

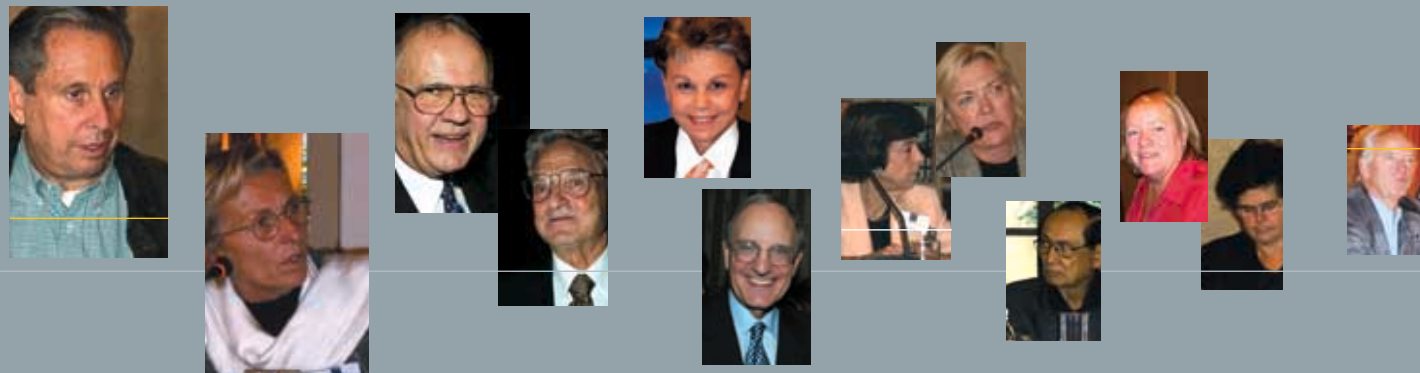


# international crisis group

preventing &  
resolving conflict

## annualreport 2004

review of 2003 ❖ plans for 2004



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## From the Chair

The year 2004 has begun with signs of both hope and gloom. India and Pakistan are talking again. Sudan is closer than ever to a peace settlement. There are grounds for confidence that peace processes in Central Africa will be sustained. But the situation in Nepal is deteriorating, Zimbabwe is closer to collapse, the continuing Israeli-Palestinian crisis is no nearer to resolution, and huge difficulties still confront Iraq.

In the aftermath of successive wars, Afghanistan has adopted a new constitution that lays the foundation for a system of democratic governance. But the central government continues to be severely hampered in the absence of adequate funds, security structures and infrastructure. Compelling challenges facing the country remain in creating legitimacy for the central government and managing centre-periphery relations, especially in dealing with warlords; in providing credible security and rule of law for citizens extending beyond Kabul; and in economic reconstruction.

We know that most wars and armed conflicts are taking place in the world's poorest countries, and within states rather than between them. The causes of conflict are often manifold, and attempts to point to one determining factor are generally not successful. Conflicts and instability are increasingly driven by non-traditional factors, such as economic and social disparities; failures in political and economic governance; demographic shifts; or scarcity of natural resources. The International Crisis Group analyses these interlinkages and trends, and proposes policy options for preventing these situations from erupting into armed conflicts.

This interdependence of security and development is a widely acknowledged fact. But how many security policy experts do we have in our development departments or development specialists dealing with political conflicts? Is conflict prevention integrated

into the work of the geographical desks? Our administrations are still far too compartmentalised, and the knowledge pool in these units does not reflect the challenges of the current security environment. International organisations and governments must continue to improve the ways in which they respond to alerts of potential conflicts.

The challenge for 2004 is to better integrate the actual tools of preventing conflict among actors and institutions, which includes improving mediation skills and developing early warning systems. We should also be able to prevent the recurrence of a conflict. It is vital to ensure that the international community's actions – be it peacekeeping, human rights monitoring, development or health initiatives – are conducted with a view toward preventing conflict. More emphasis should be given to strengthening the capacity of civil societies.

I work with the International Crisis Group because I believe it is doing very valuable work in alerting the international community to potential crises and proposing policies to prevent or resolve conflict. 2003 was a year of further growth, but also rebalancing as, for example, our presence in the Balkans was scaled down, and a new project began in the Caucasus. I would like to thank ICG's President Gareth Evans for his vision and leadership and the organisation's staff for their devotion and professionalism. ICG could not succeed in its mission if it did not have the firm support of the donor community. My profound gratitude goes to them.

President Martti Ahtisaari  
Chairman

Helsinki, 1 March 2004

*Martti Ahtisaari served as President of Finland from 1994 to 2000. He was, among other roles, United Nations Commissioner for Namibia from 1977 to 1981, and the European Union's representative in the 1999 Kosovo peace talks. He has been Chairman of ICG since 2000.*



## From the President

ICG started in the mid-1990s as an idea born of despair at the international community's failure to anticipate and respond effectively to the human tragedies of Somalia, Rwanda and Bosnia. A tiny organisation – at the outset, just two people in a London office – has grown to become, in less than a decade, perhaps the world's leading independent, non-government source of early warning, analysis and advice for governments and international organisations in relation to the prevention and resolution of deadly conflict.

With that growth, and that role, has come a huge weight of expectations. Policy makers, and those who influence them in the media and elsewhere, constantly look to ICG for information as to what is happening on the ground, and for creative ideas as to how to prevent conflict breaking out, escalating or recurring. How well did we do in meeting those expectations in 2003?

The pages of this report provide their own answer, region by region, indicator by indicator. But some highlights stand out:

- In the *Democratic Republic of the Congo*, ICG played a central role in advocating priorities, largely now accepted, for the peace process, and mobilising international response to the threatened genocidal killings in Ituri;
- In *Sudan*, ICG's reports and briefing papers, combined with sustained advocacy in capitals and on the ground, made large contributions both on process and substance to the talks which have brought the country its closest to peace for twenty years;
- In *Liberia*, ICG argued strenuously for a peace agreement and supporting enforcement strategy, in the terms – including Taylor's departure – in which they largely came about;
- In *Iraq*, ICG argued for a post-war division of labour between the UN, the Coalition Provisional Authority, and the Iraqi Interim Governing Council of a kind largely now accepted, albeit too late to stop much of the year's bloodshed;
- In *Afghanistan*, ICG reports constantly held the Afghan government and its international supporters to account on the adequacy of the transition process, the performance of government institutions, and the pervasive risks to human security; and
- In *South East Asia*, ICG produced analyses of the origins and reach of terrorist organisations – notably Jemaah Islamiyah and its affiliates – widely accepted as more far-reaching and pertinent than anything generated by government intelligence agencies.

By the end of 2003, ICG was reporting from the ground on some 40 crisis- or conflict-affected countries or entities across Asia, Africa, the Middle East, Europe and Latin America, as well as maintaining highly active advocacy centres in Brussels, Washington, New York and London, and a Moscow liaison office. With more than 90 staff – 36 nationalities, speaking 51 languages – and spending just over U.S. \$10 million, ICG in 2003 produced 100 detailed reports and briefing papers. These went directly to some 15,000 senior government decision-makers and those who influence them, while another 1.3 million items were downloaded from our website ([www.crisisweb.org](http://www.crisisweb.org)). A new monthly bulletin monitoring conflicts and crises around the world, *CrisisWatch*, quickly found its own audience, and contributed much to ICG's growing visibility.

ICG cannot everywhere be as active, or influential, as we would like to be. But we constantly try to add value that others cannot with our combination of field-based analysis, sharp-edged policy prescription, and high-level advocacy. What also distinguishes us is a senior management team highly experienced in government (unusually so for a non-governmental organisation) – and a highly active Board containing many senior statesmen and women who have (as I know better than most) more than a few ideas about how to make things happen.

ICG has achieved the necessary critical mass to be a serious player in the worldwide policy debate. The task for the future is not to expand further – and become in the process necessarily more bureaucratic and less fast-moving than we are able to be now – but rather to maintain our capacity to operate more or less at our present resource level. That said, maintaining even a steady-state budget in the period ahead will be no mean feat.

All of us at ICG are deeply grateful to our donors – old and new, public and private – for their great generosity, and even greater commitment to the cause of peace.

Hon Gareth Evans AO QC  
President and Chief Executive Officer

Brussels, 1 March 2004

*Gareth Evans served as Australian Foreign Minister from 1988 to 1996. He has been President of ICG since 2000.*



## ICG's Mission

ICG was established in 1995 by a group of prominent international citizens and foreign policy specialists who were appalled by the international community's failure to act effectively in response to the crises in Somalia, Bosnia and Rwanda. Their aim was to create a new organisation, wholly independent of any government, which would help governments, international organisations and the world community at large prevent or at least contain deadly conflict, and – if and when prevention failed – try to resolve it.

Our primary goal is prevention – to persuade those capable of altering the course of events to act in ways that reduce tensions and meet grievances, rather than letting them fester and explode into violent conflict.

What determines ICG's involvement in a particular issue is whether deadly conflict is apprehended or occurring, whether we are likely to be able to add value in achieving its prevention or resolution, and whether we have, or can raise, the resources needed to do the job properly, both in the field and through our advocacy in capitals.

### ICG's approach has three basic elements:

**Expert field research and analysis:** ICG's credibility is founded on its field-based research. Teams of ICG analysts are permanently based in or near many of the world's trouble spots, where there is concern about the possible outbreak of conflict, its escalation, or its recurrence. Their main task is to find out what is happening and why. They identify the underlying political, social and economic factors creating the conditions for conflict as well as the more immediate causes of tension. They find the people that matter, and discover what or who influences them. They study the factors outside the country that may be contributing to the conflict. And they consider the actual and potential role for other countries and international organisations to help defuse the crisis. That knowledge then has to be converted into succinct, timely and readable reports and briefing papers.

**Practical, imaginative, policy prescriptions:** ICG's role is not merely to understand conflict but to prevent, contain and resolve it. That means identifying the levers that can be pulled and those who can pull them. There are many different tools in the conflict prevention and resolution toolbox: diplomatic and political; legal; financial and economic; and ultimately, military. Some of these tools are applicable in-country, requiring action by the national government or local actors; others require the commitment of other governments or international organisations to be effective. Some need to be applied in the short-term; for others the lead time is longer. Some will be within the current market place of received ideas; others will be over the horizon, too far away for many to be able or willing to reach but nonetheless the right way forward. But in every case the need is the same: to identify policy responses that are within the capacity of policy makers to apply and that, if applied, will help to prevent or resolve deadly conflict.

**Effective, high-level advocacy:** Identifying the problem and the appropriate response is still only part of the story. Often the risk or reality of conflict will be known, and the policies that need to be applied to address the situation will also be reasonably well understood. The missing ingredient will be the "political will" to take the necessary action. ICG's task is not to lament its absence but to work out how to mobilise it. That means persuading policy makers directly or through others who influence them, not least the media. That in turn means having the right arguments: moral, political, legal or financial. And it means having the ability to effectively deploy those arguments, rationally or emotionally as the case may require, with people of the right credibility and capacity.

## ICG's Method

How does ICG go about implementing its mission?  
What did the organisation do in 2003 to advance it?

### Operating in the field

The first step is for ICG's Board, on the recommendation of the President, to decide to commence a new project. There are four basic criteria involved in commencing (and continuing in operation) a field project: the degree of conflict apprehended or occurring; whether ICG is likely to be able to add value to international understanding and response; whether we have, or can raise, the necessary resources to employ new field staff; and whether we have, or can acquire, the necessary managerial resources to ensure the quality of new reporting and the effectiveness of follow-through advocacy.

In 2003, a new project was established for the Caucasus, with an initial focus on the turbulent events in Georgia. Our Europe program was further reorganised, with the establishment of a new project in Moldova and the continued winding back of our Balkans program. Our North East Asia project was expanded to produce an initial report on the North Korean dispute. And our work in the Horn of Africa was extended to the Ethiopia/Eritrea conflict.

ICG's field analysts are experienced former diplomats, journalists, academics and NGO staff, often leading experts in their fields. Based full-time on the ground in crisis areas, they develop important relationships with government and opposition sources, public servants, military and paramilitary leaders, municipal officials, academics, journalists and leaders of civil society. In the initial drafting of reports and briefing papers, these analysts work with ICG's capital-based regional program directors. A research team in Brussels also provides input, especially on EU and NATO developments, while ICG Washington and New York assist with U.S. and UN perspectives.

### Determining policy

The policy prescriptions attached to nearly all ICG reports are settled by the President with input from field and senior staff, program directors, Board members, and consultation with governments, intergovernmental organisations, academic specialists, think-tanks and other NGOs. The object is always to produce recommendations that are relevant, dispassionate, candid, sharply focused and capable of practical implementation, even if beyond current limits of political acceptability.

### Advocating action

Strong advocacy means disseminating the product as widely and effectively as possible, making sure that policy makers hear the message and then persuading them to take action.

During 2003, ICG continued to expand its distribution:

- by direct mail of printed reports and papers to over 4,200 senior policy makers and those, in the media and elsewhere, who influence them;
- by email notification or attachment of reports and papers to 12,400 targeted "influentials", and over another 14,000 recipients subscribing through the ICG website; and
- through our website, [www.crisisweb.org](http://www.crisisweb.org), which in 2003 received 1.2 million visits, and from which 1.3 million copies of ICG reports and briefing papers were downloaded during the course of the year.

Our major advocacy offices, in Brussels, Washington DC and New York, continued to ensure ICG had the access and influence at the highest levels of the U.S. and European governments, the UN, EU and NATO. During the year, a new liaison office was opened in Moscow to improve access to Russian decision makers; our London office was expanded to strengthen ICG's profile and influence in the UK; and Brussels assumed responsibility for the other European "Permanent Five" member, France. All ICG offices, both advocacy and field, receive a regular flow of senior political and official visitors.

Media exposure is important for ICG's effectiveness and has increased significantly each year since 2000, although senior staff continue to decline many invitations to engage in instant talking-head punditry. In-house media monitoring of major international print and electronic media saw mentions of ICG reports, comments by staff and interviews rise to 2503 in 2003, (up from 1832 in 2002 and 734 in 2001). ICG staff and board members published (in their ICG capacity) 63 comment and opinion pieces in major national and international newspapers in 2003, while many more mentions of ICG occur in local language media as a result of briefings and commentary from our field staff.

*"In just eight years since ICG's founding, you have become one of the world's premier non-governmental organizations, working from the Balkans to Burma, from Central Africa to Colombia, and many places in between... ICG has an expert presence and staying power in places that make headlines, as well as in places which tend to get crowded out of them. ICG tells power what it thinks and advocates with both passion and effectiveness. It is a continuous source of ideas and insights for Governments, Parliaments, International Institutions, the media and fellow NGOs. In short, ICG is an organization that matters..."*

Colin L Powell

U.S. Secretary of State, 10 October 2003

*"I welcome ICG's initiative. Promoting a clearer idea of what, in some detail, a settlement would look like is an important way of addressing the fears of Israelis, Palestinians and others about what they would have to give up, what they would get in return, and what assurances they would have that the agreement would be respected. I hope that ICG publishing their ideas will help encourage the Israelis and Palestinian publics to focus on the potential for a solution and press their leaders to work towards it. Only an NGO could have done this."*

Jack Straw

United Kingdom Foreign Secretary, letter to the Chairman of the Foreign Affairs Committee on ICG Middle East Report N° 2, *Middle East Endgame I: Getting to a Comprehensive Arab-Israeli Peace Settlement*, 2 April 2003



# ICG in Africa

During 2003, ICG's work in Africa has had a significant impact, including in the actual conduct of peace negotiations (especially in Liberia, Burundi and Sudan), and in the general international response to countries at risk of armed conflict or emerging from it.

## Central Africa

There was real progress during 2003 in concluding the series of interconnected wars throughout the sub-region that, during the previous five years, had constituted one of the world's most lethal conflicts since World War II. The year witnessed the institution of a transitional government in the Democratic Republic of the Congo (DRC); the signing of a peace accord in Burundi between the government and the main rebel movement, with high hopes that a smaller rebel force would also join in the move towards peace; and tangible signs of reconciliation between former enemies in Rwanda. ICG enjoyed particularly close relations with both governments and other senior figures in the DRC and Burundi, and gave frequent briefings to members of the UN Security Council as well as officials of various other concerned governments. The French foreign minister wrote to ICG recognising the quality of our work on the DRC.

### Democratic Republic of the Congo

In June 2003, ICG published a detailed analysis of military interventions in Ituri province, the scene of extreme ethnic tensions and strife over land, mineral resources and power, exacerbated by various international interests. *Congo Crisis: Military Intervention in Ituri* (13 June) argued that the conflict had become genocidal in character, pointed out the weakness of the international interim emergency force on the ground and made a series of specific recommendations to the actors concerned, including the French command of the Interim Emergency Multinational Force. Among the recommendations that were subsequently implemented from this and two earlier reports on the Congo, *The Kivus: The Forgotten Crucible of the Congo Conflict* (24 January) and *Rwandan Hutu Rebels in the Congo: A New Approach to Disarmament and Reintegration* (23 May), that were subsequently implemented were:

- institution of a more robust mandate for the UN force in the Congo, MONUC;
- formal withdrawal of Rwandan forces from the Congo; and
- weakening of local militias in Ituri, and securing their commitment to political negotiations.

### Burundi

The signing in November of a peace accord between the government of Burundi and the main opposition group, the *Conseil national pour la défense de la démocratie-Forces de défense de la démocratie* (CNDD-FDD), created the best chance for peace in Burundi in ten years. By year's end, this group's fighters were emerging from their bases in preparation for the implementation of a program of cantonment and reintegration which is intended to include their incorporation into a new national army. Earlier, in *A Framework for Responsible Aid to Burundi* (21 February), ICG had recommended that international donors engage fully with the peace process and urged them to recognise that it was exceeding expectations.

ICG also published reports on two of the most difficult issues facing Burundi as refugees return in the wake of the peace accord: the problems caused by conflicting claims to land ownership, in *Refugees and Displaced Persons in Burundi – Defusing the Land Time-Bomb* (7 October), and the specific arrangements for dealing with the mass return of refugees, some of them displaced for three decades, in *Réfugiés et Déplacés Burundais: Construire d'urgence un Consensus sur le Rapatriement et la Réinstallation* (2 December). In December, ICG discussed the concerns contained in these reports with Burundian officials and political leaders, including the vice-president of the Republic and the presidents of the Senate and the National Assembly; we briefed UN officials in New York on Burundi's peace process in October.

### Rwanda

ICG published two reports on Rwanda during the year. *The International Criminal Tribunal for Rwanda: Time for Pragmatism* (26 September) recommended that the court cease any further indictments and concentrate on pursuing those already issued. The Rwandan government had earlier indicated its dissatisfaction with ICG's calls for political liberalisation made most recently in *Rwandan Hutu Rebels in the Congo: A New Approach to Disarmament and Reintegration* (23 May). International journalists and diplomats commented on the notable lack of transparency and fairness in Rwanda's presidential elections held later in the year.

## Horn of Africa

The year saw progress on two of the major causes of instability in the region, including the most protracted of them: the civil war in Sudan that has lasted off and on for almost fifty years. Meeting in Kenya, delegations from the Sudanese government and from the

southern opposition group, the SPLA, made encouraging progress towards the signing of a comprehensive peace accord, although there were clear signs that this would not necessarily bring an end to conflict in every part of Africa's largest country. Meanwhile, Ethiopia and Eritrea continued to explore a solution to the boundary dispute that led to a war between them in 1998-2000, in which some 100,000 people died.

### Sudan

ICG continued its long-term commitment to reporting and advocacy on the peace talks between the Khartoum government and the southern-based opposition SPLA that had begun in 2002. By the end of 2003, the talks had come tantalizingly close to an agreement that would transform Sudanese politics and could possibly bring an end to a conflict that has been in progress for all but ten years since 1956. Intimately associated with the course of the negotiations held in Naivasha, Kenya, ICG produced *Sudan's Oilfields Burn Again: Brinkmanship Endangers the Peace Process* (10 February) and *Sudan's Other Wars* (25 June), examining outstanding issues delegates needed to address for a truly comprehensive peace deal. In *Sudan Endgame* (7 July), ICG made specific proposals on points of disagreement between the two parties that were subsequently taken up, and ICG also recommended to the international community that it begin planning for a UN mission in the event that peace talks should reach agreement: such planning was in progress by year's end.

In *Sudan: Towards an Incomplete Peace* (11 December) ICG continued to recommend ways forward but also warned of a dangerous flare-up of fighting in the western region of Darfur, which, if left unattended, threatened to negate much of the progress made in government-SPLA talks. The conflict in Darfur underlined the fact that Sudan's troubles are not confined to conflict between north and south, but embrace wider questions of governance and equity. As the peace talks were coming close to consensus by year's end, ICG called for the United Nations High Commissioner for Refugees to send a delegation to investigate attacks in the Darfur region.

### Ethiopia-Eritrea

*Ethiopia and Eritrea: War or Peace?* (24 September) analysed the reaction of both governments to a ruling on their border dispute by the Boundary Commission, whose judgement both had previously agreed to accept as final and binding. ICG called on both governments to provide the Boundary Commission with

the necessary support to begin demarcation in October. Recognising the political problems involved in implementation, ICG also recommended a package of accompanying measures to be taken by the United States, the European Union and the African Union. In addition, ICG proposed modification in the interim period of the mandate of the UN monitoring force, UNMEE.

- Although demarcation had not begun by year's end, the Boundary Commission, UNMEE and the two governments were engaged in talks intended to explore eventual implementation.

### Somalia

*Negotiating a Blueprint for Peace in Somalia* (6 March) underlined the continuing weakness of the leadership in peace talks, both on political grounds and in regard to technical expertise that could be provided by international actors. During the year, ICG was consulted by various governments for its views on the way forward in the talks. In *Somaliland: Democratisation and Its Discontents* (28 July) on the northern region of the country that has its own de facto government unrecognised in international law, we called for the United Nations, the African Union and the Inter-Governmental Authority on Development (IGAD) to adopt a more open-minded approach to the question of Somaliland's ultimate status.

## Southern Africa

A region that had been the seat of several inter-related wars in the past saw frustratingly slow progress towards post-conflict settlement in one of them, Angola, but also the escalation of tension in Zimbabwe. ICG spent much time in 2003 researching a book-length report, to be published early in 2004, on the land reform issue at the heart of the Zimbabwean crisis and the source of much potential tension elsewhere in the region.

### Angola

*Dealing with Savimbi's Ghost: The Security and Humanitarian Challenges in Angola* (26 February) and *Angola's Choice: Reform or Regress* (7 April) both dealt with steps to reintegrate into society former fighters of the UNITA opposition group and their dependents, and to tackle the enormous social problems caused partly by over 25 years of war. Little progress was made in these areas.

*"My sincere congratulations for the quality and independence of the reports ICG has produced, in particular about Central Africa, and my full encouragement for the continuation of your mission."*

Dominique de Villepin  
French Foreign Minister, 15 October 2003



## Into 2004 in Africa

### Zimbabwe

ICG continued to report the economic collapse, state-sponsored violence and related problems that have plagued Zimbabwe in recent years. *Zimbabwe: Danger and Opportunity* (10 March), made recommendations including talks between the government and the main opposition party, the MDC. Although there were some contacts between the two sides during the year, these did not lead to substantive negotiations, and the situation in the country continued to deteriorate. South Africa remains in the best position of any external player to influence resolution of the conflict.

### West Africa

West Africa acquired during the year the unfortunate reputation as the main cockpit of violence in Africa, taking over this unhappy mantle from Central Africa. There was some progress towards peace in Liberia and Côte d'Ivoire especially, but nevertheless the situation in the latter remained fragile at year's end, and the probability for further outbreaks of violence remained high.

### Liberia

Fighting in Africa's oldest republic grew in intensity in June and July. International actors agreed that Liberia constituted the heart of a complex series of wars in the region, as ICG had described in *Tackling Liberia: The Eye of the Regional Storm* (30 April), which made clear the role of Liberia's President Charles Taylor in regional destabilisation. In August, peace talks led to an international agreement that resulted in President Taylor's departure into exile, as ICG had recommended in previous years. *Liberia: Security Challenges* (3 November) emphasised the importance of implementing a well-designed and fully funded disarmament and reintegration program. Later in the year, a premature attempt at disarmament by the UN mission in Liberia resulted in considerable confusion and had to be postponed.

- ICG was consulted extensively for its views on Liberia by both West African and international diplomats and gave both written and verbal briefings to the UN Security Council; the UK government expressly acknowledged the utility of ICG recommendations.

### Sierra Leone

*Sierra Leone: The State of Security and Governance* (2 September), the latest in ICG's long series of publications on this country, warned that even with the war now officially declared over, outstanding problems of poor governance and corruption put the longer-term future in doubt. Although this report was greeted with some reserve by the government, it was widely welcomed by the international community and a section of the Freetown press.

### Côte d'Ivoire

ICG's first report on a country once regarded as the most prosperous in the region, *Côte d'Ivoire: "The War Is Not Yet Over"* (28 November), concluded that the Marcoussis-Linas peace accords, signed in January, marked the only possible approach towards peace, but warned of the underlying tensions being maintained in particular by the government's bellicose pronouncements towards restoring its control in the north of the country. ICG recommended the full implementation of the peace accords, including a return to the government by ministers of the *Forces nouvelles* former rebel movement who had earlier walked out, and the establishment of an expanded UN mission with Chapter VII powers.

- *Forces nouvelles* ministers returned to the government on 6 January 2004.
- French officials informed ICG in December of progress towards the establishment of a robust UN mission.

### Guinea

Also a first country report by ICG, *Guinée: Incertitudes autour d'une fin de règne* (19 December), was essentially forward-looking, analysing the dangers of instability when the rule of President Lansana Conte eventually ends. Launched on the eve of presidential elections, it predicted that the result of the elections was a foregone conclusion in the absence of a level political playing-field.

- Before the end of the year, it was officially announced that President Conte had been triumphantly elected to a third term with a voter turn-out that few observers thought credible.

ICG will maintain its strong presence in the four project areas of the Africa program, all of which clearly continue to be sources of possible conflict. In Southern Africa ICG will follow the deteriorating and potentially explosive situation in Zimbabwe and examine the sensitive issue of land reform there and in South Africa.

For the fragile post-conflict situations in West Africa, Central Africa and the Horn of Africa, our primary focus will be the enduring tensions that could disrupt peaceful transitions. ICG will monitor the various processes of disarmament and reintegration into society of former fighters, as well as lingering disputes surrounding issues of justice and reconciliation.

Our aim will continue to be to provide the detailed analyses local leaders and the international community need to help prevent these long-running conflicts from erupting again, or spilling over to neighbouring countries, as has so often happened in the past. ICG works with the understanding that failed and fragile African states cannot recover ground quickly: international actors will need to think in longer terms than conventional two- to three-year UN mandates.

Topics to be addressed in 2004 include:

### Central Africa

#### Burundi

- proposals for dealing with questions of immunity and transitional justice
- ceasefire implementation and political transition

#### Democratic Republic of the Congo

- the progress of the transitional government

#### Uganda

- how to deal with the Lord's Resistance Army

### Southern Africa

#### Zimbabwe

- steps towards negotiations on Zimbabwe's future

#### Southern Africa

- land reform

### Horn of Africa

- terrorism and counter-terrorism in the Horn and east Africa

#### Sudan

- further analysis of government-SPLA talks

#### Ethiopia-Eritrea

- further steps on resolving the border dispute

#### Somalia

- the future of peace talks

### West Africa

#### Liberia

- rebuilding Liberia

"...the International Crisis Group's regular reports on instability in Zimbabwe, Congo, Côte d'Ivoire and other hot spots were invaluable..."



# ICG in the Middle East & North Africa

## Arab-Israeli Conflict

2003 unfortunately confirmed what ICG had warned the previous year: without a bold U.S.-led, international, diplomatic initiative presenting a blueprint for a comprehensive settlement, Israelis and Palestinian would remain mired in a tragic cycle of violence. Further escalation in Israeli-Palestinian violence, including continued Palestinian suicide bombings, Israeli armoured incursions and assassinations, and U.S. disengagement have combined to make prospects of a renewed peace process ever more remote.

*A Middle East Roadmap to Where?* (2 May) presented an immediate analysis of the initiative unveiled in late April. While welcoming its vision, ICG made clear that by retaining an incremental approach and conditioning political progress on Palestinian steps to reform the Authority and dismantle armed organisations, the Roadmap faced difficult odds, and recommended that it be supplemented with a concrete description of the endgame. Events since that time have proved the analysis correct, and ICG has been joined by an increasing number of international officials and policymakers in urging an endgame-first approach.

The Geneva Accord, an unofficial Israeli-Palestinian final peace blueprint unveiled on 1 December 2003, reflected the approach advocated by ICG, and we immediately sought to mobilise broad international backing for it. Over 60 current and former high-ranking officials from around the world signed a letter supporting both the Geneva Accord and the People's Voice, a similar endeavour.

- The letter was widely circulated and highlighted in the international media and, published in full on the day of the launching of the Geneva Accord, further contributed to its exposure.

A briefing paper, *Red Alert in Jordan: Recurrent Unrest in Maan* (19 February), which examined the sources of discontent in this Jordanian city, received extraordinary coverage in Jordan. After meeting with ICG's President, King Abdullah transmitted the briefing paper to Jordan's cabinet for review, and the head of the Islamic opposition likewise passed it on to his party's governing council for study. It was followed by the first in a series of thematic briefings addressing the question of political reform in the Middle East, *Jordanian Democratisation and Regional Instability* (8 October).

*Hizbollah: Rebel without a Cause?* (30 July) looked at the options facing the Lebanese movement in the wake of Israel's withdrawal from South Lebanon and other regional transformations and highlighted the limitations of its current strategy. The paper led to an unprecedented public debate in Lebanon about Hizbollah, with the movement's leaders joining and critiquing ICG's conclusions.

## Iran/Iraq/Gulf

The Gulf region, like much of the Arab world, was dominated by the Iraq war, and ICG chose to invest considerable resources to look at post-war challenges. The result has been a series of field-based, timely and cutting-edge reports that highlighted many of the problems that have since been acknowledged by members of the international community. Three reports published in March 2003, *War in Iraq: What's Next for the Kurds?* (19 March), *War in Iraq: Political Challenges after the Conflict* (25 March) and *War in Iraq: Managing Humanitarian Relief* (27 March) covered a range of issues but focused on two central recommendations: the need to de-Americanise management of post-conflict Iraq by turning to the United Nations and to Iraqis themselves.

Subsequent reports, including *Governing Iraq* (25 August), *Iraq's Constitutional Challenge* (13 November) and *Iraq: Building a New Security Structure* (23 December) refined the analysis by focusing on specific issues confronting Iraq. Overall, the reports outlined an alternative approach reflecting a more workable division of labour between the UN, the Coalition Provisional Authority and a broadened Iraqi Interim Governing Council. While the ICG approach was not embraced by the U.S. at the time, there were clear indications by year's end that, faced with security and political challenges, Washington is reconsidering its approach both toward the UN and toward Iraqi self-government.

Although Iraq monopolised much of world attention, Iran was not far behind. *Iran: Discontent and Disarray* (15 October), drawn from multiple on-the-ground interviews, analysed the state of Iranian domestic affairs while *Dealing with Iran's Nuclear Program* (27 October) took a hard look at the nuclear question and offered an approach designed to meet the international community's and Tehran's legitimate concerns.

## Egypt/North Africa

ICG's work in this area continued to focus on Algeria which, despite notable improvements on the security front, continues to face political unrest. *Algeria: Unrest and Impasse in Kabylia* (10 June), pointed out that the problems in the Kabylia region are related to the more general challenge of political representation and accountability facing Algeria as a whole – a thesis which was received with significant interest by the Algerian media. While the report's proposals for reform remain to be taken up by the government and the Kabylia political

organisations, its critical analysis of the protest movement in Kabylia has gained wide acceptance, and its recommendation that the movement and the government should negotiate an end to the unrest has been acted upon.

ICG also broadened the scope of this project to Egypt, a bellwether for the Arab world that – with events in Iraq and on the Israeli-Palestinian front – has faced a challenging regional environment. Part of ICG's series on political reform in the Middle East and North Africa, *The Challenge of Political Reform: Egypt after the Gulf War* (30 September), examined the interplay of domestic and regional developments and addressed recommendations to the government to broaden political participation and to the opposition to make itself more relevant. The briefing was widely circulated and well-received in the government, in the circles of the governing party and among the opposition as well as in diplomatic circles in Cairo.

*"[I am writing to let you know] how helpful the recent publications on Iraq of the International Crisis Group have been to me and the whole Save the Children team working on Iraq relief and reconstruction. Their analysis of the Kurdish situation and the post-war political challenges provide a very important focus for our advocacy."*

Charlie McCormack  
Head of Save the Children USA, 5 April 2003

*"Once again your organisation has shown itself to be ahead of the game in making timely policy recommendations on Iraq. Your excellent reports on Iraq keep providing policy makers with thoughtful and detailed analysis that have helped the Commission a great deal in preparing its own position."*

Chris Patten  
EU External Relations Commissioner  
on ICG Middle East Report N° 19, *Iraq's Constitutional Challenge*, 6 December 2003

*"Your briefings are outstanding. They are clear and easy to read. If they contain technical terms, they are explained; you are balanced and fair. The layout allows me to pick out what is important. The briefings are on time up to date and very relevant. I have just returned from Israel, and with your help I was better briefed than most! Thank you."*

Lord Stone of Blackheath  
on ICG Middle East Report N° 14, *A Middle East Roadmap to Where?* 17 May 2003



## Into 2004 in the Middle East & North Africa

ICG will continue to cover the changing dynamics of the Middle East and North Africa in the wake of the Iraq war. In Iraq itself this will mean constant analysis of the security situation as the country tries to recover economically, socially and politically.

Neighbouring Iran, Saudi Arabia and Syria are feeling the knock-on effects of the war in Iraq most acutely, and as ICG examines the aftershocks in these countries throughout 2004, we will be focusing especially on the prospects for political reform in Tehran, Riyadh and Damascus.

In addressing the Arab-Israeli conflict, a continuing source of agony for Israelis and Palestinians and focus for wider political grievance, ICG in 2004 will continue its push for an endgame-first approach to resolving that conflict. We will also be closely following developments in Syria and with other key regional actors caught up in the cycle of violence or capable of helping resolve it.

Topics to be addressed in 2004 include:

### ➤ Arab-Israeli Conflict

- dealing with Hamas
- Palestinian refugees and the politics of peacemaking
- identity crisis: Israel and its Arab citizens
- Israel-Palestine: is the two-state solution in jeopardy?
- whither Syria: the challenges of domestic reform and foreign policy
- who rules Palestine? the new dynamics of Palestinian politics

### ➤ Iran/Iraq/Gulf

- local politics in Iraq
- the Iraqi insurgency
- rebuilding Iraq's economy
- what to do about Kirkuk
- Saudi Arabia: the challenge of reform
- Saudi Arabia: who are the Islamists?

### ➤ Egypt/North Africa

- Islamism in North Africa
- Egypt's youth
- Algeria's presidential politics
- Algeria: which way forward



## ICG in Europe

ICG's Europe program now includes not only our well-established Balkan activities but also new areas of work in the south Caucasus and Moldova. Full field offices operate in Belgrade, Pristina and Tbilisi, while a presence is maintained in Sarajevo and Skopje. Watching briefs continue on Albania, Croatia and Montenegro. The Moldova project will carry on until mid-2004. ICG's Brussels-based Europe program staff are also responsible for monitoring the EU's crisis response mechanisms and capabilities, and for EU-focused advocacy.

In 2003, the two European Union presidencies of Greece and Italy promised to enhance the EU's policies towards south-eastern Europe. In *Thessaloniki and After I: The EU's Balkan Agenda* (20 June), ICG put forward specific proposals as to how the prospect of European integration could be made more concrete, several of which were adopted at the EU Balkans summit the following day.

### ➤ Balkans

#### Albania

The threat of conflict in Albania now appears minimal: the challenges the country now faces are similar to those of other states that have endured a difficult economic and political transition. *Albania: State of the Nation 2003* (11 March) pointed out the problems of corruption, inadequate economic development, and political infighting that have dogged the state. The government has so far shown little sign of moving on this internal agenda, though it has acted as a stabilising force in the region and has cracked down on pan-Albanian terrorist groups.

#### Bosnia and Herzegovina

2003 saw a marked improvement in the internal stability of Bosnia and Herzegovina, despite the success of nationalist parties in the previous year's elections. Much of the credit for this belongs to former ICG Board Member Lord Ashdown, who as the international community's High Representative has had considerable success in getting the country's politicians to work together and to build the Bosnian state. ICG's analyses and analysts have been crucial in helping to shape this success.

Ashdown's role came under fire from some critics in mid-2003. *Bosnia's Nationalist Governments: Paddy Ashdown and the Paradoxes of State Building* (22 July), gave a more balanced assessment, arguing that if Lord Ashdown is to fulfil his ambition to be the last High Representative, and in order for the international community to get out of Bosnia and Herzegovina, his interventions may in fact have to go much deeper into the reform of Bosnian institutions. The briefing paper, *Thessaloniki and After II: The EU and Bosnia* (20 June), reviewed Bosnia's distant prospects of EU entry and made concrete proposals for enhancing EU policies.

ICG returned to two cities in 2003 that it had written much about in previous years. *Bosnia's Brcko: Getting In, Getting On and Getting Out* (2 June), urged the international community to capitalise on the success of the particularly heavy protectorate regime in that northern municipality by preparing the inevitable handover to local control. *Building Bridges in Mostar* (20 November) proposed a new electoral system for the capital of Herzegovina which would ensure fair representation of all sections of the community and facilitate reintegration of the city.

#### Kosovo

Kosovo remains under international administration following the NATO war on Yugoslavia in 1999, and obsessed with the issue of final status. At the end of 2003, the international community set a tentative date, mid-2005, for beginning a process to settle Kosovo's future, provided that sufficient progress has been made on meeting the UN's standards in the meantime. Talks between Belgrade and Pristina were initiated in November but then went onto the back burner as the political crisis in Serbia intensified.

In *Kosovo's Ethnic Dilemma: The Need for a Civic Contract* (28 May), ICG proposed a new model for the relationship between the provisional institutions of self-government in Kosovo, which are dominated by the province's ethnic Albanian majority, and the minority communities, particularly Kosovo's Serbs. The report was welcomed by both international officials and senior Kosovo politicians.

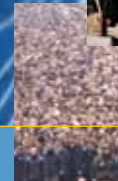
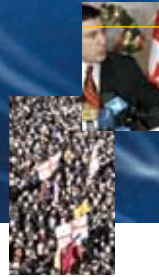
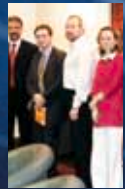
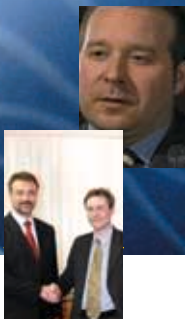
Former Finnish Prime Minister Harri Holkeri was appointed as the Special Representative of the Secretary General in charge of the UN Mission in Kosovo (UNMIK) in July. ICG analysed the

*"The International Crisis Group has a unique niche in policy analysis. Your reports are especially helpful because they are issued in real time, rather than in retrospect. We might not always agree with all the recommendations, but the analysis is always sharp and thoughtful and helps to make our decision-making better grounded."*

Louise Fréchette

United Nations Deputy Secretary General, New York, 9 October 2003





## Into 2004 in Europe

dysfunctional relationship between UNMIK and Kosovo's political class in *Two to Tango: An Agenda for the New Kosovo* (3 September). The new administration was still finding its feet at the end of the year.

### Macedonia

2003 was a year of tentative consolidation in Macedonia, with the coalition government taking some steps against corruption, continuing to implement the provisions of the 2001 Ohrid peace agreement and heading off – for now – dissent from troublemakers. *Macedonia: No Room for Complacency* (23 October) urged that international attention not be diverted from the country and set an agenda for the EU police mission deployed in December 2003.

### Serbia and Montenegro

The assassination of reformist Serbian Prime Minister Zoran Djindjic on 12 March 2003 was a serious setback for democracy and the potential for reform in Serbia, and his successors proved unable to manage the country's political crisis. Elections in December strengthened extremist right-wing forces; the shape of the new government was not yet clear at the end of the year, though continuing political instability seems likely.

In *Serbia after Djindjic* (18 March), we analysed the political situation that had led to the assassination and urged continued support but also enhanced conditionality from the international community in its immediate aftermath. A follow-up report, *Serbian Reform Stalls Again* (17 July), analysed the shortcomings of the government's crackdown on the military/criminal network behind the shooting, and recommended stronger action on reform of the security services, judiciary and media.

The former Federal Republic of Yugoslavia was replaced by the new state of Serbia and Montenegro in February 2003. The risks of conflict have diminished considerably in Montenegro, though as with Albania, the problems of economic development, corruption and reform remain. In ICG's report, *A Marriage of Inconvenience: Montenegro 2003* (16 April), and briefing paper *Thessaloniki and After III: The EU, Serbia, Montenegro and Kosovo* (20 June), we warned that the EU's excessive insistence

on the implementation of the Belgrade Agreement establishing the new state is letting Montenegro off the hook concerning necessary reforms. During 2003, most in the international community have come to accept that Serbia and Montenegro will probably go their separate ways when the Belgrade Agreement expires in 2006.

ICG returned to the ethnic Albanian municipalities of the Presevo Valley in *Southern Serbia's Fragile Peace* (9 December), after the summer saw sporadic outbreaks of violence, thought by many to be linked to similar incidents in Kosovo and Macedonia, for which the shadowy Albanian National Army (ANA) claimed responsibility. Little evidence was found that the ANA is a credible force, but worrying gaps were identified in the implementation of the peace plan that ended the 2000-2001 conflict.

### Caucasus

ICG's arrival in Georgia proved to be timely, with the dramatic resignation of President Eduard Shevardnadze on 25 November 2003, after massive demonstrations, prompted by rigged parliamentary elections, and his replacement in early 2004 by Mikheil Saakashvili. ICG's first Caucasus report, *Georgia: What Now?* (3 December), warned of the considerable risks of instability that remain. The United States and European Union acted in accord with our recommendations urging international support for new parliamentary elections and mediation with the leadership of the autonomous region of Ajara.

### Moldova

ICG's first report on this country, *Moldova: No Quick Fix* (12 August) analysed the frozen conflict over the disputed territory of Transnistria in detail and set out clear benchmarks for an acceptable settlement. When Russia proposed a peace plan in November 2003, it clearly fell short of these democratic standards, and international actors persuaded the Moldovan government to reject it. The stalemate continues.

ICG will continue its current commitments in the Balkans, which remain an area with conflict potential while the future status of Kosovo is unsettled and Serbia makes up its mind whether to go backward or forward.

We hope to expand our Caucasus presence, in response to the succession crises of 2003 in Georgia and Azerbaijan, and increased international interest in the frozen conflicts in Abkhazia, South Ossetia and Nagorno-Karabakh. Our engagement with Moldova should not need to continue after 2004, unless the situation there changes dramatically.

ICG's Europe Program has also now taken responsibility for monitoring the European Union's ambitious plans to construct a capacity to respond rapidly to crises through either civilian or military means. This became operational in 2003 with the first ever EU military deployments in Macedonia and the Democratic Republic of the Congo and EU police missions in Bosnia and Macedonia.

Topics to be addressed in 2004 include:

### Albania

- pan-Albanian nationalism

### Bosnia and Herzegovina

- after the High Representative
- has the EU Police Mission worked?
- media reform
- follow-up on judicial reform

### Caucasus

- Azerbaijan's tentative democratisation
- Armenia's continuing crisis
- the new Georgian government
- making peace in Abkhazia

### Kosovo

- Kosovo's disabling politics:
  - the legacy of competing liberation movements
  - the path to final status discussions
- the education system: healing or fostering hate?
- the future of the Kosovo Protection Corps

### Macedonia

- state of the nation

### Moldova

- Transnistria's links with Moscow and Kyiv
- problems of governance

### Serbia and Montenegro

- latest developments in Sandzak
- Serbia's new government
- the legacy of war
- economic reforms – progress or blockage?

### Regional and Thematic

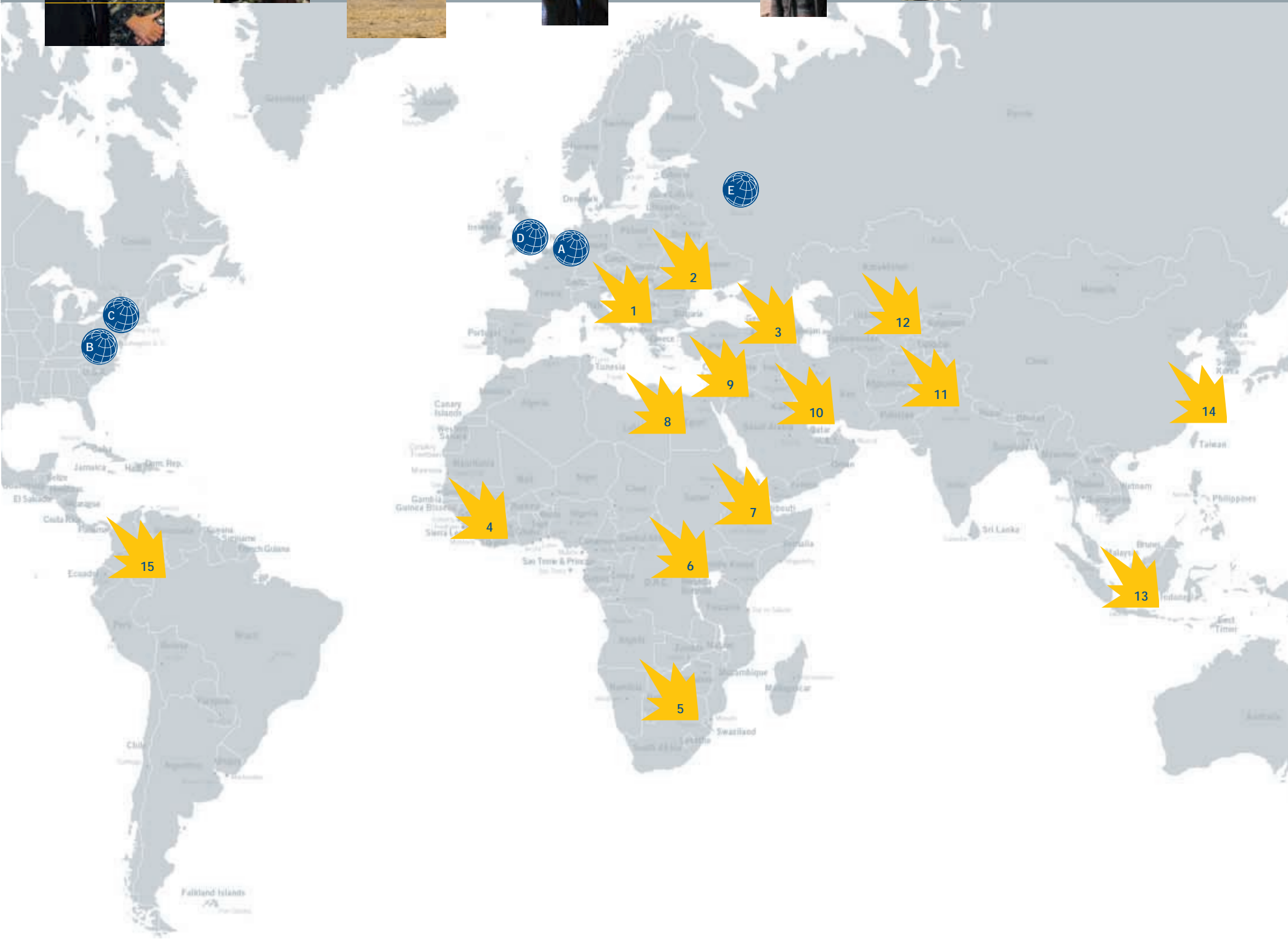
- monitoring ceasefires: lessons from the Balkans
- EU crisis response capabilities update

*“Thank you...for another excellent International Crisis Group report. We are pleased to see that many of the recommendations detailed by the ICG in this latest report have already been realized.”*

**Bill Graham**

Canadian Minister of Foreign Affairs, on ICG Balkans Report N° 135, *Moving Macedonia toward Self-Sufficiency: a New Security Approach for NATO and the EU*, 14 January 2003

# ICG's Operations



## Advocacy Offices

- A ICG Brussels (Headquarters)**  
established 1997: coordinates all ICG field operations, research, report production and distribution, media relations, and European and international advocacy
- B ICG Washington**  
established 1997: advocacy with the Administration, Capitol Hill and the U.S. media, and policy input
- C ICG New York**  
established 2001: advocacy with the UN Secretariat, diplomatic corps and media, liaison with the philanthropic community, and policy input
- D ICG London**  
established 2002: coordinates fundraising with government and major foundations; advocacy base for visiting ICG staff
- E ICG Moscow**  
established 2003: liaison with Russian policy makers and advocacy base for visiting ICG staff

## Field Offices

- 1 Balkans**  
established 1996: currently focuses on Kosovo and Serbia with watching briefs on Albania, Bosnia, Croatia, Macedonia and Montenegro
- 2 Moldova**  
established 2003: addresses the Transnistria conflict and governance crisis
- 3 Caucasus**  
established 2003: focuses on security concerns and governance issues in Georgia, Armenia and Azerbaijan
- 4 West Africa**  
Sierra Leone project established 1995: project expanded to include Liberia and Guinea in 2001 and Côte d'Ivoire in 2003
- 5 Southern Africa**  
established 2001 in Zimbabwe: expanded to cover southern Africa, including Angola, in 2003
- 6 Central Africa**  
established 1998: research and policy advocacy in Burundi, the Democratic Republic of the Congo, Rwanda and Uganda
- 7 Horn of Africa**  
established 2001 in Sudan: to address two-decade war; expanded to cover Somalia, as failed state and potential harbour for terrorism, in 2002, and the Ethiopia-Eritrea situation in 2003
- 8 Egypt/North Africa**  
established 1998 in Algeria: monitors developments in Egypt and across North Africa, with a focus on the sources of Islamist extremism and strategies for peaceful political transition
- 9 Arab-Israeli Conflict**  
established 2001: addresses the situation in Israel, the Occupied Territories, Syria and Lebanon, focusing on new and more comprehensive strategies to achieve sustainable peace
- 10 Iran/Iraq/Gulf**  
established 2002: focuses on governance and security in the new Iraq, the prospects for peaceful transition in Iran and the Gulf States, and the sources of terrorism
- 11 South Asia**  
established 2001: addresses peacebuilding, security and governance in Afghanistan; security issues in Pakistan and Nepal; and the Kashmir conflict
- 12 Central Asia**  
established 2000: addresses security issues and the possibility of political transition in Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan
- 13 South East Asia**  
established 2000: focuses on separatist and communal violence, political transition and security sector reform in Indonesia; the sources of terrorism throughout South East Asia; and policy options for peaceful political change in Myanmar
- 14 North East Asia**  
established 2002: addresses ways to improve cross-Strait confidence and links, and avoid deterioration in the potentially explosive China/Taiwan relationship; and (from 2003) the continuing crisis surrounding North Korea's nuclear program
- 15 Colombia/Andes**  
established 2001: focuses on developing a policy agenda to end the internal conflict in Colombia and contain its impact on neighbouring countries

*"Together in a remarkably short time, you have made the International Crisis Group a global voice of conscience, and a genuine force for peace. Your mediation work – and your leadership in early warning and conflict prevention – have been enormously important. So has your intellectual contribution to finding new approaches to long-standing conflicts. Your well-researched and carefully argued reports have greatly helped us in understanding the origins and complexities of the conflict in which we become involved – often at short notice."*

Kofi Annan  
United Nations Secretary General, 5 October 2002





# ICG in Asia

## South Asia

### Afghanistan

In 2003, ICG added impetus to the Afghan peacebuilding process with a series of five papers critically examining governance, legal reform and security issues.

*Afghanistan: Judicial Reform and Transitional Justice* (28 January) highlighted the central importance of developing the rule of law in Afghanistan and detailed the conspicuous failure of the commission established under the Bonn Agreement.

*Afghanistan: Women and Reconstruction* (14 March), an unequivocal review of efforts to reform women's rights, urged the transitional administration to draw on examples from other Islamic countries that have sought equity and social justice.

*Peacebuilding in Afghanistan* (29 September) broadened the debate on conflict in Afghanistan by summarising less well-known causes of local insecurity: land and water-based resource disputes, ethnic disputes, and family-based feuds.

- These reports provided useful input for the Afghan government and donors looking for ways to increase the effectiveness of institutions and ensure improvements in the protection of human rights.

*Afghanistan: The Problem of Pashtun Alienation* (5 August) examined one of the key obstacles to peace: the perception by many ethnic Pashtuns that they lack meaningful representation in the central government.

Building on one of the recurring themes in all four of these reports, *Disarmament and Reintegration in Afghanistan* (30 September), developed a workable plan for removing the block of armed parties and individual commanders from the implementation of the political and judicial process. The report included a comprehensive overview of the dynamics and demands of the most prominent factions and highlighted the need for more attention to the creation of sustainable employment opportunities.

A core concern in Afghanistan continues to be that the international community improve security outside of Kabul. This was reflected in *A Joint Statement on the Expansion of the International Security Assistance Force in Afghanistan* (28 October), published in collaboration with CARE International and the International Rescue Committee.

Looking to Afghanistan's future, the single most influential event of 2003 was the drawing up of a new constitution. ICG first drew attention to the many inadequacies of the drafting and consultative preparations with *Afghanistan's Flawed Constitution Process* (12 June). A central recommendation of that report was the postponement of the Constitutional Loya Jirga from October. The Loya Jirga was subsequently held in December 2003.

*Afghanistan: The Constitutional Loya Jirga* (12 December) followed up by assessing the structures proposed in the final draft presented to the Constitutional Loya Jirga by the Review Commission, paying particular attention to the capacity of the proposed constitution to ensure inclusive, democratic governance and protect human rights – issues that will be central to its public acceptance.

### Kashmir

Mutual distrust and hostility between India and Pakistan over Kashmir remained high throughout 2003, although signs of improvement in relations were evident by the year's end and continued into 2004. Three reports published simultaneously by ICG on 4 December 2003 sought to unravel the underlying enmities and barriers to reconciliation between India and Pakistan over Kashmir.

*Kashmir: Learning from the Past* examined the history of the crisis and past efforts to resolve it. *Kashmir: The View from New Delhi* laid out the public and private positions of the Indian government on Kashmir and relations with Pakistan. It examined the way the issue is tackled by Indian politicians of all parties and the media. *Kashmir: The View from Islamabad* provided the same for Pakistan. Taken together the series analysed the positions of all parties and looked at the constraints on resolving the conflict as they are perceived on all sides.

### Nepal

ICG's Nepal reports closely followed the ups and downs of the political process in that country through 2003.

*Nepal Backgrounder: Ceasefire – Soft Landing or Strategic Pause?* (10 April) laid out the background of the conflict and analysed the positions of the various actors, domestic and international.

*Nepal: Obstacles to Peace* (17 June) went a step further, with broad-ranging policy prescriptions on constitutional issues, the political process, control of the army and the important roles for regional and international actors in ameliorating the chances for conflict prevention.

Following the collapse of the ceasefire, ICG produced *Nepal: Back to the Gun* (22 October), mapping the reasons behind the plunge back into violence and summing up the evolving positions of all the actors.

- ICG helped raise international awareness of this under-reported conflict and highlighted the urgency of international engagement with Nepal.

### Pakistan

In Pakistan ICG continued its examination of military rule and its links to Islamic extremism with two papers researched during the year on the subject. *Pakistan: The Mullahs and the Military* (20 March) looked at ways in which military rule has expanded the political space for Islamic parties while undermining prospects for an early return to full democracy. ICG continued its examinations of Pakistan's role in Kashmir and the failure of its political and judicial institutions to tackle extremism.

## Central Asia

Radical Islam formed a core theme for ICG in Central Asia in 2003.

*Radical Islam in Central Asia: Responding to Hizb ut-Tahrir* (30 June) and *Central Asia: Islam and the State* (10 July) provided insights into the history, internal machinations and ideology behind Hizb ut-Tahrir and other Islamic groups. The reports included clear policy recommendations for the Uzbek, Kyrgyz and Tajik governments, as well as for the international community to effectively handle Hizb ut-Tahrir, and cautioned against responding to political Islam with repression.

*Is Radical Islam Inevitable in Central Asia? Priorities for Engagement* (22 December) examined the attitudes of Central Asian Muslims to the West, based on public opinion surveys and interviews in Uzbekistan, Kyrgyzstan and Tajikistan. It offered a range of policy options for closer engagement with Islam and

approaches that might reduce support for radical alternatives to the present regimes.

Central Asia has a very young population that has seen a sharp decline in its welfare and prospects. *Youth in Central Asia: Losing the New Generation* (31 October) set out the arguments for more international involvement in all spheres of youth activity.

Coinciding with the Annual Meeting of the European Bank for Reconstruction and Development (EBRD) in Uzbekistan, *Central Asia: A Last Chance for Change* (29 April) was an overview of the ways pressure from the EBRD and other organisations could generate much needed political and economic reform in Central Asia.

*Cracks in the Marble: Turkmenistan's Failing Dictatorship* (17 January) highlighted the growing internal and external opposition to Turkmenistan's political regime and the worsening prospects for a peaceful political transition.

*Uzbekistan's Reform Program: Illusion or Reality?* (18 February) drew attention to the failure of Uzbekistan to reform along lines agreed with the U.S. and other donors and to the worsening human rights situation.

*Tajikistan: A Roadmap for Development* (24 April) presented a long-term coordinated approach for Western state-building and development aid to Tajikistan.

## South East Asia

### Indonesia

ICG's Indonesia project focused in 2003 on conflict resolution opportunities and continuing analysis of the nature and extent of activity and influence of religious extremist groups in the region.

*Jemaah Islamiyah in South East Asia: Damaged but Still Dangerous* (26 August), produced following the mid-August arrest of Hambali, one of its Jemaah Islamiyah's top operatives, examined the group's capabilities, dynamics and support.

The December 2002 peace agreement on Aceh was the occasion for a critical overview of the ceasefire, *Aceh: A Fragile Peace* (27 February).

*“May I say how appreciative the New Zealand government is of the excellent work ICG is doing in the field of conflict prevention and resolution. Your analytical reports... are essential reading for those forming government policy.”*

Marian Hobbs

Minister for Environment, Disarmament and Arms Control,  
New Zealand, 17 November 2003

*“The Committee believes that the International Crisis Group provides high-quality analysis and policy recommendations that can help prevent and reduce the level of deadly violence resulting from complex crises.”*

U.S. House of Representatives Appropriations Committee Report

21 July 2003



## Into 2004 in Asia

Two subsequent reports, *Aceh: Why the Military Option Still Won't Work* (9 May) and *Aceh: How Not to Win Hearts and Minds* (23 July), contained important recommendations to the Indonesian government and army on forging a sustainable peace.

*Dividing Papua: How Not to Do It* (9 April) was a frank assessment of the presidential instruction to divide Papua, Indonesia's easternmost province, into three parts.

*Indonesia: Managing Decentralisation and Conflict in South Sulawesi* (18 July) used a case study of the district of Luwu in South Sulawesi to discern the impact of Indonesia's decentralisation program on conflict prevention and management. The conclusions were positive but questioned whether Luwu's success was transferable to other parts of the country.

*The Perils of Private Security in Indonesia: Guards and Militias on Bali and Lombok* (7 November) explored ways to reduce the reliance of political parties on their own security forces, vigilantism and the general unaccountability of policing.

*Indonesia Background: A Guide to the 2004 Elections* (18 December) drew a picture of the structural and political playing field in the run up to the 2004 elections, evaluating different possible scenarios.

### Myanmar

Ethnic issues have been at the root of several complex conflicts between the central government and ethnic minority groups seeking autonomy in Myanmar. While the world's attention for the past decade has focused on the struggle between the military government and the political opposition over national power, these underlying conflicts perhaps represent a more fundamental and intractable obstacle to peace, development and democracy.

ICG explained the status and requirements of the many ethnic minority organisations in Myanmar in its comprehensive report *Myanmar Background: Ethnic Minority Politics* (7 May).

### North East Asia

#### North Korea

Tensions grew significantly in 2003, when North Korea withdrew from the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) and pulled out of the 1994 agreed framework. In *North Korea: A Phased Negotiation Strategy* (1 August), ICG argued that effective diplomacy, vigorously pursued and no longer delayed, is the only way of resolving what is undoubtedly the contemporary world's most serious security dilemma. The report recommended a step-by-step approach to negotiations potentially acceptable to all sides and capable of dissuading North Korea from developing more weapons.

#### Taiwan Strait

A series of three reports released simultaneously on 6 June 2003 charted the precarious balance of power relations between China and Taiwan. *Taiwan Strait I: What's Left of "One China"?* was a background study that described the extent to which the "one China" formula has eroded and why this matters. The two companion reports, *Taiwan Strait II: The Risk of War* and *Taiwan Strait III: The Chance of Peace*, addressed in detail the risk of military confrontation and how this might be contained, and the political and economic strategies by which a peaceful relationship might best be maintained in the short to medium term.

Islamist extremism will continue to be an important focus for ICG in three regional project areas of its Asia program – Central Asia, South Asia and South East Asia – but by no means is it the only important issue the continent will face in 2004. We will also devote significant resources to following key elections in Indonesia, Taiwan and Afghanistan, events that will have enormous impact on the prospects for stability in these countries, their immediate neighbours and the rest of the world.

Asia's bloodiest conflict in recent years has been in Nepal, and this looks set to remain the case in 2004; ICG will further report on the ongoing war there and make realistic proposals for its resolution. We will remain engaged in Kashmir and track the apparently significantly improving relations between India and Pakistan.

In North East Asia ICG will maintain watching briefs over the unfolding attempts to resolve the North Korea nuclear crisis. We will also continue to address developments in the increasingly fraught cross-strait relationship between China and Taiwan.

Topics to be addressed in 2004 include:

#### Central Asia

- the prospects for political transition in all five countries
- the role of cotton, a key crop across the region, which has dramatic social and environmental effects that heighten the risk of conflict

#### South Asia

- drugs, smuggling, crime and the war economy in Afghanistan
- progress toward elections in Afghanistan in an increasingly uncertain security situation
- Pakistani institutions, such as the judiciary: assessing their effectiveness in tackling religious extremism
- Kashmir and possible rapprochement between India and Pakistan
- Nepal's conflict and the constitutional issues at the heart of a settlement

#### South East Asia

- Islamic extremist groups in Indonesia and their international connections
- political developments in Indonesia's upcoming elections and their likely impact on conflicts in Aceh, Papua and elsewhere
- policing in Indonesia and its effectiveness in the fight against terrorism
- political developments in Myanmar, the conflict between the government and ethnic minorities and the failure to end military rule

#### North East Asia

- the continuing crisis surrounding North Korea's nuclear program
- tensions over Taiwan in the face of forthcoming presidential elections

*"...the International Crisis Group – whose reports on war and instability everywhere from South-East Asia to the Balkans are fast becoming indispensable..."*

Michael Elliot  
Editor-at-Large for TIME magazine, 26 May 2003



## ICG in Latin America Into 2004

The intensification of the internal armed conflict in Colombia, following more aggressive government military action mainly against the left-wing FARC and ELN insurgents, has continued to affect stability throughout of the Andean Region. ICG aims to identify and promote the strategies most likely to end this brutal, four-decade-long conflict, and to stabilise the Andean region as a whole.

During 2003, Colombian President Álvaro Uribe continued to enjoy remarkable approval ratings, made some headway in increasing security, strengthened the presence of the state and reduced illicit crop cultivation across the country. Nevertheless, his government also suffered setbacks, including the rejection of his proposed constitutional reforms in a national referendum in October 2003.

Much more decisive action and greater resources are needed. ICG's report, *Colombia: President Uribe's Democratic Security Policy, Colombia's Humanitarian Crisis* (9 July), called for a change in government policy and international aid.

Negotiations with the paramilitary groups have moved slowly and produced limited results. The talks began in early 2003 and aim for complete demobilisation of the paramilitaries by the end of 2005. The government's proposed legislation for reintegrating demobilised paramilitaries into society has been criticised both domestically and abroad for showing insufficient attention to the principles of justice, truth and reparation. These issues were addressed in *Colombia: Negotiating with the Paramilitaries* (16 September) and *Colombia: President Uribe's Democratic Security Policy* (13 November).

*Colombia and Its Neighbours: The Tentacles of Instability* (8 April) examines the significant, negative repercussions of Colombia's conflict for its five neighbours – Ecuador, Panama, Brazil, Peru and Venezuela. Colombian proposals for greater regional cooperation against terrorism and drug trafficking have met with reluctance in bordering states.

### ICG reports have contributed to:

- understanding the Colombian conflict in its regional dimension by calling special attention to the spillover potential and the need for regional security cooperation;
- increasing international awareness about, and developing concrete policy recommendations for, the humanitarian crisis in Colombia and the bordering states; and
- highlighting the problems of the Uribe administration's approach to paramilitary demobilisation and security policy.

Topics to be addressed in 2004 include:

- cross-border tensions between Colombia and Venezuela, and between Colombia and Ecuador
- overall regional security threats stemming from drug trafficking
- land reform and redistribution in Colombia as an essential factor of pacification
- designing an integrated approach to negotiations with all armed groups in Colombia
- negotiating the release of hostages and a humanitarian accord
- avoiding deadly civil conflict in Bolivia, Ecuador and Venezuela
- exploring whether an international consensus can be found on ways to support an end to the conflict and needed structural reforms in Colombia

*"...the pre-eminent source for comprehensive and footnoted policy analysis for many of the world's crisis zones."*

National Journal, U.S.  
6 December 2003

## ICG Thematic Issues & CrisisWatch

In addition to our location-specific reports, ICG also produces from time to time reports on thematic issues, combining the resources of its field staff and Brussels-based research team. Work in 2003 continued to focus on European Union crisis response mechanisms and capabilities, HIV/AIDS as a security issue and conflict prevention methodology.

ICG also launched a new product in 2003, *CrisisWatch*, a monthly bulletin on current and potential conflicts around the world.

### European Union conflict response capability

Much has changed in Europe since ICG's first EU crisis response capability report in 2001. 2003 was marked by divisions over Iraq and ended with the failure of current and pending members of the European Union to reach agreement on a new constitution. But, long-term, Iraq may serve as a catalyst for improved EU crisis response. The EU launched its first policing and military operations in 2003 and is improving its capabilities; a common European Security Strategy was agreed in December. In early 2004, ICG will publish a report on the topic, primarily explaining to non-Europeans the significance of the EU's attempt to forge an ambitious role in management of politico-military crises.

### Guide to conflict prevention tools

Work continued in 2003 on a guide surveying the range of political/diplomatic, legal, economic and military measures, both long- and short-term and coercive and non-coercive in character, that are potentially available and effective in crisis situations. The guide will be published in 2004 as an ICG report.

### HIV/AIDS as a security issue

In 2003, ICG continued its work on HIV/AIDS as a security issue, with a particular focus on consequences of the pandemic in the conflict areas of Africa where ICG is working. The results will be published in 2004, first on the impact of HIV/AIDS in the Great Lakes war zone, with evidence drawn from Uganda especially.

*"Congratulations on your excellent new CrisisWatch publication. It fills a real gap in the market."*

Chris Patten

European Commission  
External Relations Commissioner, 4 September 2003

*"Congratulations on your monthly bulletin; it is outstanding... International events have made your Group vital. If it did not exist, it would have to be invented."*

Justice Michael Kirby

High Court of Australia  
on ICG Monthly Bulletin *CrisisWatch*, 11 September 2003



# ICG Reports & Briefing Papers published in 2003

## Africa

### Angola

- **Dealing with Savimbi's Ghost: The Security and Humanitarian Challenges in Angola**  
Africa Report N°58, 26 February 2003
- **Angola's Choice: Reform or Regress**  
Africa Report N°61, 7 April 2003

### Central Africa

- **The Kivus: The Forgotten Crucible of the Congo Conflict**  
Africa Report N°56, 24 January 2003
- **A Framework for Responsible Aid to Burundi**  
Africa Report N°57, 21 February 2003
- **Rwandan Hutu Rebels in the Congo: A New Approach to Disarmament and Reintegration**  
Africa Report N°63, 23 May 2003 (also available in French)
- **Congo Crisis: Military Intervention in Ituri**  
Africa Report N°64, 13 June 2003
- **Refugees and Displaced Persons in Burundi – Defusing the Land Time-Bomb**  
Africa Report N°70, 7 October 2003 (only available in French)
- **The International Criminal Tribunal for Rwanda: Time for Pragmatism**  
Africa report N°69, 26 September 2003
- **Réfugiés et Déplacés Burundais: Construire d'urgence un Consensus sur le Rapatriement et la Réinstallation**  
Africa Briefing, 2 December 2003

### Horn of Africa

- **Sudan's Oilfields Burn Again: Brinkmanship Endangers the Peace Process**  
Africa Briefing, 10 February 2003
- **Negotiating a Blueprint for Peace in Somalia**  
Africa Report N°59, 6 March 2003
- **Sudan's Other Wars**  
Africa Briefing, 25 June 2003
- **Somaliland: Democratisation and Its Discontents**  
Africa Report N°66, 28 July 2003
- **Sudan Endgame**  
Africa Report N°65, 7 July 2003
- **Ethiopia and Eritrea: War or Peace?**  
Africa Report N°68, 24 September 2003
- **Sudan: Towards an Incomplete Peace**  
Africa Report N°73, 11 December 2003

## West Africa

- **Tackling Liberia: The Eye of the Regional Storm**  
Africa Report N°62, 30 April 2003
- **The Special Court for Sierra Leone: Promises and Pitfalls of a "New Model"**  
Africa Briefing, 4 August 2003
- **Sierra Leone: The State of Security and Governance**  
Africa Report N° 67, 2 September 2003
- **Liberia: Security Challenges**  
Africa Report N°71, 3 November 2003
- **Côte d'Ivoire: "The War Is Not Yet Over"**  
Africa Report N°72, 28 November 2003
- **Guinée: Incertitudes autour d'une fin de règne**  
Africa Report N°74, 19 December 2003 (only available in French)

## Zimbabwe

- **Zimbabwe: Danger and Opportunity**  
Africa Report N°60, 10 March 2003
- **Decision Time in Zimbabwe**  
Africa Briefing, 8 July 2003

## Asia

### Afghanistan / South Asia

- **Afghanistan: Judicial Reform and Transitional Justice**  
Asia Report N°45, 28 January 2003
- **Afghanistan: Women and Reconstruction**  
Asia Report N°48, 14 March 2003
- **Pakistan: The Mullahs and the Military**  
Asia Report N°49, 20 March 2003
- **Nepal Background: Ceasefire – Soft Landing or Strategic Pause?**  
Asia Report N°50, 10 April 2003
- **Afghanistan's Flawed Constitutional Process**  
Asia Report N°56, 12 June 2003
- **Nepal: Obstacles to Peace**  
Asia Report N°57, 17 June 2003
- **Afghanistan: The Problem of Pashtun Alienation**  
Asia Report N°62, 5 August 2003
- **Peacebuilding in Afghanistan**  
Asia Report N°64, 29 September 2003
- **Disarmament and Reintegration in Afghanistan**  
Asia Report N°65, 30 September 2003
- **Nepal: Back to the Gun**  
Asia Briefing Paper, 22 October 2003
- **Kashmir: The View from Islamabad**  
Asia Report N°68, 4 December 2003
- **Kashmir: The View from New Delhi**  
Asia Report N°69, 4 December 2003

- **Kashmir: Learning from the Past**  
Asia Report N°70, 4 December 2003

- **Afghanistan: The Constitutional Loya Jirga**  
Afghanistan Briefing, 12 December 2003

### Central Asia

- **Cracks in the Marble: Turkmenistan's Failing Dictatorship**  
Asia Report N°44, 17 January 2003
- **Uzbekistan's Reform Program: Illusion or Reality?**  
Asia Report N°46, 18 February 2003 (also available in Russian)
- **Tajikistan: A Roadmap for Development**  
Asia Report N°51, 24 April 2003
- **Central Asia: A Last Chance for Change**  
Asia Briefing, 29 April 2003
- **Radical Islam in Central Asia: Responding to Hizb ut-Tahrir**  
Asia Report N°58, 30 June 2003
- **Central Asia: Islam and the State**  
Asia Report N°59, 10 July 2003
- **Youth in Central Asia: Losing the New Generation**  
Asia Report N°66, 31 October 2003
- **Is Radical Islam Inevitable in Central Asia? Priorities for Engagement**  
Asia Report N°72, 22 December 2003

### Indonesia

- **Aceh: A Fragile Peace**  
Asia Report N°47, 27 February 2003 (also available in Bahasa Indonesia)
- **Dividing Papua: How Not to Do It**  
Asia Briefing, 9 April 2003 (also available in Bahasa Indonesia)
- **Aceh: Why the Military Option Still Won't Work**  
Indonesia Briefing, 9 May 2003 (also available in Bahasa Indonesia)
- **Indonesia: Managing Decentralisation and Conflict in South Sulawesi**  
Asia Report N°60, 18 July 2003
- **Aceh: How Not to Win Hearts and Minds**  
Indonesia Briefing, 23 July 2003
- **Jemaah Islamiyah in South East Asia: Damaged but Still Dangerous**  
Asia Report N°63, 26 August 2003
- **The Perils of Private Security in Indonesia: Guards and Militias on Bali and Lombok**  
Asia Report N°67, 7 November 2003
- **Indonesia Background: A Guide to the 2004 Elections**  
Asia Report N°71, 18 December 2003

### Myanmar

- **Myanmar Background: Ethnic Minority Politics**  
Asia Report N°52, 7 May 2003

## Taiwan Strait

- **Taiwan Strait I: What's Left of "One China"?**  
Asia Report N°53, 6 June 2003
- **Taiwan Strait II: The Risk of War**  
Asia Report N°54, 6 June 2003
- **Taiwan Strait III: The Chance of Peace**  
Asia Report N°55, 6 June 2003

## North Korea

- **North Korea: A Phased Negotiation Strategy**  
Asia Report N°61, 1 August 2003

## Europe

### Albania

- **Albania: State of the Nation 2003**  
Balkans Report N°140, 11 March 2003

### Bosnia

- **Bosnia's Brcko: Getting In, Getting On and Getting Out**  
Balkans Report N°144, 2 June 2003
- **Bosnia's Nationalist Governments: Paddy Ashdown and the Paradoxes of State Building**  
Balkans Report N°146, 22 July 2003
- **Building Bridges in Mostar**  
Europe Report N°150, 20 November 2003 (also available in Bosnian/Croatian/Serbian)

### Kosovo

- **Kosovo's Ethnic Dilemma: The Need for a Civic Contract**  
Balkans Report N°143, 28 May 2003 (also available in Albanian and Bosnian/Croatian/Serbian)
- **Two to Tango: An Agenda for the New Kosovo SRS**  
Europe Report N°148, 3 September 2003

### Macedonia

- **Macedonia: No Room for Complacency**  
Europe Report N°149, 23 October 2003

### Montenegro

- **A Marriage of Inconvenience: Montenegro 2003**  
Balkans Report N°142, 16 April 2003

### Serbia

- **Serbia after Djindjic**  
Balkans Report N°141, 18 March 2003
- **Serbian Reform Stalls Again**  
Balkans Report N°145, 17 July 2003
- **Southern Serbia's Fragile Peace**  
Europe Report N°152, 9 December 2003

## Regional Reports

- **Thessaloniki and After I: The EU's Balkan Agenda**  
Europe Briefing, June 20 2003
- **Thessaloniki and After II: The EU and Bosnia**  
Europe Briefing, 20 June 2003
- **Thessaloniki and After III: The EU, Serbia, Montenegro and Kosovo**  
Europe Briefing, 20 June 2003

## Caucasus

- **Georgia: What Now?**  
Europe Report N°151, 3 December 2003

## Moldova

- **Moldova: No Quick Fix**  
Europe Report N°147, 12 August 2003

## Latin America

- **Colombia and Its Neighbours: The Tentacles of Instability**  
Latin America Report N°3, 8 April 2003 (also available in Spanish and Portuguese)
- **Colombia's Humanitarian Crisis**  
Latin America Report N°4, 9 July 2003 (also available in Spanish)
- **Colombia: Negotiating with the Paramilitaries**  
Latin America Report N°5, 16 September 2003
- **Colombia: President Uribe's Democratic Security Policy**  
Latin America Report N°6, 13 November 2003 (also available in Spanish)

## Middle East & North Africa

- **Yemen: Coping with Terrorism and Violence in a Fragile State**  
Middle East Report N°8, 8 January 2003
- **Radical Islam in Iraqi Kurdistan: The Mouse That Roared?**  
Middle East Briefing, 7 February 2003
- **Red Alert in Jordan: Recurrent Unrest in Maan**  
Middle East Briefing, 19 February 2003
- **Iraq Policy Briefing: Is There an Alternative to War?**  
Middle East Report N°9, 24 February 2003
- **War in Iraq: What's Next for the Kurds?**  
Middle East Report N°10, 19 March 2003
- **War in Iraq: Political Challenges after the Conflict**  
Middle East Report N°11, 25 March 2003
- **War in Iraq: Managing Humanitarian Relief**  
Middle East Report N°12, 27 March 2003

- **Islamic Social Welfare Activism in the Occupied Palestinian Territories: A Legitimate Target?**  
Middle East Report N°13, 2 April 2003
- **A Middle East Roadmap to Where?**  
Middle East Report N°14, 2 May 2003
- **Algeria: Unrest and Impasse in Kabylia**  
Middle East/North Africa Report N°15, 10 June 2003 (also available in French)
- **Baghdad: A Race against the Clock**  
Middle East Briefing, 11 June 2003
- **The Israeli-Palestinian Roadmap: What a Settlement Freeze Means and Why It Matters**  
Middle East Report N°16, 25 July 2003
- **Hizbollah: Rebel without a Cause?**  
Middle East Briefing, 30 July 2003
- **Governing Iraq**  
Middle East Report N°17, 25 August 2003
- **Iraq's Shiites under Occupation**  
Middle East Briefing, 9 September 2003
- **The Challenge of Political Reform: Egypt after the Iraq War**  
Middle East Briefing, 30 September 2003 (also available in Arabic)
- **The Challenge of Political Reform: Jordanian Democratisation and Regional Instability**  
Middle-East Briefing, 8 October 2003 (also available in Arabic)
- **Iran: Discontent and Disarray**  
Middle East Briefing, 15 October 2003
- **Dealing with Iran's Nuclear Program**  
Middle East Report N°18, 27 October 2003
- **Iraq's Constitutional Challenge**  
Middle East Report N°19, 13 November 2003 (also available in Arabic)
- **Iraq: Building a New Security Structure**  
Middle East Report N°20, 23 December 2003

## CrisisWatch

**CrisisWatch** is a 12-page monthly bulletin providing a succinct regular update on the state of play in all the most significant situations of conflict or potential conflict around the world. It is published on the first day of each month.

- **CrisisWatch N°1, 1 September 2003**
- **CrisisWatch N°2, 1 October 2003**
- **CrisisWatch N°3, 1 November 2003**
- **CrisisWatch N°4, 1 December 2003**



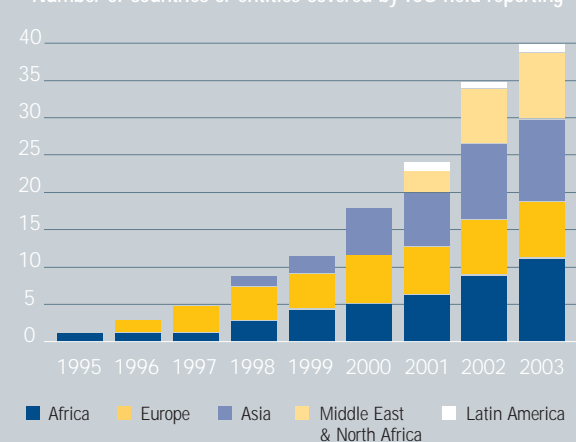
# Measuring Progress

Measuring the progress of an organisation such as ICG – whose mission is to help prevent and contain deadly conflict – is inevitably an inexact science. Quantitative measures provide some sense of the level of activity of the organisation, and of others' response, but have their limitations. Qualitative judgements are necessarily subjective: it is difficult for anyone to establish a close causal relationship between any given argument and outcome, particularly if the desired outcome is for something – here, conflict – *not* to happen. Nevertheless, judgements do have to be made. What indicators are available, and what do they tell us about ICG's progress in 2003?

## Operations

2003 was a year of both consolidation and growth for ICG's programs. The Middle East project expanded to follow the developing war in Iraq and its aftermath, while continuing to cover the other regional issues in Iran, the Gulf states and in Israel and the Occupied Territories. The Europe program scaled back its efforts in Bosnia and Macedonia, but also broadened its work, focusing for the first time on Moldova and the Caucasus, opening a new office in Tbilisi. ICG expanded its operations in Asia with a new office in Nepal and a report on the North Korea nuclear issue. ICG's five regional programs reported on 40 different crisis-affected countries or entities in 2003 (35 in 2002). The number of core full-time staff positions has stabilised at 90, having between them 36 nationalities and 51 languages.

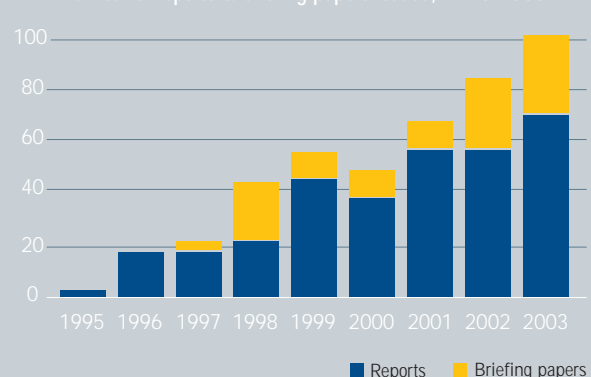
Number of countries or entities covered by ICG field reporting



## Output

ICG again increased the number of reports and briefing papers published, from 82 in 2002 to 100 in 2003. (In addition, ICG publishes translations of its reports into relevant languages, including Arabic, Bahasa Indonesia, Bosnian/Croatian/Serbian, French, Russian and Spanish.) Briefing papers are generally 10-15 pages in length and reports 25-50 pages. Reports and briefing papers are sent out in printed form to more than 4,200 policymakers and those who influence them. A further 12,400 targeted recipients are sent our publications by email notification or attachment, while another 14,000 readers have subscribed directly through our website. All ICG publications are posted on our website: 1.345 million copies of reports and briefing papers were downloaded from [www.crisisweb.org](http://www.crisisweb.org) in 2003.

Number of reports & briefing papers issued, 1995-2003



## Media exposure

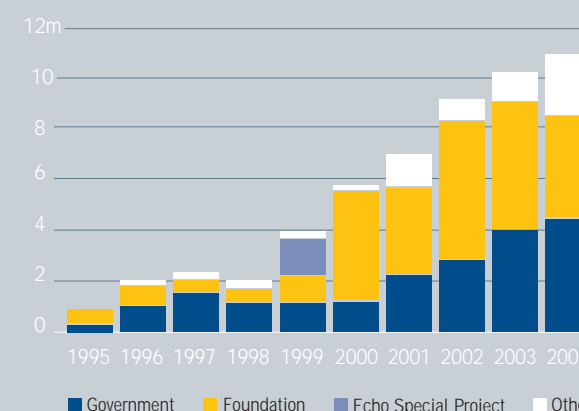
ICG's reports and analysts are widely used as sources of information and comment by major national and international media outlets. Major media mentions increased to 2503 in 2003 (from 1832 in 2002; 734 in 2001; and 353 in 2000). Local press, radio and TV are also extremely important in advancing ICG's policy ideas, with new ICG reports usually treated as a significant news story, and our field analysts often asked for interviews. ICG staff and board members also regularly write opinion pieces (op-eds) in the editorial pages of major papers – 63 were published in 2003, the same number as in 2002.

## Support

ICG's income rose by some 13.5 per cent to U.S. \$10.01m in 2003, compared with \$8.82m in 2002. The increase was almost entirely due to a surge in government funding, as well as a modest increase in donations from individuals, family trusts and companies. Nineteen governments supported ICG in 2003 (one more than in 2002):

collectively, they provided \$4.26m, or 43 per cent of available funds. Foundations contributed \$4.78m in 2003 (down slightly from \$5.04m in 2002), or 48 per cent of the total. Other sources – mainly private individuals and family trusts, and a small number of companies – made up the balance, contributing \$965,000 in 2003 (up slightly from \$900,000 in 2002), just under 10 per cent of the total. In 2003, some 55 per cent of all available income was unrestricted; 45 per cent was earmarked for specific projects. After four years of strong growth, and with ICG having achieved its targeted critical mass, income in 2004 is expected to be around \$11m, with the objective being to stabilise it at this level.

Available funds, 1995-2004 by source



## Outcomes

ICG tabulates and tracks as best it can the fate of its policy recommendations. The pattern has been for some 30-40 per cent of our recommendations to be achieved, in whole or in part, within a year: some examples are set out in the geographical sections of this report. But causality is obviously a matter of judgement in each case, and we acknowledge that ICG's voice is often only one of many. Moreover, there may be many reasons other than wrong-headedness why policy prescriptions are not implemented: they may be overtaken by events, not yet timely, be accepted but meet a resource constraint or, while not being accepted, play a major role in stimulating rethinking of an important issue. To judge how well we do our job, ICG relies heavily on feedback from the policymakers at whom our publications are targeted: in 2003 that feedback continued to be extremely positive.

## Judgements

Anecdotal evidence abounds – some of it reflected in the quotations throughout this report – that ICG's reporting is highly regarded by policy makers, the media and other analysts. We continue to explore ways in which feedback – both solicited and

unsolicited, and from both donors and our main target audiences – can be more systematically evaluated. More specifically, ICG has developed an internal assessment process, in which field personnel, program directors and ICG leadership work together to produce analytical memoranda and address the following criteria:

- the fit between ICG activities and conflict prevention goals
- relevance and utility of reports in the policy cycle for different actors
- impact of advocacy of specific ICG recommendations on policy
- impact of policy changes we achieve on conflict prevention/containment

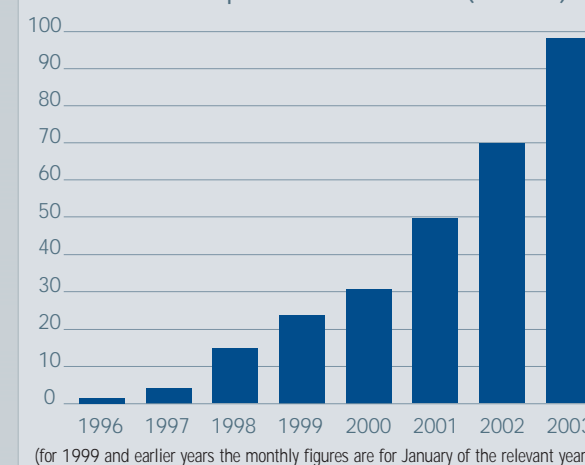
These memoranda form the basis for systematic annual management and Board assessment, through candid roundtable discussion, of what is being done right, what needs to be improved, and what should have greater or lesser emphasis.

## ICG's website [www.crisisweb.org](http://www.crisisweb.org) – a critical advocacy tool

- ✓ 1,175,000 visits\* during 2003 (up from 810,000 in 2002)
- ✓ 1,345,000 reports downloaded during 2003 (up from 770,000 in 2002)
- ✓ 97,900 visits on average per month in 2003 (up from 68,000 in 2002)
- ✓ 11.75 minutes average length of visit (much higher than the average internet rate of 2-3 minutes)
- ✓ 2.25 visitors, on average, logged on to crisisweb every minute

\* Visit: an individual user session, made up of a varying number of "hits", depending on how many text, graphics or link elements the user requests. In 2003, the website had almost 27 million hits.

Number of visitors per month to ICG's website (thousands)



(for 1999 and earlier years the monthly figures are for January of the relevant year)

# Consolidated Financial Statements for the years ended 30 June 2003 & 2002, and Independent Auditors' Report

To the Board of Directors of International Crisis Group

## Independent Auditors' Report

We have audited the accompanying consolidated statements of financial position of International Crisis Group as of June 30, 2003 and 2002, and the related consolidated statements of activities and of cash flows for the years then ended. These financial statements are the responsibility of International Crisis Group's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as

evaluating the overall financial statements presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of International Crisis Group as of June 30, 2003 and 2002 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

**Deloitte & Touche**  
Registered Auditors, Represented by



André Geeroms,  
30 September 2003

## Statement of Financial Position

As of 30 June 2003 (in U.S. dollars)

	2003	2002
<b>Assets</b>		
<b>Current assets</b>	<b>9,154,455</b>	<b>7,401,524</b>
Cash & cash equivalents (Note 4)	4,118,750	3,690,118
Accounts receivable & other assets	227,894	132,585
Contributions receivable (Note 5)	4,807,811	3,578,821
<b>Non current assets</b>	<b>444,427</b>	<b>508,429</b>
Fixed assets at cost less depreciation (Note 7)	279,957	345,301
Cash guarantees	164,470	163,128
<b>Total Assets</b>	<b>9,598,882</b>	<b>7,909,953</b>

## Statement of Cash Flows

For the years ended 30 June 2003 and 2002 (in U.S. dollars)

	2003	2002
<b>Cash Flows from Operating Activities</b>		
Changes in net assets	1,505,915	1,031,887
Foreign exchange translation adjustment	-	(487)
Depreciation	184,746	144,119
Gain on disposal of fixed assets	(5,600)	-
Changes in assets and liabilities:		
receivable & other assets	(95,309)	(37,123)
Increase in contributions receivable	(1,228,990)	(1,478,559)
Increase in accounts payable & accrued liabilities	183,014	100,663
<b>Net cash (used in)/ provided by operating activities</b>	<b>543,776</b>	<b>(239,500)</b>

## Statement of Financial Position

As of 30 June 2003 (in U.S. dollars)

	2003	2002
<b>Liabilities &amp; Net Assets</b>		
<b>Current liabilities</b>	<b>665,371</b>	<b>482,357</b>
Accounts payable	111,449	103,426
Accrued liabilities	471,122	378,931
Deferred income	82,800	-
<b>Net assets</b>	<b>8,933,511</b>	<b>7,427,596</b>
Unrestricted	5,661,178	4,175,069
Temporarily restricted (Note 9)	3,272,333	3,252,527
<b>Total Liabilities</b>	<b>9,598,882</b>	<b>7,909,953</b>

	2003	2002
<b>Cash Flows from Investing Activities</b>		
Purchase of fixed assets	(127,596)	(203,328)
Sale of fixed assets	13,794	-
Increase in cash guarantees	(1,342)	(23,839)
<b>Net cash used in investing activities</b>	<b>(115,144)</b>	<b>(227,167)</b>
Increase/(Decrease) in cash & cash equivalents	428,632	(466,667)
Cash & cash equivalents at beginning of the year	3,690,118	4,156,785
<b>Cash &amp; cash equivalents at end of the year</b>	<b>4,118,750</b>	<b>3,690,118</b>

## Statement of Activities

For the years ended 30 June 2003 and 2002 (in U.S. dollars)

Year Ended 30 June 2003

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Revenues &amp; other Support</b>				
Contributions	6,654,934	4,476,419	-	11,131,353
Investment income	55,864	-	-	55,864
Miscellaneous income	1,411	-	-	1,411
Net assets released from restrictions (Note 9)	4,456,613	(4,456,613)	-	-
<b>Total Revenues &amp; other Support</b>	<b>11,168,822</b>	<b>19,806</b>	<b>-</b>	<b>11,188,628</b>
<b>Expenses</b>				
<b>Africa Program</b>				
Central Africa	672,862	-	-	672,862
Horn of Africa	326,018	-	-	326,018
South Africa	119,712	-	-	119,712
West Africa	375,230	-	-	375,230
<b>Total-Africa Program</b>	<b>1,493,822</b>	<b>-</b>	<b>-</b>	<b>1,493,822</b>
<b>Asia Program</b>				
Burma/Myanmar	82,458	-	-	82,458
Central Asia	637,184	-	-	637,184
Indonesia	415,332	-	-	415,332
North East Asia	67,464	-	-	67,464
South Asia/Afghanistan	452,993	-	-	452,993
<b>Total-Asia Program</b>	<b>1,655,430</b>	<b>-</b>	<b>-</b>	<b>1,655,430</b>
<b>Europe Program</b>				
Albania	60,125	-	-	60,125
Bosnia	335,432	-	-	335,432
Caucasus	28,763	-	-	28,763
Kosovo	317,936	-	-	317,936
Macedonia	208,487	-	-	208,487
Moldova	5,292	-	-	5,292
Montenegro	24,504	-	-	24,504
Serbia	234,565	-	-	234,565
<b>Total-Europe Program</b>	<b>1,215,104</b>	<b>-</b>	<b>-</b>	<b>1,215,104</b>
<b>Latin America Program</b>				
Colombia	344,163	-	-	344,163
<b>Middle East Program</b>				
Arab-Israeli Conflict	671,469	-	-	671,469
Iran/Iraq/Gulf	540,495	-	-	540,495
North Africa	158,869	-	-	158,869
<b>Total-Middle East Program</b>	<b>1,370,832</b>	<b>-</b>	<b>-</b>	<b>1,370,832</b>
<b>Thematic Research</b>				
<b>Total-Operations</b>	<b>6,079,352</b>	<b>-</b>	<b>-</b>	<b>6,079,352</b>
<b>Advocacy</b>				
<b>Fundraising &amp; Administration</b>				
Fundraising costs	529,647	-	-	529,647
Administration	787,416	-	-	787,416
<b>Total-Fundraising and Administration</b>	<b>1,317,063</b>	<b>-</b>	<b>-</b>	<b>1,317,063</b>
Other (Note 8)	(224,629)	-	-	(224,629)
<b>Total expenses</b>	<b>9,682,713</b>	<b>-</b>	<b>-</b>	<b>9,682,713</b>
Changes in net assets	1,486,109	19,806	-	1,505,915
Net assets at beginning of the year	4,175,069	3,252,527	-	7,427,596
Foreign exchange translation adjustment	-	-	-	-
<b>Net assets at end of the year</b>	<b>5,661,178</b>	<b>3,272,333</b>	<b>-</b>	<b>8,933,511</b>

Year Ended 30 June 2002

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Revenues &amp; other Support</b>				
Contributions	3,770,669	5,164,804	-	8,935,473
Investment income	83,240	-	-	83,240
Miscellaneous income	2,439	-	-	2,439
Net assets released from restrictions (Note 9)	2,647,776	(2,647,776)	-	-
<b>Total Revenues &amp; other Support</b>	<b>6,504,124</b>	<b>2,517,028</b>	<b>-</b>	<b>9,021,152</b>
<b>Expenses</b>				
<b>Africa Program</b>				
Central Africa	566,338	-	-	566,338
Horn of Africa	257,365	-	-	257,365
South Africa	111,892	-	-	111,892
West Africa	224,813	-	-	224,813
<b>Total-Africa Program</b>	<b>1,160,408</b>	<b>-</b>	<b>-</b>	<b>1,160,408</b>
<b>Asia Program</b>				
Burma/Myanmar	112,334	-	-	112,334
Central Asia	534,152	-	-	534,152
Indonesia	339,508	-	-	339,508
North East Asia	29,174	-	-	29,174
South Asia/Afghanistan	265,098	-	-	265,098
<b>Total-Asia Program</b>	<b>1,280,266</b>	<b>-</b>	<b>-</b>	<b>1,280,266</b>
<b>Europe Program</b>				
Albania	60,604	-	-	60,604
Bosnia	419,885	-	-	419,885
Caucasus	-	-	-	-
Kosovo	369,015	-	-	369,015
Macedonia	192,944	-	-	192,944
Moldova	-	-	-	-
Montenegro	63,898	-	-	63,898
Serbia	207,446	-	-	207,446
<b>Total-Europe Program</b>	<b>1,313,792</b>	<b>-</b>	<b>-</b>	<b>1,313,792</b>
<b>Latin America Program</b>				
Colombia	304,147	-	-	304,147
<b>Middle East Program</b>				
Arab-Israeli Conflict	246,096	-	-	246,096
Iran/Iraq/Gulf	198,121	-	-	198,121
North Africa	97,112	-	-	97,112
<b>Total-Middle East Program</b>	<b>541,329</b>	<b>-</b>	<b>-</b>	<b>541,329</b>
<b>Thematic Research</b>				
<b>Total-Operations</b>	<b>4,617,867</b>	<b>-</b>	<b>-</b>	<b>4,617,867</b>
<b>Advocacy</b>				
<b>Fundraising &amp; Administration</b>				
Fundraising costs	262,159	-	-	262,159
Administration	689,697	-	-	689,697
<b>Total-Fundraising and Administration</b>	<b>951,856</b>	<b>-</b>	<b>-</b>	<b>951,856</b>
Other (Note 8)	(37,657)	-	-	(37,657)
<b>Total expenses</b>	<b>7,989,265</b>	<b>-</b>	<b>-</b>	<b>7,989,265</b>
Changes in net assets	(1,485,141)	2,517,028	-	1,031,887
Net assets at beginning of the year	5,660,697	735,499	-	6,396,196
Foreign exchange translation adjustment	(487)	-	-	(487)
<b>Net assets at end of the year</b>	<b>4,175,069</b>	<b>3,252,527</b>	<b>-</b>	<b>7,427,596</b>

The accompanying notes form an integral part of these statements.



# Notes to Financial Statements

## Note 1. Organisation

International Crisis Group ("ICG") is a not-for-profit corporation, incorporated in the District of Columbia on 28 February 1995. ICG (Belgium) was established under Belgian law at the end of 1997. ICG works to prevent and resolve deadly conflict through a combination of analysis, prescription and advocacy. ICG's headquarters are located in Brussels. ICG also maintains small offices in Washington DC, London, New York and Moscow, and operates out of temporary sites in Bosnia, Macedonia, Serbia, Kosovo, Kenya, Sierra Leone, Indonesia, Kyrgyzstan, Pakistan, Jordan, Colombia and Georgia.

## Note 2. Significant Accounting Policies

- a) The Financial Statements above present the combination of the two separate entities, with the elimination of shared balances. The combination is intended to reflect fairly the results of the organisation as a whole; it does not represent the consolidated results of a single legal entity since no such entity exists.
- b) Basis of preparation:  
ICG maintains its accounts on the accruals basis of accounting
- c) Net Assets: ICG classifies assets into three categories: unrestricted, temporarily restricted and permanently restricted net assets. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. As at June 30, 2003 and 2002 there were no permanently restricted net assets. Temporarily restricted net assets are contributions with temporary, donor-imposed time and/or program restrictions. These temporary restrictions require that resources be used for specific purposes or in a later period. Temporarily restricted net assets become unrestricted when time restrictions expire, or the funds are used for their restricted purpose. At that time they are reported in the statement of activities as net assets released from restrictions.
- d) Taxes: ICG (U.S.) is exempt from Federal Income Taxes under Section 501(c) (3) of the U.S. Internal Revenue Code, and ICG (Belgium) is properly classified as an Association Internationale Sans But Lucratif (A.I.S.B.L.) under Belgian law.
- e) Use of estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

## Note 3. Functional Allocation of Expenses

Certain indirect program costs incurred at ICG's Brussels, Washington, New York, London, Paris and Moscow offices have been allocated to programs on a functional basis in the statement of activities. Such costs include program management and support, but excludes, in the Statement of Activities, advocacy costs, which are now shown separately.

## Note 4. Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash and temporary investments with original maturities of three months or less. Cash and cash equivalents were composed of the following at 30 June:

	2003	2002
Money market	1,657,202	906,312
Cash at bank and in transit	2,377,586	2,744,304
Other cash	83,962	39,502
	<b>4,118,750</b>	<b>3,690,118</b>

## Note 5. Contributions Receivable

ICG recognises contribution revenue in the year the money is received or the unconditional pledge is made. ICG receives donations from governments, foundations and others (individuals and corporations). Contributions receivable represent money pledged to ICG in the year ended 30th June 2003 and 2002 for which the funds have yet to be received. Contributions made as of 30 June 2003 and 2002 for which the funds have yet to be received are as follows:

Contributors	Designated program	2003	2002
<b>Governments</b>			
Australia	Burma/Myanmar	27,871	—
Australia	Indonesia/South East Asia	300,064	—
Austria	Central Africa	11,434	—
Canada	Arab-Israeli Conflict	54,917	—
Canada	Pakistan/Afghanistan	—	4,740
Germany	Pakistan/Afghanistan	—	150,000
Finland	Central Africa	192,307	500,073
France	Central Africa	—	99,110
Japan	Afghanistan	31,764	—
The Netherlands	Core	266,000	50,000
Sweden	Core	600,000	—
Switzerland	Core	259,528	—
Republic of China (Taiwan)	Core	—	400,000
United Kingdom	Multi-Purpose	1,030,435	—
United Kingdom	Central Asia	329,739	—
United Kingdom	Core	—	153,231
United States	Multi-Purpose	250,000	—
United States	Balkans/Central Asia	162,752	—
<b>Foundations</b>			
Atlantic Philanthropies	Global Terrorism	500,000	1,000,000
Carnegie Corporation	Ethnic Conflict	—	166,667
Henry Luce Foundation	Indonesia	150,000	300,000
Charles Stewart Mott Foundation	Core	500,000	—
Charles Stewart Mott Foundation	Balkans	100,000	—
Open Society Institute	Core	—	80,000
Ploughshares Fund	Core (Advocacy)	—	50,000
Pro Demokratika Stiftung	Moldova	25,000	—
Smith Richardson Foundation	Indonesia	—	125,000
William and Flora Hewlett Foundation	Core	—	100,000
William and Flora Hewlett Foundation	Global Terrorism	—	400,000
United States Institute of Peace	Arab-Israeli Conflict	15,000	—
<b>Others</b>			
Individuals	Core	1,000	—
<b>Total</b>		<b>4,807,811</b>	<b>3,578,821</b>

## Note 6. Risk Concentration

As of June 30, 2003, contributions received from two major donors accounted for 39% of ICG's revenues (2002: two donors represented 46% of the contributions).

## Note 7. Fixed Assets

Depreciation is calculated utilizing the straight line method based on the estimated useful life of the assets. Depreciation expense for the years ended 30 June 2003 and 2002 was \$184,746 and \$144,119 respectively. Fixed assets at 30 June 2003 and 2002 comprise:

	Fixed assets	Accumulated depreciation	Net value
<b>30 June 2003</b>			
Office furniture	197,279	(102,375)	94,904
Office equipment	509,843	(365,990)	143,853
Vehicles	139,937	(98,736)	41,201
	<b>847,059</b>	<b>(567,101)</b>	<b>279,957</b>
<b>30 June 2002</b>			
Office furniture	174,503	(67,877)	106,626
Office equipment	446,295	(250,186)	196,109
Vehicles	160,594	(118,028)	42,566
	<b>781,392</b>	<b>(436,091)</b>	<b>345,301</b>

## Note 8. Other Exchange Fluctuations

As a result of operating in various countries, realized exchange effects have been recorded based on monthly current rates. Net realised and unrealised exchange effects are as follows for the years ended 30 June:

	2003	2002
Realised loss on exchange	140,277	195
Realised gain on exchange	(176,688)	(97,329)
Unrealised loss/(gain) on exchange	(188,218)	59,477
Net realised and unrealised losses/(gains) on exchange	<b>(224,629)</b>	<b>(37,657)</b>

## Note 9. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes as of June 30 :

	2003	2002
Africa Program	705,512	552,937
Asia Program	330,439	659,267
Europe Program	414,885	109,570
Latin America Program	25,000	12,500
Middle East Program	1,027,269	10,715
Global Terrorism	769,229	1,907,538
	<b>3,272,334</b>	<b>3,252,527</b>

Global Terrorism funds earmarked for use in particular geographical regions at 30 June 2002 have been reallocated in the light of actual funding received or pledged during the year

Temporarily restricted net assets have been released from restrictions due to the satisfaction of the following programs or services for the year ended June 30:

	2003	2002
Africa Program	864,716	439,263
Asia Program	1,526,695	793,887
Europe Program	876,276	782,110
Latin America Program	37,500	12,500
Middle East Program	1,151,427	600,016
Thematic Research	—	20,000
	<b>4,456,613</b>	<b>2,647,776</b>

Net assets released from restrictions in respect of ICG's Global Terrorism program totalled \$1,138,310 during the period to 30 June 2003 (30 June 2002: \$941,884).

## Note 10. Off Balance sheet items

As at 30 June 2003, ICG had three leased cars (2002:2) corresponding with a commitment amounting to U.S \$15,563 (2002: 11,617).

ICG has several leasing contracts for its offices and apartments. As at 30 June, the minimum future rental payments related to these operating leases are:

Year	Engagement
2003/2004	403,500
2004/2005	254,300
2005/2006	105,600
2006/2007	105,600
2007/2008	105,600
> June 30, 2008	17,600

# ICG's Funding

Maintaining a strong and diverse financial base is crucial to preserving ICG's independence and credibility. In 2003, over 40 per cent of ICG's funds came from governments, just under 50 per cent came from foundations, and around 10 per cent came from private individuals and corporations. Of all those funds, around 55 per cent were available for spending on an unrestricted basis, giving us welcome flexibility, while 45 per cent were earmarked for particular programs or projects.

Overall, ICG raised some U.S. \$10.01m in 2003, compared with \$8.82m in 2002, an increase of over 13 per cent, which was due largely to increased government funding. Foundation funding slipped back slightly, essentially a reflection – experienced by most grant beneficiaries this year – of the difficult financial environment affecting this sector.

ICG gratefully acknowledges and thanks the nineteen governments and eighteen major charitable foundations who supported us in 2003, and whose names are listed overleaf. We are also profoundly grateful to the International Advisory Board members, also listed overleaf, who were major benefactors in 2003, and to the Patrons, Contributors and Donors listed below. New supporters are extremely welcome: ICG's membership categories, and the benefits associated with each, are set out below.

## Becoming an ICG Supporter

### International Advisory Board Member

Supporters who contribute more than U.S. \$25,000 p.a. are offered International Advisory Board membership, in which capacity they are invited to join the Board of Trustees as observers at its twice-yearly meetings. They also receive private policy briefings by visiting experts from ICG field offices, have direct access to staff and analysts, are invited to roundtable dinner discussions, fundraising and promotional events and field trips and are sent all ICG publications.

### Patron

Supporters who contribute from \$10,000 up to \$25,000 p.a. have access to private policy briefings by staff and analysts, are invited to roundtable dinner discussions, fundraising and promotional events and are sent all ICG publications.

### Contributor

Supporters who contribute from \$5,000 up to \$10,000 p.a. are invited to policy briefings, roundtable dinner discussions, fundraising and promotional events and receive notification of all ICG publications.

### Donor

Supporters who contribute up to \$5,000 p.a. receive notification of all ICG publications and recognition as Donors in ICG's Annual Report or website or both.

### How to Help?

If you are in the U.S. and would like to discuss making a donation to ICG, please contact Amy Hunter, Director of Development (Individuals and Corporate) in New York (ahunter@crisisweb.org). Please note that, in the United States, all donations to ICG are fully tax-deductible to the extent allowed by law. Prospective donors from the rest of the world should direct all enquiries to Charles Radcliffe, Vice-President (Finance and Government Relations) in London (cradcliffe@crisisweb.org). Further contact details for their offices are on the back cover of this report.

## Individual and Corporate Benefactors in 2003\*

S Daniel Abraham, Aaron Gunwitz & Susan Abramowitz, Michael Abramowitz, Marc Abramowitz, Morton Abramowitz, Access International Advisers, Stephen E Adler, American International Group Inc, William Allen, Allen & Co, Hushang Ansary, John & Jody Arnold, Arnold & S Bleichroeder Holdings Inc, Randall W Atkins, Elizabeth Frawley Bagley, Rodney Berens, William & Ronit Berkman, Michael J Berland, Todd R Berman, Leslie & George Biddle, Richard Bistrong, The Boeing Company, Alexander Papachristou & Carroll Bogert, Mary & David Boies, D Michael Bourke, Ben Braffman, Alden Brewster, Andrew Brimmer, Mr & Mrs Craig Burr, Woodrow W Campbell, Carnegie Endowment for International Peace, Robert & Mary Carswell, Maria Livanos Cattau, The Centennial Foundation, The Century Foundation, Kimball C Chen, John Chapman Chester, Victor Chu, Citigroup, Barry & Joyce Cohen, Robert Colesberry & Karen Thorson Colesberry, Joan Ganz Cooney & Peter G Peterson, Peter & Faith Corcoran, The Corrigan Foundation II, Coudert Brothers LLP, Dorothy & Lewis B Cullman, Russell J DaSilva, Richard & Barbara Debs, Betsy & Bob DeVecchi, Douglas & Susanne Durst, Jodie & John Eastman, Lee M Elman, Barrett B Frelinghuysen, Gail Furman, Peter and Kristen Gerhard Foundation, David & Kelly Gerstenhaber, Mr & Mrs Harrison J Goldin, The Sol Goldman Charitable Trust, Goldman Sachs & Co, Michael & Ellen Granoff, Stephen R Green, Gary & Lynn Grossman, Paul Guidden, Lumi Hadri, Joseph and Karen Hansen, Ralph Schlosstein & Jane Hartley, The Hauser Foundation Inc, Drue Heinz, Carla A Hills (Hills & Company), Geoffrey Hogue, The Eleanor & Alexander Holtzman Foundation, Swanee Hunt Family Foundation (Swanee Hunt), Benjamin Jacobson, Edgar N James, Paul Tudor Jones, JP Morgan Corsair II Capital Partners, LLP, JPMorgan Foreign Exchange, JPMorgan Global Foreign Exchange and Commodities, Amit K Kanodia, Robert S Kapito, George Kellner, Trifun Kostovski, Jeannette and H Peter Kriendler Charitable Trust, Elliott Kulick, Howard and Nancy Kurz, Kuwait Petroleum Corporation USA Inc, John Langmore, Jacques Leviant, John Levin, Jacqueline & Howard Levine, Reynold Levy & Elizabeth A Cooke, William R Loomis Jr, Roderick MacFarquhar, Vincent Mai, Douglas Sperry Makepeace, Mr & Mrs Peter C McCall, Mike Medavoy, Marcia & Richard Mishaan, Moore Capital Management LLC, Shepard & Grace Morgan, Morgan Stanley, Rupert Murdoch, Mutual of America, The Nash Family Foundation Inc, Sarah & Peter O'Hagan, Robert A Ouimette, Stephen A Oxman, Hannah C Pakula, Patton Boggs LLP, Eileen & I M Pei, David Phillips, Viktor Pinchuk, Anna Luisa Ponti, Sanford Prater, Dale J Precoda, Quantm Inc, Ava Abramowitz & Neil Rackham, Renaissance Capital, Joseph L Rice III, Michael Lee Riordan, David Rockefeller, Pamela & George Rohr, Jonathan F P & Diana Rose, Robert de Rothschild, Ambassador Nancy Rubin & Miles Rubin, Richard Ruble, Mrs Edmond J Safra, Sarlo Foundation of the Jewish Community Endowment Fund, Douglas Schoen, Select Equity Group Foundation, Simpson Thacher & Bartlett LLP, Ellen Johnson Sirleaf, Alan B Slifka, J Kevin Smith, Jay Snyder, Stephen Solarz, Jonathan & Jennifer Allan Soros, Robert & Melissa Soros, Soros Fund Management, Alan L Stanzler, Kathryn Steinberg, Leila & Melville Straus, William O Taylor, George H & Nancy H Tilghman, Vanessa Timken, Rita & Austin Tobin, Lee & Marvin Traub, Marjorie & Charles Van Dercook, William J Vanden Heuvel, Thierry de la Villehuchet (Access International), Enzo Viscusi, Stanley Weiss (The Weiss Foundation), Nicholas & Dorothea Wenckheim, Westfield Limited, Mr & Mrs Calen Weston, John C Whitehead, Whitehead Foundation, Wyper Capital Management L P, Sunny Il-Jin Yoon, William D Zabel, Bruce & Robin Zablou, Marlene Hess & James D Zirin

\*For space reasons, only donations of U.S. \$1,000 or more are listed here: our website lists all gifts received. ICG also receives gifts from individuals who wish to remain anonymous.

# Acknowledgements & Thanks



## Governments

ICG gratefully thanks the following governments for their financial contributions during 2003:

- Australia (Agency for International Development)
- Austria (Federal Ministry of Foreign Affairs)
- Canada (Department of Foreign Affairs and International Trade; International Development Agency)
- Denmark (Ministry of Foreign Affairs)
- Finland (Ministry of Foreign Affairs)
- France (Ministry of Foreign Affairs)
- Germany (Federal Foreign Office)
- Ireland (Department of Foreign Affairs)
- Japan (Japan International Cooperation Agency)
- Luxembourg (Ministry of Foreign Affairs)
- Netherlands (Ministry of Foreign Affairs)
- New Zealand (Agency for International Development)
- Norway (Ministry of Foreign Affairs)
- Republic of China (Taiwan) (Ministry of Foreign Affairs)
- Sweden (Ministry for Foreign Affairs)
- Switzerland (Federal Department of Foreign Affairs)
- Turkey (Ministry of Foreign Affairs)
- United Kingdom (Foreign and Commonwealth Office; Department for International Development)
- United States (U.S. Agency for International Development)

## Foundations

ICG gratefully thanks the following major charitable foundations for their financial contributions during 2003:

- Atlantic Philanthropies
- Bill and Melinda Gates Foundation
- Carnegie Corporation of New York
- Charles Stewart Mott Foundation
- Ford Foundation
- Fundação Oriente
- Henry Luce Foundation
- John D and Catherine T MacArthur Foundation
- John Merck Fund
- Open Society Institute
- Ploughshares Fund
- Pro Democratia Stiftung
- Sigrid Rausing Trust
- Sarlo Foundation of the Jewish Community Endowment Fund
- Sasakawa Peace Foundation
- Smith Richardson Foundation
- United States Institute of Peace
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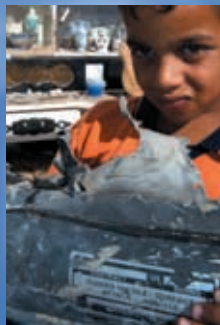
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