor Santos of sponsoring a recent assassination attempt against him, offering no evidence to back up that claim. At the same time, senior Latin American and U.S. officials have floated the idea of military intervention against Maduro's government. President Duque has – sensibly – ruled out Colombian support for such an initiative, which would almost certainly make things much worse (even if the Venezuelan military abandoned Maduro and his government were quickly toppled – neither of which is certain – any newly installed transitional government in Caracas would be weak and, beset by pockets of armed resistance and the spread of organised crime, would almost certainly be unable to impose order across the country).

As it bears the brunt of the humanitarian emergency, Colombia undoubtedly needs more support from the EU to cope with the exodus of desperate Venezuelans and contain instability along the border. European backing on an issue that is at the core of Duque's security concerns could help persuade the government that it should attend to EU concerns and keep the budget for the peace process intact.

# Averting Violence around Nigeria's 2019 Elections

Nigeria will hold national and state elections in February and March 2019. The presidential contest will pit incumbent President Muhammadu Buhari of the ruling All Progressives Congress (APC) against veteran politician and former vice president Atiku Abubakar of the main opposition People's Democratic Party (PDP). A credible and peaceful vote could strengthen Nigeria's democracy and help curb the violence blighting parts of the country. Yet Nigeria's polls are traditionally fraught contests. Over 800 people died in post-election violence in 2011. Next year's vote will take place amid conflict and insecurity in parts of the country that impede planning and deepen divisions among communities. Acrimony between the two major parties has delayed legislation and funds for the elections, which threatens to derail their smooth administration and raise risks of violence. Misgivings over the impartiality of the Independent National Electoral Commission (INEC), particularly among the opposition and in the southern states, and concerns over the neutrality of security agencies could also contribute to disputes before and after polling.

Concerted, sustained international attention helped limit violence during the 2015 elections and was crucial to the peaceful transfer of power. The 2019 vote is likely to demand similar engagement. The European Union (EU) and its member states should:

- ❑ Urge President Buhari to ensure that relevant offices of the executive speedily release all funds dedicated to INEC and the security agencies, urgently work with the National Assembly to approve the amended electoral bill and establish the Electoral Offences Commission (the body that will sanction electoral violations);
- ❑ Call on all political parties to stop inflammatory rhetoric, subscribe to and respect the revised Code of Conduct for Political Parties – a voluntary instrument governing the behaviour of parties and their supporters;
- ❑ Press parties to establish national, regional, ethnic and inter-faith forums in which candidates and their supporters publicly commit to peaceful campaigning and establish channels of communication and contingency plans to respond to inter-party violence;
- ❑ Support the work of the National Peace Committee, a group of eminent Nigerians committed to mediate electoral disputes, to bring together the presidential candidates, especially President Buhari and Atiku Abubakar, to sign an accord ahead of the polls and publicly pledge to avoid violence, accept the election results or pursue grievances peacefully through lawful channels;
- ❑ Create a diplomatic forum in Abuja to coordinate messaging of Nigeria's foreign partners to President Buhari, political parties, candidates and security agencies, calling on them to act lawfully to prevent and mitigate violence and establish a high-level international working group, spearheaded by prominent statespersons with sway in Nigeria, that could intervene in the event of any major electoral crisis;

- ❑ Deploy an observer mission with a long-term presence to monitor the campaign, voting, counting and results tabulation;
- ❑ Consider threatening to impose travel and economic sanctions against political and other leaders engaging in or encouraging violence;
- ❑ Urge and, if necessary, provide support to INEC to intensify its public education campaigns, particularly to encourage voters to collect their permanent voter cards and to exercise their franchise.

### *“Win or Die” Politics and a Tight Presidential Contest*

Presidential, Senate and House of Representatives polls are scheduled for 16 February 2019, in what will be Nigeria’s sixth round of national elections since the transition from military to civilian rule in 1999. Voting for 29 governors (seven are elected at other times) and House of Assembly (state legislature) members in all 36 states follow on 2 March.

Of the 91 political parties registered to contest the vote, two are dominant – the ruling APC and the opposition PDP, which held power for sixteen years until Buhari assumed office in 2015. The presidential election will likely be a close race between Buhari and the PDP’s candidate, Abubakar, who was vice president from 1999 to 2007. That it will pit two candidates from the north against one another tempers some risks. Were Buhari to lose to a southern candidate, many northerners might have felt short-changed (according to informal power-sharing arrangements, the Nigerian presidency is supposed to rotate around different regions and alternate between north and south; because the northern president before Buhari, Umaru Musa Yar Adua, passed away while in office, southerners have held the presidency for almost three out of every four years since 1999). That said, it remains unclear how either of the two candidates and their supporters will respond to losing.

Fraught relations between the two major parties, based not on ideological differences but largely on the struggle to capture power and access to state resources, pose several challenges. Disputes between President Buhari and leaders of the two houses of Nigeria’s legislature, who both defected from the APC to the PDP in July 2018, seriously delayed the legislature’s approval of funds for INEC and security agencies (though that approval has now been granted and Buhari should press relevant ministries to quickly release funds). Frosty relations also are continually stalling much-needed amendments to electoral legislation. The failure to adopt those reforms, particularly to enshrine in law the use of electronic card readers intended to curb fraud, would jeopardise the transparency of and confidence in polls, and heighten risks of post-election disputes.

Voters are sharply divided between Buhari’s supporters who believe his government is fighting corruption and delivering on its 2015 pledges, and those of Abubakar, who largely view Buhari’s performance as a catalogue of failed promises. Increasingly acrimonious exchanges between the parties, aggravated by hate speech, including from some party leaders, and fake news (particularly in social media), are progressively charging the atmosphere. A tight contest, with the candidates running neck-and-neck, would increase incentives to rig and to use violence to suppress the vote in rivals’ strongholds. A close result, particularly one with no outright winner in the



first ballot (a candidate needs 25 per cent of votes in two-thirds of Nigeria's 36 states to avoid a run-off), would significantly heighten the risk of violence.

As in the past, parties and candidates are approaching the elections with a "win or die" mindset, largely because of the huge financial rewards associated with holding political office in Nigeria. Recent state governor elections, particularly in Ekiti and Osun states, saw many instances of abuse of incumbency, widespread vote buying and other illegal voter inducements, dissemination of fake news and hate speech on social media, and acts of violence, as widely reported in the Nigerian media and also by election monitors. Incidents of political thuggery are likely to increase, with some candidates threatened with abduction and even rape of their relatives.

Local power struggles also threaten bloodshed in several states. In Kano state, former Governor Rabiu Musa Kwankwaso (now a senator) has been in a fierce battle with his former deputy, incumbent Governor Abdullahi Ganduje. In Rivers state, a long-running rivalry between former Governor Rotimi Amaechi and incumbent Governor Nyesom Wike is compounded by local grievances within each of the three senatorial districts. Similar power struggles and resentments in several states could lead to heavy clashes among supporters of politicians and parties as elections approach.

### *Election Preparations and Institutional Neutrality*

Building on its successful administration of the polls in 2015, INEC has taken important steps to further improve election preparations, notably by formulating its first Strategic Plan (2017-2021) to guide its work from an early stage. But its efforts face multiple challenges. Foremost among them are delays in finalising the legal framework for the vote, largely the result of the friction between the executive and legislature.

For instance, INEC remains uncertain whether several provisions in earlier versions of the electoral reform bill, which were intended to improve election administration and transparency, will be retained in the final bill that is still stuck between the federal legislature and President Buhari. This continuing uncertainty undercuts preparations for the polls. In addition, INEC's commendable drive to increase voter participation has registered some 14 million new voters since 2015. But 10 million of them have not collected the cards they need for voting. The enthusiasm of many Nigerians who registered for the first time after the successful 2015 elections appears to have waned, with many now too apathetic to pick up their voter cards.

INEC and security agencies responsible for the elections also face questions regarding their independence and neutrality, though little evidence of bias has been produced. The fact that INEC's leader, along with those of the police, domestic intelligence agency and Economic and Financial Crimes Commission (EFCC), are all northerners like Buhari – though from different states and with no direct ties to the president – has fuelled conspiracy theories, particularly in the PDP's southern strongholds, about plans to manipulate the election's outcome in Buhari's favour. PDP stalwarts view actions of the EFCC and police, for example, as favouring Buhari's ruling party and aimed at intimidating opposition leaders and charge these bodies with partisanship. That Abubakar is also a northerner helps counter these perceptions to some degree, but does not fully allay the opposition's fears of institutions

leaning in the APC's favour, particularly in governorship and legislative contests. Such fears increase the likelihood of disputes and potentially violence.

### *Security Challenges*

Election preparations are taking place amid complex security challenges that are overstressing the Nigerian security forces. The long-running Boko Haram insurgency still plagues parts of the north east. While the fourteen local administrative units held by Boko Haram in early 2015 have been recaptured by government forces, some areas, especially in Borno state, remain under the group's control or vulnerable to attacks. One branch of Boko Haram, calling itself the Islamic State of West Africa Province, has regrouped and in recent months launched a series of attacks, including on military targets in Borno.

Herder-farmer violence, which claimed over 1,300 lives in the first six months of 2018, has ebbed over the past few months. But tensions in parts of the north central and north eastern zones (particularly Benue, Plateau, Taraba and Adamawa states) continue. As of January 2018, the north central zone accounted for about 15 per cent of registered voters nationwide. Politicians are already exploiting herder-farmer frictions to mobilise support and divide communities. Similarly, while recent military operations have curbed rural banditry in Zamfara state in the north west, the area remains unstable.

General insecurity across the country (especially kidnapping for ransom) poses another challenge. With youth unemployment rate rising to an unprecedented 33 per cent in the third quarter of 2017, according to the National Bureau of Statistics, a higher number of youth are now vulnerable to recruitment into militias. As in previous elections, politicians can mobilise and arm youths – many already organised in criminal gangs and so-called “cults”, whose members are bonded by blood oaths and other rituals – to attack and intimidate opponents. This, coupled with the continuing influx of illegal arms (two major seizures were recorded in May and July) and the circulation of weapons from some of the country's conflict zones, has created a more perilous environment ahead of next year's polls.