

annual report 2007

review of 2006
plans for 2007



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Front and back cover photo: Lebanese woman in southern village of Saksakieh after air raid - © AFP/Anwar Amro
Above photo: FARC rebels after surrendering their weapons in Alvarado, Colombia - © Reuters/Kena Betancur

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From the

Co-Chairs

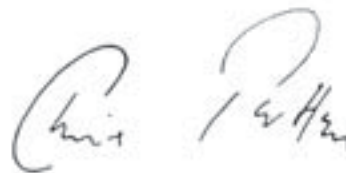
One of the great pleasures of being Co-Chairs of the Board of the International Crisis Group is that we constantly receive unsolicited comments – on a nearly daily basis – from smart, informed people regarding the high quality of Crisis Group’s work. These comments are some of the evidence that Crisis Group’s methodology is working. We put people on the ground to ask difficult questions in difficult situations, use the answers to formulate practical recommendations, and work hard to persuade high-level policy-makers to accept them. Crisis Group’s approach and capabilities are unique in the field of conflict prevention and resolution, and as a result people pay attention. To witness this influence is a point of pride for us both.

It is also powerful motivation, particularly as the world faces increasingly serious and complex threats to peace and security. 2006 left the international community grappling with many challenges, including the urgent need for a new U.S. strategy to contain the spiralling violence in Iraq, the risk of an explosive Sunni-Shiite divide in Lebanon and indeed across the Middle East, the steady march of North Korea’s and Iran’s nuclear programs, regional war in the Horn of Africa, and the continued failure of various actors to take effective steps to end the slaughter in Darfur. These are some of the toughest problems policy-makers and diplomats will ever face. They are precisely the type of problems that Crisis Group can help resolve.

We have, for example, played an important role keeping Darfur in the spotlight, maintaining pressure on Khartoum – and the international community – to meet their responsibility to protect Sudan’s long-suffering people, and offering credible alternatives to Washington’s strategies for Iraq, Iran and the Israeli-Arab conflict. Over the last year, Crisis Group’s reporting and advocacy have spurred Security Council resolutions, domestic legislation, changes in funding priorities, grassroots activism, and in general more informed and urgent discussion of practical solutions to seemingly intractable conflicts. We consistently see the hard-hitting, fact-intensive work we do producing concrete results.

For all these reasons, we approach 2007 with a long list of challenges, but also extensive knowledge and experience to take them on. We look forward to leading Crisis Group through this time, continuing our emphasis on good appreciation of the facts, solid analysis of the issues, and sound recommendations for decision-makers. Just as we take great pride in the comments we receive about Crisis Group, we also are very grateful for the support of our donors. We hope to continue to earn your confidence and respect as we rise to the challenges ahead.

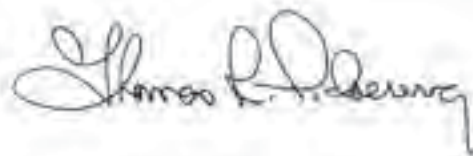
Crisis Group Board meeting, Brussels, 2006 - © S. Van De Walle



Christopher Patten

Co-Chair

Lord Patten of Barnes, Chancellor of Oxford University, is a former European Commissioner for External Relations, Governor of Hong Kong and UK Cabinet Minister. He has been Co-Chair of Crisis Group since November 2004.



Thomas Pickering

Co-Chair

Ambassador Thomas R. Pickering is a former U.S. Under Secretary of State for Political Affairs, Ambassador to the UN, India, Russia, Israel, El Salvador, Nigeria and Jordan, and Senior Vice President for International Affairs at Boeing. He has been Co-Chair of Crisis Group since April 2006.



2006 was another year of significant achievement for Crisis Group, now widely regarded as the world's leading non-governmental source of early warning, analysis and advice to governments and intergovernmental organisations on the prevention and resolution of deadly conflict.

Our reports and briefing papers – 91 published during the calendar year, along with the monthly CrisisWatch – are attracting an ever-growing readership, going to over 24,000 targeted policy-makers and those who influence them worldwide, with another 68,000 website subscribers. Media mentions are growing almost exponentially (18,000 last year, up from over 10,000 in 2005), and there has been a dramatic increase in annual visits to our website, now up to nearly 5 million (up from 3.4 million a year earlier).

What sets Crisis Group apart from other organisations that work on conflict issues is essentially our methodology, a unique combination of field-based analysis, sharp-edged policy prescription and high-level advocacy. We aim to add value in five main ways:

- ✘ ringing early warning alarm bells, in our monthly CrisisWatch bulletin, and in specific "Conflict Risk Alerts", eg on Somalia;
- ✘ contributing behind the scenes support and advice, on both process and substance, to critical peace negotiations, eg in Sudan, Burundi, Northern Uganda, Aceh and Nepal;
- ✘ producing highly detailed analysis and advice on scores of conflict or potential conflict situations, helping policy-makers in the UN Security Council, regional organisations, donor countries and others with major influence, and in the countries at risk themselves, do better in preventing, managing and resolving conflict, and in rebuilding after it;
- ✘ helping to change strategic thinking on some of the world's most intractable conflicts and crises, challenging or refining prevailing wisdom, eg on the Iran nuclear issue, the role of Islamism worldwide, the Arab-Israeli conflict and the way forward on Iraq; and
- ✘ strongly supporting a rules-based, rather than force-based, international order, with particular emphasis on the new international norm of the "Responsibility to Protect".

What ultimately matters, of course, is how all this effort translates into policy influence. Causality is always hard to prove, but Crisis Group played a significant role in shaping debate, and sometimes outcomes, in a number of critical areas. For example:

- ✘ in the **Middle East**, we successfully launched a multi-track advocacy initiative to generate new political momentum for a comprehensive settlement of the Arab-Israeli conflict (with major international newspapers carrying a sharply worded statement of support by 135 respected former global leaders) which helped refocus attention on the need for an endgame-first rather than incremental approach;
- ✘ in **Iraq**, our back-to-back reports on reading the Iraqi insurgency and the growing sectarian conflict, and then on the Baker-Hamilton report, generated much international attention, and continue to feed prominently into the ongoing U.S. and global debate about the future of the occupation;
- ✘ in **Darfur**, our sustained high-profile reporting and advocacy on the continued intransigence of Khartoum, the flawed Peace Agreement, and the limitations of the African Union peacekeeping force, have made it impossible for international policy-makers to walk away;

- ✘ in the **Democratic Republic of Congo**, our major advocacy campaigns with the UN and donor governments have increased commitment to crucial security sector reform and generated momentum for increased U.S. financial assistance;
- ✘ in **Pakistan**, our consistent high-level advocacy regarding the threats posed by military rule has influenced U.S. policy, with U.S. officials publicly voicing their concerns, especially on the military's policies toward the Taliban;
- ✘ in **Nepal**, we followed our leading role in generating international opposition to the 2005 royal coup with strong support for coordinated action in response to the April 2006 people's movement;
- ✘ in **Iran**, we developed a realistic fallback option for moving the nuclear program negotiations forward, which is receiving increasing attention as "zero enrichment" strategies become ever harder to implement;
- ✘ in **Colombia**, our policy recommendations were reflected in various policy changes by the Uribe administration, including on the reintegration of ex-combatants; and
- ✘ in **Kosovo**, we continued to play a key role in the unfolding final status process, arguing against delay, providing important information for policy-makers and the media, and strongly supporting a conditional independence package.

None of this work would have been possible without the generous support we receive. All of us at Crisis Group are deeply grateful to our donors – governments and foundations, private individuals and public corporations – for their generosity and commitment. As depressing as things often seem, the world is making real progress in reducing the frequency, scale, intensity and duration of deadly conflict. I think we can be confident that our efforts, and the support which sustains them, do make a difference.



Hon Gareth Evans AO QC President

Gareth Evans served as Australian Foreign Minister from 1988 to 1996. He has been President and CEO of Crisis Group since 2000.

Mission

Crisis Group 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, intergovernmental bodies 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.

Crisis Group's approach has three basic elements:

Expert field research and analysis: Crisis Group's credibility is founded on its field-based research. Teams of Crisis Group 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 intergovernmental bodies like the UN and African Union 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: Crisis Group'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 marketplace 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. Crisis Group'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.



UN peacekeepers in Port-au-Prince - © Reuters/Eduardo Munoz

"In the most troubled corners of the world, Crisis Group has been the eyes, the ears, and the conscience of the global community. Its mix of field-based analysis, well-reasoned policy recommendations, and high-level advocacy is a winning combination."

President William J. Clinton, 5 March 2007

Method



Former President Bill Clinton acknowledges the Middle East Initiative commitment made by Crisis Group President Gareth Evans at Clinton Global Initiative Annual Meeting, New York, 2006. Courtesy of the Clinton Global Initiative



Crisis Group South East Asia Analyst Francesca Lawe-Davies with village officials and soldiers in Thailand's Narathiwat province



Board members Lakhdar Brahimi and Ken Adelman, Crisis Group Board meeting, Brussels, 2006 - © S. Van De Walle

How does Crisis Group go about implementing its mission? What did the organisation do in 2006 to advance it?

Deciding on projects

Four basic criteria are applied – How serious is the actual or potential conflict? Can Crisis Group add value to international understanding and response in preventing and resolving it? Do we have, or can we raise, the necessary resources to employ new field staff? And do we have, or can we get, the necessary central resources to ensure high-quality final reporting and effective follow-through advocacy?

In 2006 we expanded our presence in West Africa, Latin America and South East Asia with the recruitment of a senior analyst based in Abuja and analysts for Venezuela and Timor-Leste. We also formally opened an office in Kathmandu and completed plans for a new office in Istanbul, which will open in early 2007.

Operating in the field

Crisis Group's field analysts are drawn mostly from experienced former diplomats, journalists, academics and NGO staff, often leading world experts in their fields. Of 129 current full-time positions, 82 are based in the field, in twelve regional offices and sixteen other locations: the others work from our Brussels headquarters, and major-city advocacy offices. Altogether, Crisis Group staff represent 41 nationalities and speak 48 languages.

Based full-time on the ground in crisis areas, field staff develop, to the extent possible, important relationships with government and opposition sources, public servants, military and paramilitary leaders, municipal officials, academics, journalists and leaders of civil society. Security is often an issue, requiring, in some cases, operating on a non-disclosed basis.

Determining policy

In the initial drafting of reports and briefing papers, field analysts work with Crisis Group's capital-based regional program directors. A research team in Brussels also provides input, especially on EU and NATO developments, while our Washington and New York advocacy offices assist with U.S. and UN perspectives.

The policy prescriptions attached to nearly all Crisis Group 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.

Getting the story out

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. In 2006, basic distribution continued to rapidly expand. Crisis Group reports and briefing papers are sent by email notification or attachment to over 23,000 specifically targeted recipients (including government ministers, heads of international agencies, diplomats and officials in key roles and journalists), with a further 1,400 high-level contacts receiving copies of publications in printed form. In addition, some 68,000 subscribers have signed up through the Crisis Group website, www.crisisgroup.org, to receive reports and briefing papers free of charge by email. Meanwhile, an ever-growing audience is accessing publications and a range of other

conflict prevention resources directly through our website: this recorded 4.9 million site visits in 2006, 19 million page visits, and an average of 260,000 report downloads per month.

Media exposure is important for Crisis Group's effectiveness and has increased significantly each year since 2000. Monitored mentions in major international print and electronic media of Crisis Group reports rose significantly in 2006 to 5,535 (or 18,066 if repeats of the same story are counted – up from 10,677 in 2005). In addition, there were 142 Crisis Group tag-lined comment and opinion pieces in major national and international newspapers in 2006 (up from 128 in 2005).

High-level advocacy

Much of Crisis Group's most successful advocacy is done behind closed doors. Our major advocacy offices, in Brussels, Washington DC and New York, continued to ensure Crisis Group had the access and influence at the highest levels of the U.S. and European governments, the UN, EU and NATO; our London office continued to strengthen Crisis Group's profile and influence in the UK; and our Moscow liaison office improved our access to Russian officials. All Crisis Group offices, both advocacy and field, receive a regular flow of senior political and official visitors.

Operations

Brussels, Belgium (HQ)

Established 1997: coordinates all Crisis Group field operations, research, report production and distribution, media relations, and European and international advocacy

London, UK

Established 2002: liaison office, advocacy and fundraising support

New York, U.S.

Established 2001: advocacy with the UN Secretariat, diplomatic corps and media; liaison with the philanthropic community; and policy input

Caribbean

Field representation: Port-au-Prince
Haiti project established 2004, field representation established 2006: covers peacebuilding and political transition in Haiti

Egypt / North Africa

Regional office: Cairo
Established 1998 in Algeria: Cairo office opened 2003. Monitors developments in Egypt and across North Africa, with a focus on understanding variants of Islamism and political transition strategies

Balkans

Regional office: Pristina
Field representation: Belgrade
Established 1996 in Bosnia and Herzegovina: Pristina office opened 1997. Covers Bosnia and Herzegovina, Kosovo and Serbia

Turkey / Cyprus

Regional office: Istanbul
Established 2007: addresses primarily the Cyprus conflict and Turkey's geo-strategic role

Covered by Field Analysts

Afghanistan, Armenia, Azerbaijan (including Nagorno-Karabakh), Bangladesh, Bolivia, Bosnia and Herzegovina, Burundi, Central African Republic, Chad, China (Taiwan Strait), Colombia, Côte d'Ivoire, Cyprus, DR Congo, Ecuador, Egypt, Eritrea, Ethiopia, Georgia, Guinea, Haiti, India (Kashmir), Indonesia, Iran, Iraq, Israel/Palestine, Jordan, Kazakhstan, Kosovo, Kyrgyzstan, Lebanon, Liberia, Myanmar/Burma, Nepal, Nigeria, North Korea, Pakistan, Philippines, Rwanda, Saudi Arabia, Serbia, Sierra Leone, Somalia, South Africa, Sri Lanka, Sudan, Syria, Tajikistan, Thailand, Timor-Leste, Turkey, Turkmenistan, Uganda, Uzbekistan, Venezuela, Western Sahara, Zimbabwe

CrisisWatch Monitoring Only

Includes: Albania, Algeria, Angola, Bahrain, Belarus, Burkina Faso, Cambodia, Cameroon, China (internal), Comoros Islands, Corsica (France), Cuba, Equatorial Guinea, Fiji, Gabon, Gambia, Guinea-Bissau, Guyana, India (non-Kashmir), Kuwait, Libya, Macedonia, Madagascar, Maldives, Mali, Mauritania, Moldova, Montenegro, Morocco, Mozambique, Namibia, Niger, Papua New Guinea, Peru, Republic of Congo, Russia (Chechnya/North Caucasus), Senegal, Solomon Islands, Spain (Basque Country), Swaziland, Togo, Ukraine, United Kingdom (Northern Ireland), Yemen, Zambia



† Some locations undisclosed for security reasons
* Coverage planned for 2007

Colombia / Andes

Regional office: Bogotá
Established 2001: covers Bolivia, Colombia, Ecuador, Peru and Venezuela, focusing on ending the conflict in Colombia and containing its regional impact

West Africa

Regional office: Dakar
Field representation: Abuja
Established 1995 in Sierra Leone: covers Côte d'Ivoire, Guinea, Liberia, Sierra Leone, Nigeria and the Sahel region

Central Africa

Regional office: Nairobi
Field representation: Kampala, Kinshasa
Established 1998: covers Burundi, Democratic Republic of Congo, Rwanda and Uganda

Southern Africa

Regional office: Nairobi
Field representation: Pretoria
Established 2001 in Zimbabwe: covers Angola, Zimbabwe and South Africa's continental role

Washington DC, U.S.

Established 1997: advocacy with the U.S. Administration, Capitol Hill and U.S. media; and policy input

Moscow, Russia

Established 2003: liaison office, advocacy and technical support

Arab-Israeli Conflict

Regional office: Amman
Field representation: Beirut, Damascus, Jerusalem
Established 2001: covers the situations in Israel, Palestine, Syria and Lebanon, focusing on peace and political transition strategies

Caucasus

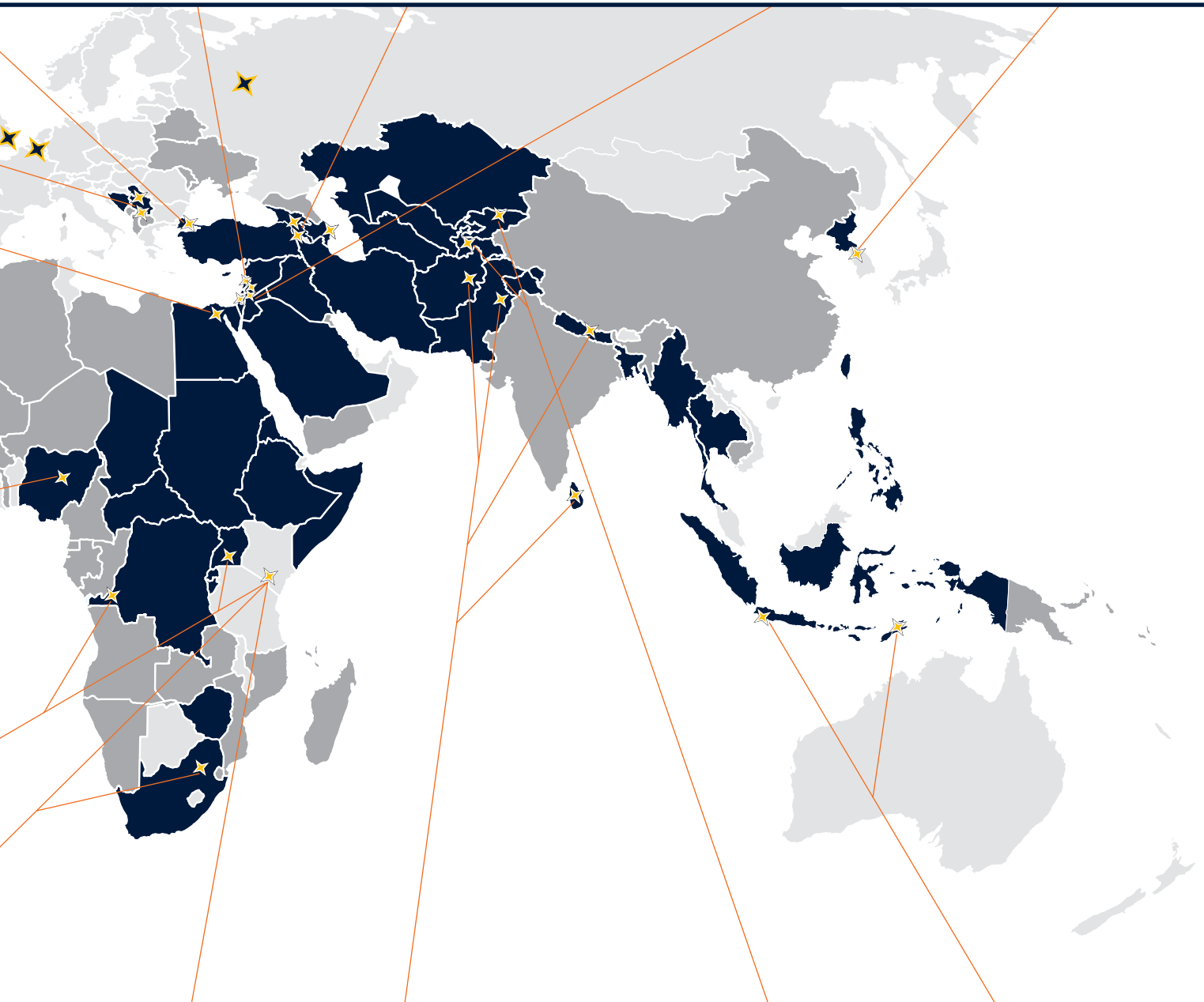
Regional office: Tbilisi
Field representation: Baku, Yerevan
Established 2003: focuses on security and governance in Armenia, Azerbaijan (including the Nagorno-Karabakh region) and Georgia

Iran / Iraq / Gulf

Regional office: Amman
Established 2002: addresses governance and security in Iraq and Iran, Islamism and political transition in Saudi Arabia and the Gulf states, and sources of terrorism

North East Asia

Regional office: Seoul
Established 2002: addresses the issues surrounding North Korea's nuclear program, Taiwan Strait tensions and regional security generally



Horn of Africa

Regional office: Nairobi
Established 2001 in Sudan: focuses on Darfur and the north-south-east Sudan conflict, Somalia, Ethiopia/Eritrea and Chad

South Asia

Regional office: Islamabad
Field representation: Kabul, Colombo, Kathmandu
Established 2001: focuses on security and governance in Pakistan; peacebuilding in Nepal; and the conflicts in Afghanistan, Kashmir and Sri Lanka

Central Asia

Regional office: Bishkek
Field representation: Dushanbe
Established 2000: addresses governance issues, Islamism and political transition strategies in Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan

South East Asia

Regional office: Jakarta
Field representation: Dili
Established 2000: focuses on separatist and communal violence, governance issues, and sources of terrorism in Indonesia, Myanmar/Burma, the Philippines, Thailand and Timor-Leste



2006 brought some cause for optimism in Africa, where the Democratic Republic of Congo held landmark elections, and peace held in Liberia and Sierra Leone. Talks to end northern Uganda's conflict offered hope, but have faltered recently. The crises in Darfur and Zimbabwe continued with no end in sight, and there is an increasing likelihood of state collapse in Guinea and Côte d'Ivoire.



Uruguayan peacekeepers at MONUC headquarters in Kinshasa - © AFP/Gianluigi Guercia

Central Africa

The **Burundian** government's second year in power brought increased authoritarian tendencies and human rights violations, with the systematic arrest of critics of the CNDD-FDD-dominated institutions. A September ceasefire between the government and the FNL led to cessation of hostilities, but it remains to be seen whether the agreement will be implemented and the last Burundian rebel group integrated into national institutions.

The post-war transition period in the **Democratic Republic of Congo** concluded in November with the country's first democratic presidential and legislative elections in forty years. Joseph Kabila won the presidential contest with 58 per cent of the vote, defeating former Vice-President Jean-Pierre Bemba. The new administration faces numerous challenges, however, and will be judged by its success in extending security throughout the country, adhering to principles of good governance, and providing a peace dividend to the war-ravaged population, particularly in the east where civilians continue to suffer at the hands of militias and the army.

Ugandan President Museveni began his twentieth year in power after winning a flawed presidential election. Hope for peace in northern Uganda revived as talks between the government and the Lord's Resistance Army (LRA) opened in July, sponsored by the Government of Southern Sudan. Though progress has been slow, and the talks appear to be faltering, the peace process has led to improved security in the north, allowing hundreds of thousands of those displaced to return home and easing restrictions on the 1.4 million who remain in government-controlled camps.

Supporters of opposition candidate Bemba ahead of the presidential run-off vote in Kinshasa - © Reuters/Goran Tomasevic





Soldiers loyal to Vice-President Bemba during a gun battle in Kinshasa - © Reuters/Goran Tomasevic

Crisis Group impact

Crisis Group increased international awareness of the challenges facing the **DR Congo** in 2006. We published five reports including two on the country's landmark elections, and we conducted a major advocacy campaign with UN and donor governments emphasising governance, security sector reform (particularly integration of the armed forces), demobilisation of the FDLR, strengthening of parliament and the continued presence of a strong UN force (MONUC). Our Washington office helped draft U.S. legislation resulting in increased U.S. financial assistance in many of these areas. On return from a visit to DR Congo in March, UN Under-Secretary Jean-Marie Guéhenno told Crisis Group that he considered our January report, *Katanga: The Congo's Forgotten Crisis*, the single most useful document he had seen on the dynamics at play in the province, and made clear that he had incorporated its recommendations into his own analysis.

Crisis Group continued to seek ways of ending the conflict in northern **Uganda** between the government and the LRA. In January, we published a briefing paper, *A Strategy for Ending Northern Uganda's Crisis*, laying out the critical elements of a sustainable peace. We also participated in an NGO advocacy campaign that culminated in Security Council Resolution 1653, the first Council document

to mention northern Uganda. A follow-on report by Secretary-General Kofi Annan contained several recommendations advocated by Crisis Group, including creation of a special envoy, enhancement of cross-border cooperation through regional security mechanisms and bilateral relations, and establishment of a formal DDR program.

We worked closely with the new UN Peacebuilding Commission to help shape its engagement in **Burundi**, and in November published a report warning of increased authoritarianism in the country (*Burundi: Democracy and Peace at Risk*).

Key issues for Crisis Group in 2007

Democratic Republic of Congo

- ✘ **Security sector reform:** Donor governments should develop and implement a comprehensive strategy to reform DR Congo's security sector, including the army and police.
- ✘ **Reintegration of ex-combatants:** Failure to reintegrate demobilised combatants who lack the means to pursue alternative livelihoods poses a serious threat to long-term stability. Successful reintegration programs are necessary to prevent former combatants from returning to violence to earn a living.

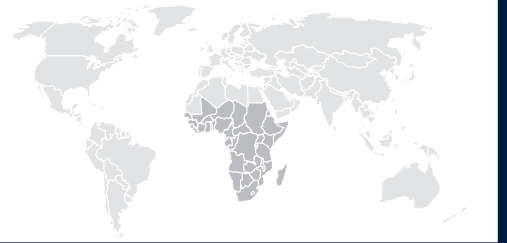
- ✘ **Ituri:** Armed militias continue to operate in eastern DR Congo's Ituri district where a conflict between Hema and Lendu ethnic groups remains unresolved, fuelled in part by neighbouring Uganda.

Uganda

- ✘ **Land and resettlement in the north:** Issues of ownership, control and protection of land in the Acholi region have taken centre stage at the peace talks between the Ugandan government and the LRA. With the possibility of 1.8 million internal refugees returning home, the parties should plan and implement a clear, consistent and practical land policy that will promote tenure security and productive land use.
- ✘ **Karamoja:** No region in Uganda receives less attention than the lawless, underdeveloped area of Karamoja where civil unrest prevails. Recent government attempts to forcibly disarm cattle-raiders enflamed tensions and led to serious human rights abuses.

Burundi

- ✘ **Transitional justice:** Burundi should make progress on setting up a non-judicial Truth and Reconciliation Commission to investigate ethnic conflict, and a judicial mechanism to help end the climate of impunity, particularly in the security service and armed forces.



Sudanese Liberation Army fighters from the Minni Minawi faction taking part in a military exercise - © Reuters/Zohra Bensemra



Sudanese refugees in eastern Chad - © Jonathan Foreman



Somali women during a protest rally in Mogadishu - © Reuters/Shabelle Media

Horn of Africa

The situation in **Sudan** worsened in 2006 as conflict continued in the western region of Darfur and the implementation of the 2005 north-south Comprehensive Peace Agreement (CPA) faced delays and disruptions. In May, the government and a rebel faction signed the Darfur Peace Agreement, but the deal failed to stem the fighting or halt the slide in humanitarian and security conditions on the ground. Increased violence spilled across Sudan's borders, with the presidents of **Chad** and **Central African Republic** accusing Khartoum of supporting rebel groups in a bid to unseat their governments. International efforts focused on overcoming Sudan's resistance to the deployment of a UN peacekeeping force to Darfur to take over from the under-funded African Union mission, but there was little progress primarily due to the international community's unwillingness to apply meaningful pressure on Khartoum. Meanwhile, violations of the CPA by the ruling National Congress Party led to growing tensions with the former insurgent SPLM. In eastern Sudan, the government and Eastern Front rebels signed a peace deal in October.

Following the takeover of Mogadishu in June by the newly formed Council of Somali Islamic Courts, the situation in **Somalia** degenerated into outright war between the Courts and the Transitional Federal Government (TFG) based in the town of Baidoa and backed by Ethiopia. An Ethiopian military offensive against the Courts at the end of December brought most of Somalia under the control of the TFG, but the risk remained of a return to insurgency or chaos.

Renewed political efforts failed to resolve the border dispute between **Ethiopia** and **Eritrea**. The dispute increasingly played out in Somalia, with Ethiopia and Eritrea providing direct support to the opposing sides in that conflict.

Crisis Group impact

Crisis Group's reporting and advocacy in 2006 continued to raise awareness and shape the international debate on Sudan's **Darfur** conflict. Our March report, *To Save Darfur*, warned of the rise of Khartoum-supported Chadian rebel groups and the spread of insecurity and called for deployment of a UN-led border monitoring mission and a stronger UN force in Darfur, calls which were echoed by the UN Security Council in Resolution 1706 in August. Our June report on the Darfur Peace Agreement, *Darfur's Fragile Peace*, accurately predicted many of the weaknesses in the deal that have contributed to the agreement's failure. In October, we called for the international community to change its approach to dealing with the Sudanese government by imposing targeted sanctions previously authorised by the UN on

"The latest report on Somalia is typical of your work: timely, authoritative and well researched. It is an essential source in my work."

Martin Plaut, Africa Editor, BBC World Service News, 11 August 2006

those responsible for atrocities in Darfur (Getting the UN into Darfur). These recommendations have been influential with a number of international diplomats as Khartoum continues to resist the deployment of a UN-led force.

Crisis Group also has contributed to the increasingly active grassroots movement in the U.S. working to end the Darfur conflict, through the public speaking campaign and media activities of our Washington-based Senior Adviser John Prendergast, and through the promotion of divestment by university and state pension funds from foreign companies doing business in **Sudan**, especially those in the oil and gas industry. In 2007 Crisis Group will work in partnership with the Center for American Progress on an advocacy project to prevent and respond to mass atrocities. The project is called ENOUGH. This project will initially focus on Darfur/Chad, DR Congo, and northern Uganda, and Crisis Group's field research will drive the policy prescriptions and advocacy work.

Crisis Group continued to be a leading voice in **Somalia** in 2006. Our August report, *Can the Somali Crisis Be Contained?*, helped contextualise and explain the rise of the Courts and their conflict with the TFG. In November, we issued a Conflict Risk Alert warning the international community that a proposed Security Council resolution authorising a regional peacekeeping mission could trigger full-scale war between the TFG and the Courts. Although the mission was eventually authorised, our advocacy sparked extensive media coverage and debate, leading to a more balanced resolution that excludes frontline state participation in any peacekeeping force.

Key issues for Crisis Group in 2007

Sudan

- ✘ **Reviving the political process:** Following the failure of the Darfur Peace Agreement, a new strategy is required to reinvigorate the political process. The key to a sustainable solution will be inclusiveness and participation of all stakeholders.
- ✘ **Security and the structures of violence:** With the humanitarian and security situations steadily deteriorating, it is more critical than ever to identify the actors and root causes behind the violence and develop a corresponding strategy to improve civilian protection.
- ✘ **Darfur-Darfur Dialogue:** The Darfur-Darfur dialogue, addressing issues such as land, grazing rights and local governance, is essential for the rebuilding of the social fabric of the region and the success of any peace agreement reached by the belligerents.

- ✘ **CPA update and the 2009 elections:** Serious obstacles to the CPA's implementation remain, including Abyei, security sector reform, oil and the demarcation of north-south borders. International attention is critical to galvanise progress in these areas, and to prepare now for the 2009 elections including the issue of internally displaced voters.

Somalia

- ✘ **Peace prospects:** The TFG remains extremely fragile, despite its Ethiopia-backed military victory in December. Stability will depend on an inclusive political process that engages moderate elements of the Courts and moves quickly to establish a national unity government.

Ethiopia/Eritrea

- ✘ **The Alliance for Freedom and Democracy:** The newly formed AFD opposition grouping could have important implications for the political and security situation in Ethiopia.

Southern Africa

2006 saw little progress in resolving **Zimbabwe's** crisis, as President Robert Mugabe continued to preside over an economy in freefall. A split in the opposition Movement for Democratic Change (MDC) reduced pressure for reform, but there were early signs of dissent within the ruling ZANU-PF party, which in December declined to extend Mugabe's term beyond its March 2008 expiry. **South Africa** continued to play a vital role supporting African peace initiatives, including those of the African Union and UN, but had little impact on the crisis in neighbouring Zimbabwe.

Angola made advances in its electoral and constitutional reform agenda ahead of scheduled September 2007 elections. Peace prospects in the oil-rich province of Cabinda appeared bright as the government started negotiations on revenue sharing and the autonomy issue. A new constitution for **Swaziland** entrenched the powers and privileges of the country's absolute monarch, King Mswati III, increasing popular frustration and the potential for political violence.

Crisis Group impact

Crisis Group's reporting and advocacy on **Zimbabwe** helped keep the six-year-old crisis in the spotlight in 2006, and became increasingly influential with leading figures – both government and opposition – within Zimbabwe as well as policy-makers in South Africa and the regional Southern African Development Community. We played a significant role in urging the reunification of Zimbabwean opposition forces, as recommended in our August report, *Zimbabwe: An Opposition Strategy*, holding several meetings with the leadership of the two factions of the MDC. These efforts led the factions to set up formal committees in November to discuss terms and conditions of reunification. Crisis Group also maintained close contact with key players within the ZANU-PF. Ahead of the party's December annual conference, we lobbied successfully against the adoption of a resolution seeking the extension of President Robert Mugabe's term until 2010 through an amendment to the constitution.

Our engagement and advocacy with **South Africa's** government intensified in 2006. We held meetings with President Thabo Mbeki's office and addressed parliament and the African National Congress party, urging South Africa to use its leverage to help expedite reform in Zimbabwe.

Key issues for Crisis Group in 2007

Zimbabwe

- ✘ **The post-Mugabe transition:** With serious political maneuvering building in anticipation of Mugabe's eventual departure, both within the ruling ZANU-PF and the opposition MDC, the options available need close and continuing analysis.
- ✘ **The continuing economic crisis:** The plunging economy has created a humanitarian crisis affecting large swathes of the population, including those internally displaced by Operation Murambatsvina in 2005. The crisis is linked to poor governance, and its detrimental effect on state security is increasing.

South Africa

- ✘ **South Africa as peacemaker?** In the face of continuing conflict, autocracy and instability across much of Africa, South Africa needs to step up its peacemaking efforts, increase its role in regional UN missions and enhance the capacity of the African Union.

Crisis Group in Africa...



West Africa

In **Côte d'Ivoire**, President Laurent Gbagbo and his Forces Nouvelles opponents continued to play a dangerous game of brinkmanship, paralysing the peace process and obstructing efforts of Prime Minister Charles Konan Banny to disarm the belligerents and organise presidential elections. Although in November the UN Security Council authorised a new extension to the transition period, by year-end there was little sign of progress. 2006 saw continuing uncertainty

about **Guinea's** future, with President Lansana Conté's health steadily deteriorating and a steep economic decline giving rise to unprecedented strikes and demonstrations.

Liberia and **Sierra Leone** took further steps toward post-conflict stability in 2006. Ellen Johnson-Sirleaf was inaugurated as president of Liberia in January, ending the post-war transition period, while the UN peacekeeping mission in Sierra Leone was replaced with a UN Integrated Office charged with helping to consolidate peace, promote development and protect human rights.

Nigeria began preparing for presidential and parliamentary elections scheduled for April 2007 amid rising political tensions. In May, the Senate voted down a constitutional amendment bill that would have allowed President Obasanjo to stand for a third term, while controversy surrounded a series of impeachments against incumbent governors on charges of corruption and political ineptitude. Violence increased in the energy-rich Niger Delta region as militants stepped up attacks against oil installations in a bid for a greater share of revenues.



Militants patrol the creeks of Nigeria's Niger Delta region - © Reuters/George Esiri

Protesters in Conakry during the general strike - © AFP/Georges Gobet



Surveying the UN presence outside Monrovia - © Reuters/Christopher Herwig



Crisis Group impact

Crisis Group reporting on **Côte d'Ivoire**, and in particular our emphasis on the bad faith of the parties to the conflict and their strategic use of violence, was a factor in generating agreement among UN Security Council members in February to enact targeted sanctions against spoilers of the peace process. Our September report, *Côte d'Ivoire: Stepping up the Pressure*, and subsequent advocacy with members of the Security Council helped shape Resolution 1721 adopted in November, which incorporated our main recommendations on reinforcing the powers of the prime minister and strengthening the mandate of the UN high representative for elections. The International Working Group on Côte d'Ivoire took up our recommendation for a transparent and internationally-monitored national ID register, first proposed in our October 2005 report, *Côte d'Ivoire: Halfway Measures Will Not Suffice*, and the process of establishing an ID system began in July.

Our reporting on **Guinea** (*Guinea in Transition*, April, following a major report in 2005) has been highly influential within Guinean political circles and among EU and ECOWAS policy-makers. We helped to persuade the EU to play a leading role in the technical preparations for 2007 legislative elections, including by funding photographic voter identity cards.

Crisis Group extended its analyst coverage to **Nigeria** in 2006, and issued four well-received reports providing detailed background and documenting unrest in the Niger Delta and instability in the country's political system (*Nigeria: Want in the Midst of Plenty*, July; *The Swamps of Insurgency: Nigeria's Delta Unrest*, August; *Fuelling the Niger Delta Crisis*, September; and *Nigeria's Faltering Federal Experiment*, October).

Key issues for Crisis Group in 2007

Côte d'Ivoire

- ✘ **Peace process update:** If the peace process is to be revived in 2007, the challenges to be addressed will include disarming the Forces Nouvelles, dismantling the pro-government militias, organising elections and reforming the constitution, all requiring close engagement by the international community.

Liberia

- ✘ **Liberia one year on:** Under President Ellen Johnson-Sirleaf, how is the country faring in areas such as governance and reform of the economic and security sectors?

Sierra Leone

- ✘ **The reform agenda:** What should the priorities be in the areas of governance and security sector reform in the lead up to the country's July general elections?

Nigeria

- ✘ **The 2007 elections:** Landmark presidential and parliamentary elections are scheduled for April 2007. Domestic and international attention will be needed to prevent violent escalation around the polls and to ensure orderly and credible succession.



Demonstration in Bishkek, Kyrgyzstan - © Reuters/Vladimir Pirogov

2006 saw striking developments across Asia, including the restoration of democratic government in Nepal, a military coup in Thailand, the death of autocratic President Niyazov in Turkmenistan and the first elections in Aceh's peace process. Afghanistan continued to struggle against a resilient insurgency, while Sri Lanka's peace process fell apart and combat escalated. A nuclear test in North Korea sharply concentrated international attention on the need for diplomatic progress.

Central Asia

Some fifteen years after independence, the five Central Asian states all faced serious problems with political succession and governance. The death of **Turkmenistan's** President Saparmurat Niyazov in December raised concerns of instability in this vital energy-producing state, which supplies a large share of Russia's gas. Niyazov's cult of personality left little room for potential successors to develop, and his death poses weighty questions for the country's future. **Kyrgyzstan** continued to confront considerable unrest since its long-standing leader Askar Akayev was toppled in 2005. Divisions between the north and south have hardened, and tension between President Kurmanbek Bakiyev and his political opponents remains high.

Kazakhstan's boom on the back of rising oil prices in 2006 insulated it from some of the problems faced by other Central Asian states, but concerns are growing about long-term political stability and succession due to corruption and inequality. **Uzbekistan** also saw some growth last year due to rising commodity prices, but its economy is still dominated by a rapacious elite that has done nothing to share the wealth. Instead it has taken the country down an increasingly repressive path, failing to investigate the 2005 Andijon massacre, stifling all opposition, isolating the country regionally, and relying heavily on patrons in Moscow. **Tajikistan's** civil war is nearly a decade past, yet 2006 saw a disappointing record on democratisation and economic reform, with drugs playing an even greater role in the highly vulnerable economy.

Crisis Group impact

In 2006, Crisis Group successfully convinced members of the European Parliament to look more closely at political and human rights in **Turkmenistan** before offering Ashgabat a new trade deal. Our November report on **Uzbekistan**, *Uzbekistan: Europe's Sanctions Matter*, issued just ahead of a decision to renew EU sanctions, urged European leaders to maintain pressure on the country until it properly investigates the Andijon massacre. The approach in these two very closed countries has been to produce a steady flow of information about conditions on the ground and to develop long-term recommendations to reduce risks of conflict.

Our August report on the security implications of the broken-down prison system in **Kyrgyzstan** (*Kyrgyzstan's Prison System Nightmare*) led to government promises to improve prison conditions and to a number of donors expanding assistance for judicial and prison reform in Central Asia in general. Our November briefing paper, *Kyrgyzstan on the Edge*, also alerted the international community to the risks of conflict surrounding protests over the new constitution.

Key issues for Crisis Group in 2007

- ✘ **Energy in Central Asia:** The region is a critical producer of gas and oil, and Europe and China are increasingly looking to it to secure energy sources. But if problems of governance and corruption are not addressed, they likely will reduce the benefits enjoyed by Central Asians and raise international tensions over energy issues.
- ✘ **Judicial reform in Central Asia:** The region still suffers from a heavy legacy of Soviet dominance when it comes to the rule of law. Lacking legal mechanisms to resolve disputes and afflicted by top-to-bottom corruption, even those countries that have made progress economically have lagged in terms of developing legal systems. The international community's continued attention to rule of law issues will be essential.
- ✘ **Extremism in Central Asia:** Islamist groups have been subject to intense repression in Central Asia where governments have used them as an excuse to maintain authoritarian rule. The focus should be on ways to balance responses to security threats with the need to open up channels of trade and communication.



North East Asia

A nuclear test by **North Korea** in October provoked a unified response from the international community with the UN Security Council imposing sanctions and demanding that Pyongyang dismantle its weapons program. Five months later, a breakthrough agreement at the six-party talks in Beijing promised aid to Pyongyang and likely easing of sanctions in return for shutting of the Yongbyon nuclear reactor. **South Korea** has maintained a policy of engagement despite the provocation of the test while **Japan** had taken a much tougher line.

Shinzo Abe's appointment as prime minister in Japan opened the door to improved relations with **China** after years of strain over visits to a shrine honouring Japanese war dead. At the same time, Japan's concerns about North Korea and regional security are likely to cause it to move away from its pacifist constitution.

Relations between **Taiwan** and China remained calm but showed no progress. Alongside its expansion in the global economy, China in 2006 saw a growing diplomatic role and increased influence around the world, particularly in Africa and the Middle East.

Crisis Group impact

The most concrete example of Crisis Group's impact in North East Asia came with the release of a briefing paper examining the implications of **North Korea's** August missile launch attempt (After North Korea's Missile Launch: Are the Nuclear Talks Dead?). The paper challenged the logic behind the South's decision to suspend humanitarian aid to the North in the wake of the missile test. It received widespread coverage in the Korean and regional press, and within two weeks, **South Korea** responded by reversing its policy stance and announcing that it was de-linking humanitarian assistance and security/political concerns.

Key issues for Crisis Group in 2007

North Korea

- ✘ **North Korea's nuclear program:** Apparent diplomatic breakthroughs early in 2007, involving both bilateral and six-party talks, remain to be consolidated. A long road of negotiation and implementation lies ahead before international demands for complete disarmament and intrusive verification are satisfied.
- ✘ **Humanitarian issues in North Korea:** Notwithstanding the dominance of the nuclear issue, humanitarian issues continue to loom large and pose serious risks for regional stability.

China

- ✘ **Energy and China:** Consumption of energy has soared in China provoking concerns about policies in the region and further afield. Is China's increasing thirst for energy raising conflict risks?

"The International Crisis Group has produced some superb work over the past year or so, simply the best around."

David Gardner, International Affairs Writer, Financial Times, 4 August 2006

Crisis Group in Asia...



Sri Lankan LTTE guerrilla near the rebel front - © AFP/Lakruwan Wanniarachchi



Nepali riot policeman carrying wounded pro-democracy activist during demonstration in Kathmandu - © Reuters/Adrees Latif

South Asia

Afghanistan faced its most difficult year since the overthrow of the Taliban. Despite starting 2006 with the signing of the Afghan Compact that laid out international support for the government, Kabul's authority weakened in the face of attacks by the Taliban, worsening corruption and the corrosive force of drugs. Although the country now has a full array of democratic state institutions, these have been undermined or underused: too many Afghans are still ruled by the force of arms rather than the rule of law. **Pakistan's** role in Afghanistan in 2006 highlighted how military governments have used jihadi groups to serve their foreign and domestic agendas. Controversial agreements with Taliban groups along the frontier have raised questions about the Pakistani military's commitment to deal with extremism. The conflict in Balochistan worsened last year with the killing of one of the key figures in the province. Relations with India remained calm but fragile; there was little progress on **Kashmir**.

Nepal saw dramatic political shifts in 2006. A popular uprising in April led to the restoration of democratic government and the parliament. The ruling alliance moved swiftly to limit the powers of King Gyanendra and began talks with Maoist insurgents. A peace agreement reached in November opened the door for the Maoists to renounce armed struggle and join mainstream politics. The country faces many challenges, but a peace process backed by popular support and free of many outside pressures proved flexible enough to end a decade-old civil war. **Sri Lanka** saw its peace process unravel in 2006 with violence between the Tamil Tigers and the government leaving more than 3,000 dead and displacing more than 200,000. Norway struggled to keep peace talks going, but the process

showed few signs of life by the end of the year and political positions in Colombo had hardened. In **Bangladesh**, there was a crackdown on Islamist violence, which tamed some of the more extreme elements, but the country's mainstream politics turned deadly ahead of elections initially scheduled for January 2007.

Crisis Group impact

Crisis Group's reports and advocacy regarding **Afghanistan** in 2006 influenced important political and military policies. Our November report on the worsening insurgency, *Countering Afghanistan's Insurgency: No Quick Fixes*, served as the reference for discussion at the NATO summit in Latvia in November where several members pushed for the adoption of many of its recommendations. *Afghanistan's New Legislature: Making Democracy Work* (May) provided an in-depth analysis of the National Assembly's potential for stabilising the country that became the primary reader on the subject and helped mould the policies of influential international actors.

High-level advocacy by Crisis Group – including meetings with U.S. Congressmen, workshops at the Aspen Institute's Congressional Program, briefings to senior U.S. officials and presentations at the Council of Foreign Relations in New York – helped to inform key U.S. decision-makers of threats posed by military rule in **Pakistan** to national, regional and global security. Following the publication in December of Crisis Group's report on Pakistan's border areas (*Pakistan's Tribal Areas: Appeasing the Militants*), U.S. officials including Intelligence Chief John Negroponte publicly voiced their concerns for the first time, admitting that the military's appeasement policies had helped the Taliban and their Pakistani allies to consolidate their hold over Pakistan's tribal belt, using it to conduct cross-border attacks into **Afghanistan**.

In addition, Crisis Group's warnings about the role of jihadi groups in humanitarian relief efforts in the aftermath of the October 2005 earthquake (Pakistan: *Political Impact of the Earthquake, March*) proved correct, with the U.S. placing one of the most prominent groups, the Lashkar-e-Tayyaba, on its terror list.

In **Kashmir**, the warning in our June report, *India, Pakistan and Kashmir: Stabilising a Cold Peace*, about the likely impact of a major terror attack proved unfortunately prescient as India halted talks with Pakistan on Kashmir following the 11 July 2006 bombings in Mumbai. After the report's release, advocacy focused on the need for donors to press the Musharraf government to end material support for militancy in Kashmir and clamp down on jihadi organisations.

Crisis Group's analysis of the April people's movement in **Nepal** emerged in two timely reports: an immediate briefing paper as protests began spelling out how the international community could help resolve the crisis (*Nepal's Crisis: Mobilising International Influence*), and a detailed report three weeks later assessing the fallout (*Nepal: From People Power to Peace?*). Crisis Group subsequently provided briefings for the UN assessment team leader, the European Parliament and several prominent international NGOs, among others.

Key issues for Crisis Group in 2007

Afghanistan

- ✘ **Insurgency in Afghanistan:** New energy must be devoted to disbanding illegal armed groups and improving the country's policing in a year in which the Taliban have promised yet more violence to undermine the weak state in Kabul.

Pakistan

- ✘ **Democracy in Pakistan:** Pakistan faces a crucial year in determining whether it moves towards democracy in planned 2007 elections, which could have a significant impact on conflicts in Afghanistan, Kashmir and Balochistan.

Sri Lanka

- ✘ **Peace in Sri Lanka:** The escalation in conflict has been marked by grave human rights abuses on both sides; international participation in human rights monitoring is needed. There needs to be a review of the whole security sector, and Colombo's counter-insurgency tactics, if further civilian losses are to be minimised.

Nepal

- ✘ **Peace in Nepal:** Nepal is facing a contentious year of political debates over the shape of its constitution and a twin process of demobilising Maoist fighters and restructuring the state's security sector. The Constituent Assembly due to be elected in June 2007 will need to reshape the country's political life while better responding to the political needs of Nepal's rural constituents.



Crisis Group in

Asia...



South East Asia

There was no major terrorist attack in 2006 to mar **Indonesia's** gradual return to stability, while improved policing and commitments to conflict resolution helped reduce the risks. Successful elections in Aceh took the peace agreement a step forward. Despite some problems with disarmament and reconstruction after the tsunami, the process has gone remarkably smoothly. Peace in Papua has been more elusive with further clashes during the year and few steps forward to tackle the issues of autonomy and governance.

Thailand had a year of political upheavals as mass protests challenged election results and Thaksin Shinawatra was ousted in the first military coup in seventeen years. Thaksin's policies had enflamed violence in the Muslim south and his removal from power opened up opportunities for a new approach. Bombings and killings continued throughout the year, culminating in a series of attacks in Bangkok on New Year's Eve. **Myanmar's** military rulers showed no signs of meeting international demands for political changes, consolidating their grip on power in a new and isolated capital and waging increasingly violent campaigns against ethnic minorities.

The seven-year-old peace in **Timor-Leste** showed its fragility in 2006. Violence erupted in the capital in April and May as an east-west regional split escalated into clashes between the police and the military forcing many to flee to the hills. International forces restored calm and a new prime minister took over, but tensions persisted.

Crisis Group impact

In 2006, Crisis Group continued to provide the most widely referenced source of analysis on the threat posed by extremist groups in South East Asia, and the wider phenomenon of radical Islam, with intelligence communities in **Indonesia** and beyond relying heavily on Crisis Group materials. An Australian officer at SESKOAD, the Indonesian officer training school in Bandung, told Crisis Group that its reports were routinely used in classes there. Elsewhere, every report issued by the South East Asia project is immediately translated into Japanese and French.

Crisis Group's March report, *Papua: The Dangers of Shutting Down Dialogue*, was widely praised inside and outside the province as the only detailed analysis of local politics available at a time of crisis both in Papua and in Australian-Indonesian relations. A follow-up report presenting answers to the many questions about the situation there was widely used to press for greater government openness in the province.

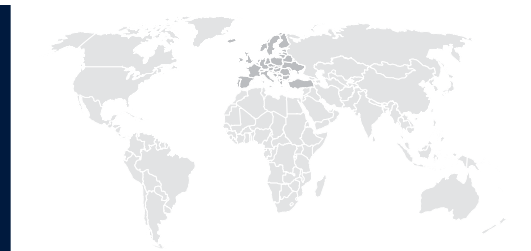
Crisis Group's May report on border tensions between Indonesia and **Timor-Leste**, *Managing Tensions on the Timor-Leste/Indonesia Border*, was referenced during discussions at the UN Security Council, and its analysis used to assuage fears held by some in the Council that Indonesia would try and exploit the April/May crisis in the country.

Key issues for Crisis Group in 2007

- ✘ **Aceh:** The peace process in Aceh will still need time to solidify, while the election of former GAM commander Irwandi Yusuf will bring both challenges and opportunities for governance in the region.
- ✘ **Papua:** GAM's electoral success in Aceh may increase the reluctance of politicians in Jakarta to allow Papuan nationalists formal political representation as the roots of violence in the eastern province continue to lie unaddressed.
- ✘ **Southern Thailand:** The insurgency in the south of Thailand remains a concern as the government in Bangkok fails to reduce political tensions. If recent steps taken by the new government fail to yield progress, the danger remains that the leadership will take a less conciliatory approach.
- ✘ **Timor-Leste:** Elections called for April could be a flashpoint in Timor-Leste where many of the problems that grew under Indonesian occupation have yet to be resolved, while the country's fledgling security sector will have to be reformed and further developed from an agent of instability into a guarantor of security.



East Timorese soldiers who were dismissed from the armed forces protest in Dili - © Reuters/Lirio da Fonseca



2006 saw little progress in the Balkans. Kosovo's final status negotiations edged forward despite intransigence on both sides and increasingly popular nationalist sentiment in Belgrade. A peaceful transition to independence for Montenegro was overshadowed by stalled reforms in Bosnia and Herzegovina. In the South Caucasus, improved EU attention failed to move the region's frozen conflicts toward resolution, not helped by worsening relations between Moscow and Tbilisi.

Balkans

Kosovo final status negotiations dominated the year. From February, UN envoy Martti Ahtisaari (former Finnish president and Crisis Group Chairman Emeritus) moderated talks between Kosovo Albanian and Serbian politicians in which neither side moved from their positions on the main question – should Kosovo be independent or not.

In September, the six-nation Contact Group mandated Ahtisaari to draw up a settlement proposal. Presentation of the proposal was delayed from late 2006 so as not to interfere with the 21 January 2007 Serbian parliamentary elections; it was released in early February, and amounts to supervised independence with an international mission mandated to ensure implementation of the settlement.

After consultations with Belgrade and Pristina, the western members of the Contact Group aim to secure UN Security Council approval for the proposed settlement within the first half of 2007. Russia's increasingly vocal opposition to imposing a settlement without **Serbia's** consent and its insistence on linking Kosovo's outcome to frozen conflicts in Moldova and Georgia may frustrate this timetable.

Within Kosovo, President Rugova's death on 21 January 2006 sparked a leadership election within his LDK party that was marred by violent incidents and led to the party's split in January 2007.

Brussels suspended association talks with Belgrade in May after continued failure to cooperate with the Hague Tribunal. Prime Minister Kostunica

"Free Kosova", Kosovska Mitrovica - © Reuters/Hazir Reka



continued to appoint Milosevic loyalists to government posts and rushed adoption of a new constitution in October declaring Kosovo an integral part of Serbia. In November, NATO accepted Serbia into its Partnership for Peace, along with Montenegro and Bosnia.

Montenegro and Serbia peacefully parted ways following a May independence referendum in Montenegro and a June declaration of independence. **Bosnia and Herzegovina** moved backwards during the year as constitutional and police reforms failed. Polarised political debate in the run-up to October elections saw Republika Srpska (RS) Prime Minister Dodik threaten an independence referendum and both he and Serbia call for linkage between RS and Kosovo. In **Macedonia**, the largest Albanian party (DUI) was excluded from the governing coalition after July elections, leading DUI to boycott parliament in protest and tensions between the parties.

Crisis Group impact

Crisis Group's reporting on the unfolding **Kosovo** status process has provided an indispensable guide for policy-makers and media alike, and has helped maintain a necessary sense of urgency.

Kosovo: The Challenge of Transition (February) argued that Ahtisaari and the international community should favour an imposed independence package, rather than attempt to finesse Pristina and Belgrade's differences with an ambiguous or deferred solution. Kosovo Status: Delay is Risky (November) outlined the settlement likely to result both from the Vienna negotiations and Contact Group and EU decisions. It advocated no more delays in presentation of Ahtisaari's package, and prompt support for it in the UN Security Council. Kosovo's Status: Difficult Months Ahead (December) examined dynamics in the UN Security Council and highlighted the need for EU unity behind supervised independence for Kosovo.

Although Kosovo Albanians greeted coldly Crisis Group's report Bridging Kosovo's Mitrovica Divide upon its original publication in September 2005, they eventually adopted its proposals for a new Serb-majority municipality in north Mitrovica as their own in the Vienna talks; Ahtisaari endorsed it in his package.

Crisis Group's An Army for Kosovo? (July) argued that independent Kosovo should have a small, NATO-trained, lightly equipped army, as a necessary entry ticket to regional and international security networks, a factor to stabilize its statehood and prevent a re-emergence of unofficial paramilitary forces. The report got a muted and, in places, even favourable reaction in Serbia. The western members of the Contact Group, NATO and Ahtisaari appear to have adopted its conclusions.

The publication of a report on **Montenegro's** successful independence referendum (Montenegro's Referendum, May) outlined the consequences of a new independent state for the Balkans and its effect on Kosovo status, regional stability and relations with **Serbia**. Crisis Group revisited Serbia's ethnic Albanian Presevo Valley in a third report that catalogued the progress made thus far in implementing the peace arrangement with Albanian guerrilla forces (Southern Serbia: In Kosovo's Shadow, June). Several recommendations were used by international NGOs and the Serbian government in fine-tuning their programs for the region. Crisis Group was the only organisation to offer an in-depth analysis of Serbia's new constitution (Serbia's New Constitution: Democracy Going Backwards, November), including the massive voter fraud that (with some international complicity) took place to ensure passage.



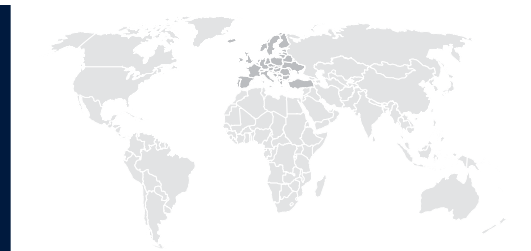
Montenegrin pro-independence supporter in Cetinje - © Reuters/Stevo Vasiljevic

Macedonia's hesitant transition was examined following its acceptance as an EU candidate (Macedonia: Wobbling toward Europe, January). The report provided the international community with detailed insights into the fragile development of democracy under the Ohrid Agreement and the potential pitfalls and consequent need for continued international engagement.

Key issues for Crisis Group in 2007

- ✦ **Kosovo's final status:** The final status process will be the focus of Crisis Group's reporting. Depending on the outcome of the process, Crisis Group will examine the challenges that lie ahead for the consolidation of what will be, inevitably, a weak and divided new state. The future of Serb majority areas will be carefully monitored.
- ✦ **Kosovo: Post-status international presence:** Fine-tuning the shape, mandate and implementation of the post-status international presence will be vital to long-term stability. Key considerations, with the Bosnian precedent in mind, are whether the Office of the High Representative should continue and the intrusive "Bonn powers" be maintained.
- ✦ **Serbia's Kosovo policy:** Crisis Group will closely monitor Serbia's response to the final status process, including the likelihood of it continuing to work toward a partition of Kosovo.
- ✦ **Serbia's Radicalisation:** As a decision on Kosovo's future status draws closer, the position of the Serbian Radical Party (SRS) is increasingly growing in popularity and becoming an international concern.
- ✦ **Serbia's regions:** Building on previous reports on the Presevo Valley and Sandzak regions, Crisis Group will examine the prospects for the autonomous province of Vojvodina.

Crisis Group in Europe...



Caucasus

2006 saw relations between **Georgia** and Russia deteriorate, reaching a low-point with Georgia's detention of four Russian officers for espionage in September and Moscow's imposition of harsh political and economic penalties. Tensions centered around Russian involvement in South Ossetia, where little progress was made to end the dispute between Tbilisi and breakaway authorities, who called internationally unrecognised elections and an independence referendum in October. The Georgian-Abkhaz conflict saw some steps by both sides to increase dialogue, but low-level violence continued, especially after a July Georgian-led special operation in the Kodori Valley.

In **Azerbaijan** and **Armenia** independent media and the opposition appealed against violence, intimidation and official pressure. In Azerbaijan this culminated in the closure of the largest television and radio broadcaster in November and December. Local election re-runs in October, boycotted by the opposition, revealed continuing serious irregularities in the electoral process.

Resolution of the **Nagorno-Karabakh** conflict proved elusive in 2006. Nevertheless, Armenia and Azerbaijan continued to search for a solution acceptable to both sides under the remit of OSCE Minsk group mediators. There were further casualties around the ceasefire line. De facto authorities held a constitutional referendum in December, dismissed as illegitimate internationally.

Crisis Group impact

OSCE Minsk Group negotiations on **Nagorno-Karabakh** moved closer to the comprehensive agreement recommended by Crisis Group in 2005. In closed talks, the withdrawal from all occupied territories around Nagorno-Karabakh, and the organisation of a status referendum were discussed. EU Special Representative for the South Caucasus Peter Semneby continued to increase his role in the region in 2006 as recommended in Conflict Resolution in the South Caucasus: the EU's role (March), and advocated by regular Crisis Group meetings with the EUSR and his staff. The EU raised the Georgian-South Ossetian and Georgian-Abkhazia conflicts at EU-Russia summits and other high level forums in 2006.

After the publication of the March report, Georgian President Saakashvili requested a meeting with Crisis Group Caucasus Project staff where he thanked Crisis Group for the report's recommendations and requested additional suggestions on how to move forward on conflict resolution.

Two reports on the Georgia-Abkhazia conflict (September 2006 and January 2007) argued that a comprehensive peace settlement is unlikely in the short term. But the UN, EU and diplomatic missions in Tbilisi agreed with the reports' conclusions that economic cooperation and confidence building is urgently needed. In 2007 the EU plans to step up its confidence building activities in Abkhazia and South Ossetia.

Key issues for Crisis Group in 2007

Georgia

- ✘ **Georgia's conflicts:** Crisis Group will continue to monitor tensions in South Ossetia and Abkhazia, particularly developments in the Kodori and Gali regions, as well as the role of Tbilisi-backed authorities operating in South Ossetia and Abkhazia.
- ✘ **Relations with Russia:** Relations between Georgia and Russia have become increasingly strained, particularly following moves by Tbilisi to change South Ossetia and Abkhazia peacekeeping and negotiation formats. In 2006, Russia banned Georgian exports and closed transport links. Crisis Group will examine the effect of these moves and what can be done to promote a more stable security relationship between Tbilisi and Moscow.

Nagorno-Karabakh

- ✘ **Nagorno-Karabakh update:** With chances of a comprehensive resolution fading, Crisis Group will examine the Minsk Group negotiation process and the sides' interests to reach a compromise peace deal, to suggest ways to increase the possibility of success.



Independence referendum and presidential election in Tskhinvali, South Ossetia. - © Reuters/Alexander Natruskin

Moldova

Settlement of the Transnistria dispute in **Moldova** remained elusive as breakaway authorities withdrew from peace talks in the spring, and OSCE efforts to resume them failed. In September, de facto authorities held a referendum on independence, and eventual unification with Russia, claiming the backing of much of the population. Moldova, the EU, U.S. and OSCE dismissed the vote, but Russia described it as an expression of Transdnistrians' popular will.

Crisis Group analyzed the situation in Chisinau and Transnistria in Moldova's Uncertain Future (August), on the eve of Moldova becoming an EU neighbour. Examining recent initiatives by the EU and Ukraine to help curb smuggling along the Moldova-Ukraine frontier and regulate Transdnistriean exports, the report argues that neither has significantly altered the balance of forces in the separatist dispute. Crisis Group maintained that the best chance for moving toward a sustainable settlement is wide-ranging confidence-building measures and convincing the Transdnistriean business community that cooperating with Moldova is in its own interests.

Turkey / Cyprus

In relation to the deadlocked **Cyprus** conflict, which continues to have a wider impact including on the progress of **Turkey's** accession negotiations with the EU, Crisis Group's The Cyprus Stalemate: What Next? (March) generated much debate on both sides of the Green Line and beyond. Subsequent unilateral steps taken by the Turkish Cypriots were in accordance with a central recommendation that both sides move unilaterally to achieve progress on deadlocked issues.

Turkey's geopolitical importance was reflected in a year of high-profile and tortuous negotiations on EU accession. Threats to the country's internal stability and security, both with the Kurdish issue and internal tensions between secularists and Islamists, further complicate the outlook for 2007. A new Crisis Group project is being established within the Europe program and will become operational in early 2007, with the opening of an office in Istanbul. The project will focus in the first instance on Turkey's roles in relation to Cyprus and – in the context of Kurdish issues – Iraq.



Protest calling for press freedom in Baku, Azerbaijan - © Reuters/Jeyhun Abdullia



Ethnic Albanians under posters inviting people to vote in the southern Serbian town of Presevo - © Reuters/Damir Sagolj



2006 saw persistent tensions in Bolivia and a worrying concentration of state power in Venezuelan President Hugo Chavez. Haiti struggled to consolidate its successful elections amid continuing insecurity, while Colombia's civil war continued.



Venezuelan President Hugo Chavez in Caracas - © AFP/Juan Barreto

Colombia / Andes

Colombians gave President Alvaro Uribe a major vote of confidence in 2006, reelecting him for a second term in May and granting his parliamentary supporters a majority in both houses of Congress. In August, the demobilisation of 31,700 members of the paramilitary United Self-Defence Forces of Colombia (AUC) was officially completed, and in December, the first of some 2,600 demobilised paramilitaries to be prosecuted under the country's Justice and Peace Law (JPL) faced trial. The country's armed forces continued to clash with the insurgent FARC and ELN paramilitaries but with no strategic breakthrough, while three rounds of preliminary talks in Cuba between the government and the ELN failed to lead to full-fledged peace negotiations.

During its first year in power, the **Bolivian** government led by Evo Morales nationalised the hydrocarbon sector, held a referendum on regional autonomy and established a Constituent Assembly. By year-end, however, tensions over these issues between the central government and the regions, particularly the eastern lowlands, reached a dangerous high, with several deaths and hundreds injured in protests. In **Venezuela**, President Hugo Chavez was reelected for a second six-year term, but his increasing hold over all levers of state power and support for non-official armed structures increased cause for concern. Chavez's brand of Bolivarian socialism gained further ground in the region with the election in **Ecuador** of left-wing candidate and Chavez ally, Rafael Correa.

Crisis Group impact

In **Colombia**, the Uribe administration's creation in September of a high counsellor for reintegration of ex-combatants came only months after the publication of a Crisis Group report highlighting the need for such an office to remedy serious shortcomings of the government's reintegration policy (Colombia: Toward Peace and Justice?, March). Bogotá also adopted Crisis Group recommendations to make victim participation in the implementation of the JPL a priority and to increase law enforcement action against both demobilised and still-active paramilitaries and their sponsors.

Shortly after the launch of a second policy report (Uribe's Re-election: Can the EU Help Colombia Achieve a More Balanced Peace Strategy?, June), the reelected Uribe administration began moving toward the establishment of talks on a hostage/prisoner swap with the FARC and continued its rapprochement with the ELN, two central elements of the recommended three-tier peace and development strategy. The German government also has expressed great interest in its recommendations to the G-24. A policy briefing in October (Tougher Challenges Ahead for Colombia's Uribe) helped inform public opinion on the key issues the government must address during the coming four years if peace is to be achieved.

In **Bolivia**, Crisis Group sought to draw attention to the dangers entailed in the sweeping socio-economic and political reforms pursued by the government of Evo Morales. In Bolivia's Rocky Road to Reforms (July), we explained how increased international cooperation could help Bolivia overcome widespread poverty and social exclusion within a reform process capable of maintaining stability. The report was launched one day after the Constituent Assembly was elected, ensuring ample media coverage and helping worried European investors and international public opinion to gain a better understanding of Bolivia's political process.

Key issues for Crisis Group in 2007

Colombia

- ✘ **Reinsertion of demobilised paramilitaries and guerrillas:** The government's key challenge is to achieve the effective reinsertion of former combatants, and substantially reduce the risk of them reentering drug trafficking and criminal networks.
- ✘ **Negotiations with the ELN and FARC:** The year-old preliminary talks with the ELN need to be promoted to formal peace negotiations by the Uribe administration, and ELN should be demobilised and reinserted into civilian life as a whole to avoid its absorption into FARC or organised crime.
- ✘ **Counter-narcotics policy throughout the Andean region:** A review of the fight against drug trafficking throughout the region is needed and new developments should be monitored closely.

Bolivia

- ✘ **The Constituent Assembly and autonomy referendum:** The future stability of Bolivia hinges upon the successful completion of the Constituent Assembly and a regional autonomy referendum by mid-2007. President Morales' MAS party and the opposition should work together to ensure the goals of these twin processes are realised peacefully.

Venezuela

- ✘ **Chavez's reelection and Bolivarian foreign policy:** The landslide reelection of Hugo Chavez paved the way for the consolidation of his political regime and a Bolivarian revolution, including its possible export to regional neighbours.

Ecuador

- ✘ **Rafael Correa's new administration:** Ecuador's new president faces difficulties in realising the deep institutional reforms he seeks to implement. Whether he will be able to mend relations between different branches of government and establish the Constituent Assembly as an effective forum remains to be seen.

Haiti

Haiti's February presidential and parliamentary elections succeeded despite logistical problems. There was little violence, turnout was high, and the results reflected the general will. President René Prével's inauguration in May opened a crucial window of opportunity for Haiti to move beyond political polarisation, crime and economic decline. Together with the support of the international community, Haiti engaged on a new path of reforms in key sectors presented at a donor conference in July. Security remains the core challenge. Gang violence and transnational organised crime still undermine the country's stability.

Crisis Group impact

Crisis Group's advocacy in 2006 focused on the key priorities for the new leadership (Haiti after the Elections: Challenges for Prével's First 100 Days, May) by underlining the need for political cohesion, security and judicial reform, and economic renewal. A July donor conference yielded new commitments to support the Prével government. Police reforms, accompanied by UNPOL (vetting, equipment and training) were relaunched in 2006, reflecting our 2005 recommendations. Generally, international consensus to assist the new government in its reform efforts echoed Crisis Group calls, including joint UN-Haitian operations against gangs and armed groups (Haiti: Security and the Reintegration of the State, October).

Key issues for Crisis Group in 2007

- ✘ **Judicial reform:** Police reform must go hand in hand with a strong judiciary able to swiftly prosecute and judge those responsible for serious crimes. Establishing a legal framework for an independent, efficient and transparent judiciary is critical.
- ✘ **Tackling security at local and regional power levels:** Last December's elections have created both opportunities and challenges for improvements in local governance and decentralisation processes. Linkages between central government and local power structures will be essential to ensure the development of good practices country-wide.
- ✘ **Economic environment and the role of Haitian diasporas:** Poverty, unemployment, weak small- and medium-sized business, and near non-existent infrastructure are strong obstacles to job creation and opportunities for Haitians. Haitian communities in developed countries have a crucial role to play in the development of the country.



Haitian women during a protest in Port-au-Prince - © Reuters/Eduardo Munoz

The situation in the Middle East continued to deteriorate in 2006. Violence and chaos increased in Iraq, while a war in Lebanon created more problems than it resolved. The year also saw an escalating conflict between Hamas and Fatah in Palestine, and growing Iranian regional influence, which Arab states view with increasing alarm.



Memorial posters for al-Athamna family members killed by Israeli tank shells, Beit Hanoun, Gaza, November 2006 - © Teun Voeten

Arab-Israeli Conflict

Crisis and conflict dominated the Arab-Israeli arena in 2006 to a greater extent than in recent years. This both exacerbated and fed upon the domestic political breakdown that is increasingly the norm in the region. As the year ended, political stalemate and weak governments incapable of addressing fundamental issues of war and peace were the order of the day.

Israel's conflicts with the Palestinians and Lebanon are increasingly perceived by it as related not only to each other but to a looming confrontation with Iran. The Hamas electoral victory and a failed war against Hizbollah ended Israel's attempt to unilaterally determine Israeli-Palestinian boundaries, and produced a crisis of confidence in the political leadership. With unilateralism dead, 2007 will reveal whether the coalition government formed around this concept is too weak to survive or will turn to negotiations, as pressed by the U.S.

With the election of Hamas in January, **Palestinian** politics saw the installation in March of an Islamist Palestinian Authority government that proved unable to govern, due largely to international sanctions and an increasingly violent power struggle with Fatah. Dual power, it appears, will remain the operative principle of Palestinian politics. By the end of the year it remained to be seen whether this will produce a civil war or the basis for a national unity government able to address the increasingly dire predicament confronting the Palestinian people.

Regional events – the Hamas electoral victory, the **Lebanon** war and the U.S.'s deepening quagmire in Iraq – appeared to vindicate **Syria's** position and embolden its officials. Late in the year, there were signs that the isolation sought by Washington was eroding. European officials in particular made frequent visits to Damascus, while Syria orchestrated a breakthrough in its diplomatic relations with Iraq. Still, many including the U.S., Israel and some Arab states remain hostile to any genuine engagement, persuaded that continued pressure will trigger change in regime or behaviour. Growing Arab concern about a pro-Iranian axis of Iran, Syria, Hamas and Hizbollah helped consolidate this coalition. And the probe into the assassination of Lebanese Prime Minister Rafiq Hariri continued to hang over the Syrian regime.

Crisis Group impact

Crisis Group reporting on the **Arab-Israeli** conflict consistently received high-level attention, confirming that we remain a leading analyst of developments and potential solutions in the region. Enter Hamas: The Challenges of Political Integration (January) and Palestinians, Israel and the Quartet: Pulling Back from the Brink (June) advocated measures that could ensure the success of Hamas' political integration while furthering the cause of Israeli-Palestinian peace. While praised by diplomats and politicians alike, the international community proved incapable of moderating its militant approach to the Palestinian government. Our October report The Arab-Israeli Conflict: To Reach a Lasting Peace summarised Crisis Group's approach to renew peace negotiations. It was preceded by the launch of our Middle East Initiative in September with an open letter signed by 135 international statesmen calling for urgent international action towards a comprehensive settlement of the Arab-Israeli conflict. We concluded the year with Israel/Hizbollah/Lebanon: Avoiding Renewed Conflict (November) and Lebanon at a Tripwire (December) examining the regional and domestic dimensions of the crisis with a view to preventing escalation on both fronts.

Crisis Group embarked upon an intense advocacy campaign in **Syria** in 2006 to build up our reputation as a credible, independent source of information and analysis. We were able to establish ourselves in the country, a prerequisite for producing informed and balanced reporting on internal and foreign policy developments. Crisis Group was also active in promoting Western reengagement with Damascus, articulating a workable framework in prominent opinion pieces.

Key issues for Crisis Group in 2007

Arab-Israeli conflict

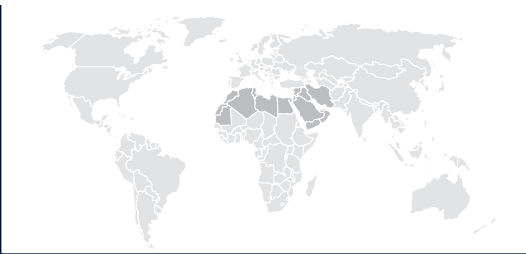
- ✘ **Middle East peace process:** Resuming negotiations to achieve a comprehensive Arab-Israeli peace settlement and implementing eventual agreements remain the international community's key challenges in this volatile region.
- ✘ **Palestinian politics:** The contest between the rival Hamas and Fatah movements, and the creeping disintegration of Palestinian society are having a structural impact on the political system, producing both challenges and opportunities that need to be addressed.
- ✘ **Israeli politics:** Growing instability in the Israeli political system and the continued crisis over Iran's nuclear program create potentially lethal combinations that could have a far-reaching impact on the region.

Lebanon

- ✘ **Hizbollah's assertiveness:** Capitalising on its sense of victory in the war with Israel, Hizbollah has started to press for greater representation in Lebanese politics. Lebanon's Sunni community has felt the pressure and is becoming more radicalised.
- ✘ **Palestinian refugees:** Long forgotten but still there as potential spoilers of Lebanon's unity, Palestinian refugees remain a disenfranchised and discontented camp population.

Syria

- ✘ **Engagement:** Crisis Group will continue to advocate engagement with Syria. This would not entail capitulation by either side but take the shape of a frank discussion of all parties' legitimate interests, with a view to agreeing on a shared vision for the region.



Iraqi Shiite women in the al-Sheela district of Baghdad - © Reuters/Thaier Al-Sudani

Crisis Group impact

Despite difficulties of access to Iraq throughout the year, Crisis Group maintained a regular flow of analysts and consultants who travelled widely throughout the country, well beyond the Green Zone. On that basis, we issued five field-based reports in 2006, including two companion reports released back-to-back in February: In Their Own Words: Reading the Iraqi Insurgency and The Next Iraqi War? Sectarianism and Civil Conflict. The insurgency report was featured on ABC's "Nightline", and presentations of both were made in European capitals and Washington DC. Later in the year, Iraq's Muqtada al-Sadr: Spoiler or Stabiliser? (July) gathered intense media attention as Muqtada further imposed himself as a crucial player in Iraq, and Iraq and the Kurds: The Brewing Battle Over Kirkuk (July) was widely discussed in Kurdistan, as well as Turkey, as passions started heating up in advance of the expected referendum over Kirkuk's status.

In December, Crisis Group issued a report in response to the Iraq Study Group's recommendations. After Baker-Hamilton: What To Do in Iraq presents a comprehensive alternative approach to the growing conflict. This report also received wide media attention and helped shape the increasingly acrimonious debate about U.S. prospects in Iraq.

Crisis Group continued to cover Iran in 2006, despite having no ongoing presence on the ground. Our March report, Iran: Is There a Way Out of the Nuclear Impasse?, proposed a "delayed limited enrichment" option as a way to allay U.S. and EU concerns about Iran's nuclear ambitions, while at the same time acknowledging Iran's right as a signatory to the non-proliferation treaty to enrich uranium for peaceful energy purposes. The report was hailed by senior officials in the UN, IAEA, EU and Iran as an important contribution to the debate. Crisis Group discussed the country's domestic and foreign policy in media and policy forums throughout the year.

Iran / Iraq / Gulf

The situation in Iraq again worsened throughout the year, leading President Bush to acknowledge that the situation was dire and issue a new plan to stabilise the country. Violence continued to spiral as the national unity government, formed months after the December 2005 elections, proved unable to rein in militias under its nominal control. There was progress on key legislation, such as the hydrocarbons law, but the promised constitutional review had yet to start in earnest at year's end. In December, the Iraq Study Group made public its long-awaited report on how to address the crisis, but despite the bipartisan consensus on which it was based, it came under vigorous criticism, not least from the Bush administration.

Concerns about Iran's nuclear ambitions and its role in the Middle East heightened in 2006, as Iranian president Mahmoud Ahmadi-Nejad continued to project an uncompromising nuclear posture and a defiant stance toward Israel. Arab countries such as Saudi Arabia, Egypt and Jordan expressed growing concern about Iran's seeming ambitions for regional hegemony and its role in crises in Lebanon and Iraq. Ahmadi-Nejad began to lose traction late in the year, however, with increased anxiety about UN Security Council sanctions and a deteriorating domestic economic situation. The president's allies were defeated in December 2006 elections for local councils and the powerful Assembly of Experts.





Protest fires in Basra - © Reuters/Atef Hassan

Key issues for Crisis Group in 2007

Iraq

- ✘ **New national compact:** Efforts in 2007 should focus on addressing the fundamental issues dividing Iraqis, including federalism, oil revenue sharing and de-Baathification. Concomitantly, U.S. and Iraqi government forces should work to reduce violence from insurgents and militias, and create new economic opportunities for a greater number of Iraqis.
- ✘ **Accommodation between Arabs and Kurds:** Disposition of territories claimed by the Kurds and delineation of the border of the Kurdish region are extremely sensitive issues. The question of Kirkuk is particularly inflammatory, given its oil wealth. The proposed referendum on Kirkuk to be held in 2007 should be postponed and an interim solution considered.
- ✘ **The regional context:** The posture of neighbouring states will help determine whether Iraq's civil war can be contained, or alternatively will lead to military intervention and Iraq's violent break-up.

Iran

- ✘ **The nuclear predicament:** With Iran's case currently before the UN Security Council, the U.S. and EU continue to attempt to unite a broad coalition of actors against Iran (most importantly Russia and China) in order to dissuade Tehran from enriching uranium. More severe sanctions are currently being deliberated, and the Bush administration has begun a military build-up in the Persian Gulf that has raised concerns about escalation and conflict. Alternative diplomatic strategies need to be closely examined.

- ✘ **The domestic situation:** Increased domestic discontent with President Ahmadi-Nejad's confrontational approach and his inability to meet lofty economic promises has led to a tactical alliance between pragmatic conservatives and reformists in Iran. The domestic political joust and its potential impact on Iran's nuclear posture will be examined.
- ✘ **Iran's role in the region:** Iran's activities in Lebanon and Iraq are of increasing concern not only to U.S. officials, but also to Arab leaders and Israel. Iran's role in the region, and its role in Arab-Israeli peace talks, will be addressed.

Saudi Arabia and the Gulf

- ✘ **Fall-out from Iraq's destabilisation:** The region will be most affected if Iraq continues to descend into chaos. Will Saudi Arabia start offering direct support to Iraqi insurgents in an effort to dam in Iran's growing influence? Will it be drawn into a proxy war with Iran?
- ✘ **Growing sectarianism:** One casualty of the Iraq war may be Sunni-Shiite peace in the wider region. Saudi Arabia, with a significant Shiite population in its oil-rich Eastern Province, may well join the sectarian fray, imposing new restrictions on Shiites. Similar measures may be anticipated in Bahrain, Kuwait and Yemen.

"As always, your insights are invaluable... the type of creative thinking that will be needed as we seek to move forward on the Iranian issue."

Mohamed ElBaradei, Director General, International Atomic Energy Agency, 2005 Nobel Laureate, 13 March 2006

Egypt / North Africa

Domestic politics in **Egypt** throughout 2006 were dominated by the consequences of the legislative elections held in November and December 2005, in which the Muslim Brothers made unprecedented gains against the ruling National Democratic Party. As anticipated, the government resorted to a repressive strategy at the expense of real political reform. Demonstrations in support of the Egyptian Judges Club eventually forced the authorities into a partial retreat, but the regime returned to the offensive late in the year with a new package of constitutional revisions aimed, among other things, at reducing the power of the judiciary to oversee elections. Meanwhile, the problem of terrorism in Sinai re-emerged with an attack in April at the resort of Dahab in which eighteen (mostly Egyptians) died.

In **Algeria**, President Bouteflika's ill health and opposition to his ambition to secure a third presidential term scotched the long-heralded prospect of a new constitutional revision. In **Mauritania**, the new authorities established by the military coup in August 2005 kept their promise to organize a referendum on a new constitution in June and legislative elections in November. The impasse on the **Western Sahara** was graphically underlined when UN Secretary-General Kofi Annan suggested that, in light of the UN's failure to broker a resolution, the matter should be referred to bilateral negotiations between Morocco and the Polisario Front, a proposal which provoked much opposition, notably from Algeria.

Crisis Group impact

Crisis Group's views on reform in **Egypt**, embodied notably in our earlier report *Reforming Egypt: In Search of a Strategy* in October 2005, featured prominently in political debate in 2006. In March, a two-day conference in Cairo on political reform, organised by the Westminster Foundation for Democracy with Crisis Group assistance and devoted primarily to our proposals for strengthening the legislature, was attended by leading personalities from all the Egyptian political parties. Developments in **Mauritania** largely vindicated both our earlier report on the country (*Islamism in North Africa IV: The Islamist Challenge in Mauritania: Threat or Scapegoat?*, May 2005) and our cautious reaction to the August 2005 coup. Our follow-up report published in April, *Political Transition in Mauritania: Results and Prospects*, analysed post-coup developments and identified prospects for positive change as well as ambiguities and dilemmas.

Crisis Group's innovative thinking on the broader issues of Islamism and terrorism continued to inform Western policy debates. A report on *Islamism in France*, prepared under the aegis of Crisis Group's North Africa Project, *France and its Muslims: Riots, Jihadism and Depoliticisation*, was published in March 2006; it was widely reviewed in the French media, which welcomed the report's challenging analysis and fresh thinking.

Key issues for Crisis Group in 2007

Egypt

- ✘ **Normalisation of the Muslim Brothers:** It is doubtful that the regime can continue indefinitely with its repressive strategy towards the Brothers without this precipitating dangerous unrest, but equally unclear what other cards it can play. The Brothers recently announced a proposal to form a political party which, like its Jordanian counterpart, would be a formally distinct organisation with a purely political, not religious, agenda.

- ✘ **Sectarian tensions:** The continuing controversy over the role of the Muslim Brothers and, more broadly, the Islamist current of ideas in Egypt risks exacerbating sectarian tensions between the majority Muslim and minority Christian elements of the population.
- ✘ **Terrorism in Sinai:** Despite government success in dismantling the organisation responsible for the terrorist attacks in 2004-2006, further attacks cannot be ruled out, and much will depend on the government's willingness to embark on a new strategy towards the region that addresses the grievances of its population.
- ✘ **Egypt's role in the peace process:** With new rounds of diplomacy in the offing, Egypt's role in the Middle East peace process and its security profile in Gaza are vital issues.

North Africa

- ✘ **The impasse in Western Sahara:** While prospects for a real breakthrough seem as a remote as ever, pressures to resume the search for a solution are likely to mount, both inside the territory itself, where Moroccan rule is likely to continue to encounter resistance from Sahrawi nationalists, and at the international level.



Palestinian boys following clashes between Fatah and Hamas in the Gaza strip - © Reuters/Ibraheem Abu Mustafa



Lebanese village of Bint Jbeil after Israeli bombing, August 2006 - © Teun Voeten

CrisisWatch & Thematic Issues

CrisisWatch

CrisisWatch is a monthly bulletin designed to provide busy readers in the policy community, the media and the business world, as well as the interested general public, with a regular update on the state of play in all the most significant current and potential conflicts around the world.

CrisisWatch is one of Crisis Group's most widely read products, and many politicians, diplomats and their advisers regard it as an indispensable resource for its succinct and timely reporting.

Thematic Issues

In addition to country or region-specific reporting, Crisis Group periodically produces reports and engages in advocacy on thematic issues related to preventing or containing deadly conflict, often combining the resources of our field staff and capital-based research teams. Three thematic areas that received particular attention in 2006 are highlighted below.

Islamism, Violence and Reform

In 2006 we continued reporting on the role of Islamist movements in Muslim societies and the relationship between Islamism, violence and pressure for political reform. Our approach has been to challenge the tendency by some Western commentators and policy-makers to lump all forms of Islamism together and brand them as radical. Islamism – or Islamic activism – has a number of very different streams, only a few of them violent and only a small minority justifying a confrontational response. Far from being homogeneous, Islamic activism is the subject of internal debate in the Muslim world and takes a variety of different forms with a variety of different agendas – political, missionary and jihadist. Crisis Group reports assess these differences, putting current highly visible Islamic activism into political, social and historical context. Building on our seminal March 2005 report *Understanding Islamism*, Crisis Group in 2006 produced a number of reports concerning Islamism, including one on the impact of Islamism in Western Europe, *France and its Muslims: Riots, Jihadism and Depoliticisation* (April).

Energy

As part of Crisis Group's regular research and reporting on conflict around the world, we placed a sharp focus in 2006 on how competition over energy resources and the distribution of revenues affect both regional and global security, and appointed a full-time energy analyst to work on these issues. From Latin America to the Caucasus and from Africa to the Middle East, energy issues are among the root causes of both civil and interstate conflict. Our 2006 reporting, for example, drew attention to how control over oil resources has been a source of strife between the federal government and militant groups in the Niger Delta region of Nigeria (*The Swamps of Insurgency: Nigeria's Delta Unrest*, August; *Fuelling the Niger Delta Crisis*, September).

Responsibility to Protect

In its efforts to help prevent conflict worldwide, Crisis Group has consistently drawn upon the doctrine of the Responsibility to Protect (R2P), the principle that sovereign states, and the international community as a whole, have a responsibility to protect civilians from mass atrocity crimes. Crisis Group President Gareth Evans served as co-chair of the International Commission on Intervention and State Sovereignty that first developed the R2P concept in 2001, and continues to write and speak extensively on the issue. The world's heads of state and government unanimously accepted the concept at the World Summit in September 2005, and the UN Security Council twice reaffirmed it in resolutions in 2006. Crisis Group has directly invoked R2P in reporting on Sudan, Uganda and Zimbabwe, in our continued effort to translate principled acceptance of R2P into effective action – at the international, national and community levels.



"CrisisWatch is superbly designed - sheer genius by your team. Nothing I saw in government was as good as this."

Ambassador Richard Holbrooke, Former U.S. Ambassador to the UN, 2 August 2005

Media Visibility

Crisis Group's presence in the media continued to expand robustly in 2006, in both major national and international media outlets. The number of Crisis Group mentions in significant print and electronic media worldwide took another long stride forward, from 5,419 (including reprints, eg of wire copy) in 2004, to 10,677 in 2005, to 18,066 in 2006.

The number of opinion and commentary articles published by Crisis Group staff and Board members has also been increasing rapidly year on year: from 63 in 2003, to 105 in 2004, to 128 in 2005, to 142 in 2006. Crisis Group published pieces in all the major newspapers around the world: Al Hayat, Asharq Al Awsat, Boston Globe, Business Day (South Africa), Chicago Tribune, Christian Science Monitor, Corriere della Sera, Le Figaro, Financial Times, Frankfurter Allgemeine Zeitung, The Guardian, The Independent (UK), International Herald Tribune, Libération, Los Angeles Times, Le Monde, Le Monde Diplomatique, El Mundo, The Nation (Kenya), The New York Review of Books, The Philadelphia Inquirer, La Repubblica, Süddeutsche Zeitung, Vremya Novostei, Wall Street Journal, Washington Post and Washington Times among many others. Crisis Group's experts also wrote commentary articles for some of the world's leading online opinion-shapers, including ABC News Online, CNN.com, openDemocracy.net, Slate, TomPaine.com, Washington Post Online and YaleGlobal Online.



We have also developed long-term relationships with the editorial boards and prominent commentators at these newspapers and others, and we have thus helped to guide their own editorials on a significant number of occasions.

Although we try to avoid “talking-head” instant punditry not directly related to our reports, our staff and Board members appeared frequently in broadcast interviews in 2006 for ABC (U.S.), ABC (Australia), Al Arabiya, Al Jazeera, Al Jazeera English, BBC World Service radio, BBC World TV, BBC Radio 4 (domestic), BBC 1 & 2 (domestic), CBC radio (domestic), CBC TV (domestic), CBS, CNN, CNN International, Deutsche Welle, NBC, NPR, PBS, Radio Canada International, Radio France Internationale, Radio Netherlands, SABC (South Africa), TV1 (France), TV5 (France), and many others. We also worked intensively on the ground with CBS “60 Minutes” in Darfur and with CNN’s Anderson Cooper in the Democratic Republic of the Congo to bring those conflicts to mass audiences in the U.S.

In October, we launched an intensive media campaign in support of our Middle East Initiative with the release of a declaration signed by 135 respected former global leaders. First published in the Financial Times, The New York Times, Le Monde and Asharq al Awsat, the statement generated major media coverage internationally, and it continues to be a reference point for Middle East reporting and commentary worldwide.

Reports and Briefings

Published in 2006

AFRICA

CENTRAL AFRICA

- ✘ **Katanga: The Congo's Forgotten Crisis**, Africa Report N°103, 9 January 2006 (also available in French)
- ✘ **A Strategy for Ending Northern Uganda's Crisis**, Africa Briefing N°35, 11 January 2006
- ✘ **Security Sector Reform in the Congo**, Africa Report N°104, 13 February 2006
- ✘ **Congo's Elections: Making or Breaking the Peace**, Africa Report N°108, 27 April 2006
- ✘ **Chad: Back toward War?**, Africa Report N°111, 1 June 2006 (only available in French)
- ✘ **Beyond Victimhood: Women's Peacebuilding in Sudan, Congo and Uganda**, Africa Report N°112, 28 June 2006
- ✘ **Escaping the Conflict Trap: Promoting Good Governance in the Congo**, Africa Report N°114, 20 July 2006 (also available in French)
- ✘ **Peace in Northern Uganda?**, Africa Briefing N°41, 13 September 2006
- ✘ **Securing Congo's Elections: Lessons from the Kinshasa Showdown**, Africa Briefing N°42, 2 October 2006 (also available in French)
- ✘ **Burundi: Democracy and Peace at Risk**, Africa Report N°120, 30 November 2006 (also available in French)

HORN OF AFRICA

- ✘ **Sudan: Saving Peace in the East**, Africa Report N°102, 5 January 2006
- ✘ **To Save Darfur**, Africa Report N°105, 17 March 2006
- ✘ **Sudan's Comprehensive Peace Agreement: The Long Road Ahead**, Africa Report N°106, 31 March 2006
- ✘ **Somaliland: Time for African Union Leadership**, Africa Report N°110, 23 May 2006 (also available in French)
- ✘ **Darfur's Fragile Peace Agreement**, Africa Briefing N°39, 20 June 2006 (also available in Arabic)
- ✘ **Can the Somali Crisis Be Contained?**, Africa Report N°116, 10 August 2006
- ✘ **Getting the UN into Darfur**, Africa Briefing N°43, 12 October 2006 (also available in Arabic)

SOUTHERN AFRICA

- ✘ **Zimbabwe's Continuing Self-Destruction**, Africa Briefing N°38, 6 June 2006
- ✘ **Zimbabwe: An Opposition Strategy**, Africa Report N°117, 24 August 2006

WEST AFRICA

- ✘ **Liberia: Staying Focused**, Africa Briefing N°36, 13 January 2006
- ✘ **Liberia: Resurrecting the Justice System**, Africa Report N°107, 6 April 2006
- ✘ **Guinea in Transition**, Africa Briefing N°37, 11 April 2006 (also available in French)

- ✘ **Côte d'Ivoire: Peace as an Option**, Africa Report N°109, 17 May 2006 (only available in French)
- ✘ **Nigeria: Want in the Midst of Plenty**, Africa Report N°113, 19 July 2006
- ✘ **The Swamps of Insurgency: Nigeria's Delta Unrest**, Africa Report N°115, 3 August 2006
- ✘ **Côte d'Ivoire: Stepping up the pressure**, Africa Briefing N°40, 7 September 2006 (only available in French)
- ✘ **Fuelling the Niger Delta Crisis**, Africa Report N°118, 28 September 2006
- ✘ **Nigeria's Faltering Federal Experiment**, Africa Report N°119, 25 October 2006

ASIA

CENTRAL ASIA

- ✘ **Uzbekistan: In for the Long Haul**, Asia Briefing N°45, 16 February 2006
- ✘ **Central Asia: What Role for the European Union?**, Asia Report N°113, 10 April 2006
- ✘ **Kyrgyzstan's Prison System Nightmare**, Asia Report N°118, 16 August 2006 (also available in Russian)
- ✘ **Uzbekistan: Europe's Sanctions Matter**, Asia Briefing N°54, 6 November 2006
- ✘ **Kyrgyzstan on the Edge**, Asia Briefing N°55, 9 November 2006

NORTH EAST ASIA

- ✘ **China and North Korea: Comrades Forever?**, Asia Report N°112, 1 February 2006 (also available in Korean)
- ✘ **After North Korea's Missile Launch: Are the Nuclear Talks Dead?**, Asia Briefing N°52, 9 August 2006 (also available in Korean and in Russian)
- ✘ **Perilous Journeys: The Plight of North Koreans in China and Beyond**, Asia Report N°122, 26 October 2006 (also available in Russian)
- ✘ **North Korea's Nuclear Test: The Fallout**, Crisis Group Asia Briefing N°56, 13 November 2006

SOUTH ASIA

- ✘ **Nepal: Electing Chaos**, Asia Report N°111, 31 January 2006
- ✘ **Pakistan: Political Impact of the Earthquake**, Asia Briefing N°46, 15 March 2006
- ✘ **Nepal's Crisis: Mobilising International Influence**, Asia Briefing N°49, 19 April 2006
- ✘ **Nepal: From People Power to Peace?**, Asia Report N°115, 10 May 2006
- ✘ **Afghanistan's New Legislature: Making Democracy Work**, Asia Report N°116, 15 May 2006
- ✘ **India, Pakistan and Kashmir: Stabilising a Cold Peace**, Asia Briefing N°51, 15 June 2006
- ✘ **Pakistan: the Worsening Conflict in Balochistan**, Asia Report N°119, 14 September 2006
- ✘ **Bangladesh Today**, Asia Report N°121, 23 October 2006

- ✘ **Countering Afghanistan's Insurgency: No Quick Fixes**, Asia Report N°123, 2 November 2006
- ✘ **Sri Lanka: The Failure of the Peace Process**, Asia Report N°124, 28 November 2006
- ✘ **Pakistan's Tribal Areas: Appeasing the Militants**, Asia Report N°125, 11 December 2006
- ✘ **Nepal's Peace Agreement: Making it Work**, Asia Report N°126, 15 December 2006

SOUTH EAST ASIA

- ✘ **Papua: The Dangers of Shutting Down Dialogue**, Asia Briefing N°47, 23 March 2006 (also available in Indonesian)
- ✘ **Aceh: Now for the Hard Part**, Asia Briefing N°48, 29 March 2006
- ✘ **Managing Tensions on the Timor-Leste/Indonesia Border**, Asia Briefing N°50, 4 May 2006
- ✘ **Terrorism in Indonesia: Noordin's Networks**, Asia Report N°114, 5 May 2006 (also available in Indonesian)
- ✘ **Islamic Law and Criminal Justice in Aceh**, Asia Report N°117, 31 July 2006 (also available in Indonesian)
- ✘ **Papua: Answers to Frequently Asked Questions**, Asia Briefing N°53, 5 September 2006
- ✘ **Resolving Timor-Leste's Crisis**, Asia Report N°120, 10 October 2006
- ✘ **Aceh's Local Elections: The Role of the Free Aceh Movement (GAM)**, Asia Briefing N°57, 29 November 2006
- ✘ **Myanmar: New Threats to Humanitarian Aid**, Asia Briefing N°58, 8 December 2006

EUROPE

BALKANS

- ✘ **Macedonia: Wobbling Toward Europe**, Europe Briefing N°41, 12 January 2006 (also available in Albanian and Macedonian)
- ✘ **Kosovo: The Challenge of Transition**, Europe Report N°170, 17 February 2006 (also available in Albanian, Serbian and Russian).
- ✘ **Montenegro's Referendum**, Europe Briefing N°42, 29 May 2006 (also available in Russian)
- ✘ **Southern Serbia: In Kosovo's Shadow**, Europe Briefing N°43, 27 June 2006 (also available in Russian)
- ✘ **An Army for Kosovo?**, Europe Report N°174, 28 July 2006 (also available in Albanian, Russian and Serbian)
- ✘ **Serbia's New Constitution: Democracy Going Backwards**, Europe Briefing N°44, 8 November 2006
- ✘ **Kosovo Status: Delay Is Risky**, Europe Report N°177, 10 November 2006 (also available in Albanian)
- ✘ **Kosovo's Status: Difficult Months Ahead**, Europe Briefing N°45, 20 December 2006

CAUCASUS

- ✘ **Conflict Resolution in the South Caucasus: The EU's Role**, Europe Report N°173, 20 March 2006
- ✘ **Abkhazia Today**, Europe Report N°176, 15 September 2006 (also available in Russian)
- ✘ **Georgia's Armenian and Azeri Minorities**, Crisis Group Europe Report N°178, 22 November 2006 (also available in Russian)

OTHER

- ✘ **France and its Muslims: Riots, Jihadism and Depoliticisation**, Europe Report N°172, 9 March 2006 (full report available only in French, executive summary available in English and Arabic)
- ✘ **The Cyprus Stalemate: What Next?**, Europe Report N°171, 8 March 2006 (also available in Greek and Turkish)
- ✘ **Moldova's Uncertain Future**, Europe Report N°175, 17 August 2006 (also available in Russian)

LATIN AMERICA & CARIBBEAN

- ✘ **Colombia: Towards Peace and Justice?**, Latin America Report N°16, 14 March 2006 (also available in Spanish)
- ✘ **Haiti after the Elections: Challenges for Préval's First 100 Days**, Latin America/Caribbean Briefing N°10, 11 May 2006 (also available in French)
- ✘ **Uribe's Re-election: Can the EU Help Colombia Develop a More Balanced Peace Strategy?**, Latin America Report N°17, 8 June 2006 (also available in Spanish)
- ✘ **Bolivia's Rocky Road to Reforms**, Latin America Report N°18, 3 July 2006 (also available in Spanish)
- ✘ **Tougher Challenges Ahead for Colombia's Uribe**, Latin America Briefing N°11, 20 October 2006
- ✘ **Haiti: Security and the Reintegration of the State**, Latin America/Caribbean Briefing N°12, 30 October 2006

MIDDLE EAST & NORTH AFRICA**ARAB-ISRAELI CONFLICT**

- ✘ **Enter Hamas: The Challenges of Political Integration**, Middle East Report N°49, 18 January 2006 (also available in Arabic and in Hebrew)
- ✘ **Palestinians, Israel and the Quartet: Pulling Back From the Brink**, Middle East Report N°54, 13 June 2006 (also available in Arabic)
- ✘ **Israel/Palestine/Lebanon: Climbing Out of the Abyss**, Middle East Report N°57, 25 July 2006 (also available in Arabic)
- ✘ **The Arab-Israeli Conflict: To Reach a Lasting Peace**, Middle East Report N°58, 5 October 2006
- ✘ **Israel/Hizbollah/Lebanon: Avoiding Renewed Conflict**, Middle East Report N°59, 1 November 2006 (also available in French)
- ✘ **Lebanon at a Tripwire**, Middle East Briefing N°20, 21 December 2006

EGYPT / NORTH AFRICA

- ✘ **Political Transition in Mauritania: Assessment and Horizons**, Middle East/North Africa Report N°53, 24 April 2006 (currently only available in French)

IRAQ / IRAN / GULF

- ✘ **In their Own Words: Reading the Iraqi Insurgency**, Middle East Report N°50, 15 February 2006 (also available in Arabic)
- ✘ **Iran: Is There a Way Out of the Nuclear Impasse?**, Middle East Report N°51, 23 February 2006 (also available in Arabic)
- ✘ **The Next Iraqi War? Sectarianism and Civil Conflict**, Middle East Report N°52, 27 February 2006 (also available in Arabic)
- ✘ **Iraq's Muqtada Al-Sadr: Spoiler or Stabiliser?**, Middle East Report N°55, 11 July 2006 (also available in Arabic)
- ✘ **Iraq and the Kurds: The Brewing Battle over Kirkuk**, Middle East Report N°56, 18 July 2006 (also available in Arabic)
- ✘ **After Baker-Hamilton: What to Do in Iraq**, Middle East Report N°60, 18 December 2006

TRANSLATIONS:

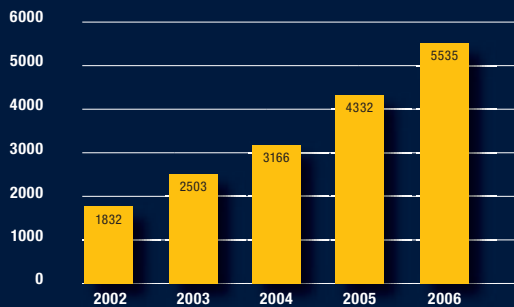
Albanian:	4
Arabic:	10
French:	13
Greek:	1
Hebrew:	1
Indonesian:	3
Korean:	2
Macedonian:	1
Russian:	10
Serbian:	2
Spanish:	3
Turkish:	1

TOTAL: 51

Measuring Progress

Measuring the progress of an organisation such as Crisis Group – whose mission is to help prevent and contain as well as resolve 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 Crisis Group's progress in 2006?

Media Mentions, 2002-2006



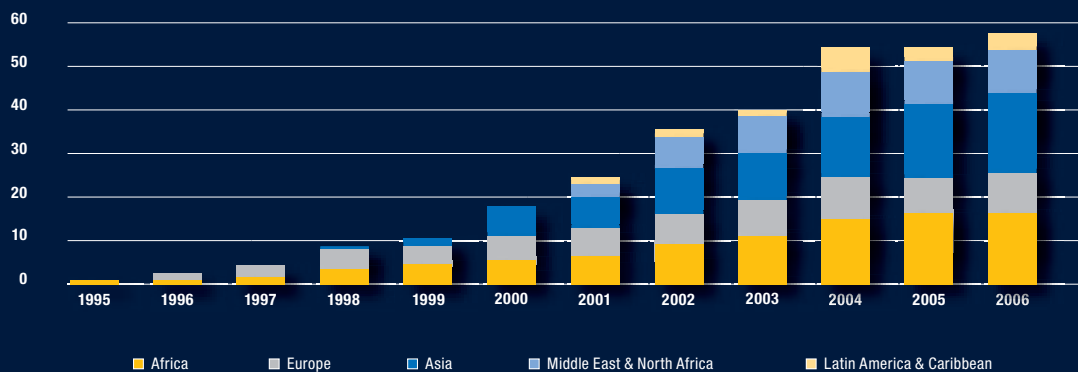
Operations

Crisis Group continued to grow in 2006. We now cover nearly 60 areas of actual or potential conflict worldwide, expanding recently to include a senior analyst based in Abuja, Nigeria and coverage of Timor-Leste and Venezuela. We took steps in 2006 to open new offices in Kathmandu, Nepal and Istanbul, Turkey, to enable us to remain actively engaged in supporting peace in Nepal and to follow closely the regional and internal developments in Turkey, including the Kurdish issue and tensions between secularists and Islamists. Core full-time positions are at 129, with staff representing 41 nationalities and 48 different languages.

Output

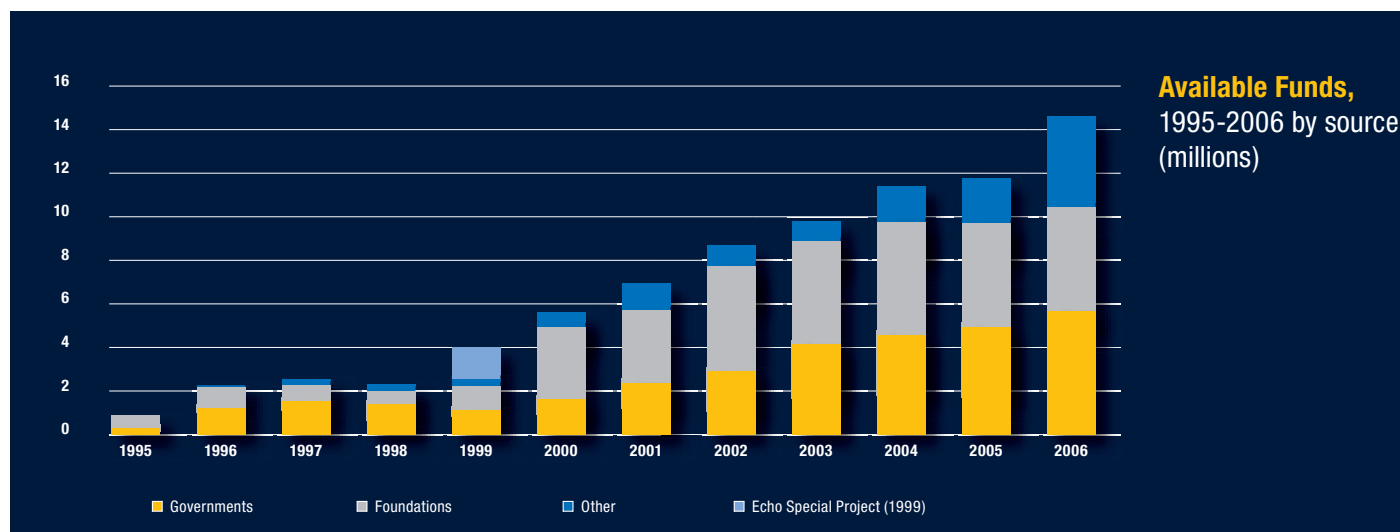
Crisis Group published 91 reports and briefing papers in 2006, holding steady from 2005. We also published over 50 translations of reports into relevant languages, including Albanian, Arabic, French, Greek, Hebrew, Indonesian, Korean, Macedonia, Russian, Serbian, Spanish and Turkish. Briefing papers, generally 8-16 pages in length, and reports, generally 15-35 pages, are sent by email notification or attachment to over 23,000 specifically targeted recipients, with a further 1,400 high-level contacts receiving them in printed form. Another 68,000 have subscribed to receive reports and briefing papers directly through our website, bringing the total number of regular recipients to well over 90,000 by the end of 2006 (as compared to 56,600 in 2005). All Crisis Group publications are posted on our website: 3.1 million copies of reports and briefing papers were downloaded from www.crisisgroup.org in 2006.

Countries or Entities Covered by Crisis Group Field Reporting, 1995-2006 by geographic area



"I found your report on Jihadists and Islamists in Jordan superb.... What I love, among other things, about the ICG reports are their footnotes: they're often like gold dust."

Xan Smiley, Middle East and Africa Editor, The Economist, 17 January 2006



Media Exposure

Crisis Group's reports and analysts are widely used as sources of information and comment by major national and international media outlets. The number of comments, interviews, and other Crisis Group media citations rose to 5,535 (up from 4,332 in 2005, 3,166 in 2004, 2,503 in 2003 and 1,832 in 2002) and to 18,066 if republications are included. Local press, radio and TV are also extremely important in advancing Crisis Group's policy ideas, with new Crisis Group reports on a country usually treated there as a top news story, and our field analysts often asked for interviews. Crisis Group staff and Board members also regularly write opinion pieces (op-eds) in the editorial pages of major papers – 142 were published in national and international newspapers in 2006 (up from 128 in 2005, 105 in 2004, and 63 in 2003).

Support

Crisis Group's income rose by 25 per cent in 2006 to U.S. \$14.79m, compared with \$11.84m in 2005. With expenditure for the year finishing at \$12.47m, the organisation was in a position to build up some much-needed reserves. 22 government donors supported Crisis Group in 2006 and collectively they provided \$5.95m, or 40 per cent of available funds. Foundations contributed \$4.64m in 2006 (down slightly from \$4.7m in 2005), or 31.5 per cent of the total. Other sources – mainly private individuals and family trusts, and a small number of companies – made up the balance, contributing \$4.20m in 2006 (up from \$2.34m in 2005), or 28.5 per cent of the total. In 2006, some 69 per cent of all available income was unrestricted, while 31 per cent was

earmarked for specific projects. Fundraising efforts were boosted by the proceeds – some \$500,000 net income – from Crisis Group's Tenth Anniversary Award Luncheon in November 2005, which were applied to supporting operations in 2006. These successes notwithstanding, Crisis Group needs to secure flexible and reliable future funding from a diverse range of sources if it is to sustain and intensify its top-quality research and advocacy efforts – in particularly as increasing demands are placed on the organisation to cover a growing number of issues and regions, and to accompany its reporting with more and more advocacy in capitals.

Outcomes

Crisis Group tabulates and tracks as best it can the fate of its policy recommendations. Of the policy prescriptions issued between July 2005 and June 2006, some 50 per cent have been achieved to date, in whole or in part: 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 Crisis Group'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, Crisis Group relies heavily on feedback from the policy-makers at whom our publications are targeted: in 2006 that feedback continued to be extremely positive.

Judgements

Anecdotal evidence abounds – some of it reflected in the quotations throughout this report – that Crisis Group's reporting is highly regarded by policy-makers, the media and other analysts. Crisis Group has won a number of awards in recent years – including 'Time Asia Hero' and 'Time European Hero' and a Rausing Trust leadership award in 2005 – and featured prominently (though in the event inaccurately) in last-minute press speculation as to the likely winner of the 2006 Nobel Peace Prize.

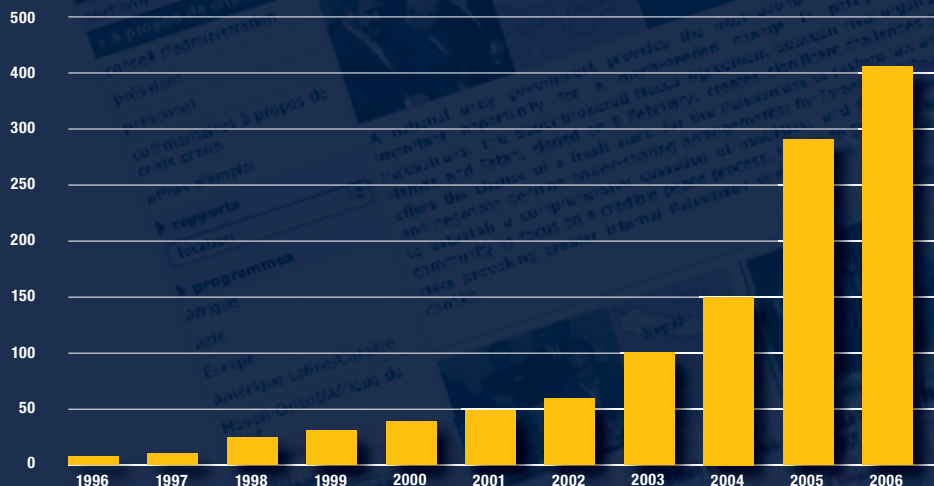
We continue to explore ways in which feedback – both solicited and unsolicited, and from both donors and our main target audiences – can be more systematically evaluated. More specifically, Crisis Group uses an internal assessment process, in which field personnel, program directors and Crisis Group leadership work together to produce analytical memoranda and address the following criteria:

- ✘ the fit between Crisis Group activities and conflict prevention goals;
- ✘ relevance and utility of reports in the policy cycle for different actors;
- ✘ impact of advocacy of specific Crisis Group recommendations on policy; and
- ✘ 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.



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



** from 1996 to 1999 inclusive, monthly figures are for January of the relevant year.

Average Number of Visitors per Month

Year	Average number of visits
1996	2000
1997	4000
1998	21000
1999	24000
2000	40000
2001	50000
2002	68000
2003	98000
2004	155000
2005	282000
2006	405000

A Critical Advocacy Tool

Crisis Group's website is one of our most important advocacy tools. In 2006 we had 4.9 million visits to our website, during which some 3.1 million reports were downloaded (up from 2.3m in 2005).

All Crisis Group reports and briefing papers are available on the website and are free to download. While visitors to our website are mainly interested in our publications, the website includes a number of additional features that have helped make it one of the world's leading internet resources on conflict. These include:

- ✘ **Priority advocacy pages**, highlighting conflicts we have selected for particular advocacy attention – including Darfur, the Democratic Republic of Congo, Iraq and Afghanistan. The pages contain a wealth of information, including Crisis Group reporting and comment pieces, maps and statistics, relevant news sources, important documents and information on what people can do to help resolve the conflict.

- ✘ **Conflict histories database**, providing a brief but detailed historical overview of over 50 conflicts covered by our analysts.

- ✘ **CrisisWatch database**, which complements the conflict histories database by providing a month-by-month report of developments in current or potential conflict situations around the world. Users can search by country or keyword all monthly CrisisWatch bulletins since the series started in September 2003.

- ✘ **Research resources and links page**, which provides ready access to reports and resources on conflict issues, peacekeeping missions, international and regional organisations, news sources, links to other NGOs in the field and much more, including thematic issues like "the Responsibility to Protect".

- ✘ **Maps database**, providing quick and easy access to all Crisis Group country maps.

- ✘ **Text-only version**, allowing users with slow internet connections easier access to reports and resources.

- ✘ **Regional RSS feeds**, providing up-to-the-minute updates of our latest publications (reports and briefings, op-eds, speeches and other articles) for 22 geographic regions covered by our analysts.

- ✘ **Downloads** to Blackberry or other handheld computers, allowing users to download the executive summaries and recommendations of Crisis Group's recent reports, opinion pieces and CrisisWatch bulletins to their Blackberry or other handheld device.

Facts and figures

- ✘ **4,855,344 visits*** during 2006 (up from 3,382,000 in 2005)
- ✘ **3,111,282 reports downloaded** during 2006 (up from 2,335,000 in 2005)
- ✘ **45.7 million page views** in 2006 (up from 26.5 million in 2005)
- ✘ **404,612 visits on average per month** in 2006 (up from 281,806 in 2005)

* 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 2006, the website had over 108 million hits.

"The best b..... NGO in the world."

Michael Meyer, European Editor, Newsweek, Davos, 27 January 2007

Financial Statements

STATEMENT OF ACTIVITIES

For financial years ended 30 June 2006 and 30 June 2005 (in U.S. dollars).
Full audited financial statements are available on request, and accessible on Crisis Group's website, www.crisisgroup.org.

Revenues and Other Support :

Contributions	20,175,260	11,336,200
Investment income	272,309	128,037
Total-Revenues and other support	20,447,569	11,464,237

Expenses :

Africa Program

Central Africa	910,726	709,908
Horn of Africa	781,106	461,900
South Africa	373,064	384,472
West Africa	526,112	363,835
Total-Africa Program	2,591,008	1,920,115

Asia Program

Myanmar/Burma	-	16,866
Central Asia	404,160	479,832
Indonesia	440,300	397,652
North East Asia	372,273	461,811
Pakistan/Afghanistan	508,860	416,056
Nepal	236,367	248,762
Sri Lanka	38,147	-
Total-Asia Program	2,000,107	2,020,979

Europe Program

Bosnia	-	46,096
Caucasus	372,053	301,312
Macedonia	22,949	77,535
Moldova	-	11,404
Kosovo	335,700	355,232
Serbia	261,597	287,948
Cyprus	15,646	9,039
Total-Europe Program	1,007,945	1,088,566

Middle East Program

Iran/Iraq/Gulf	571,284	625,286
N. Africa	231,035	225,359
Israel-Palestine Conflict	566,894	485,932
Total-Middle East Program	1,369,213	1,336,577

Latin America Program

Colombia	390,831	392,804
Haiti	60,581	168,549
Total-Latin America Program	451,412	561,353

Thematic Research

Partner Share of Income

	-	35
	641,701	-
Total-Program Expenses	8,061,386	6,927,625

Advocacy

3,279,052 **3,128,393**

Administration

Fundraising	539,192	553,958
Administration	1,304,942	2,029,087
Other	(138,901)	(263,023)
Total-Administration	1,705,233	2,320,022

Total expenses

13,045,671 **12,376,040**

Changes in net assets

7,401,898 (911,803)

Net assets at beginning of the year

9,582,444 10,494,247

Net assets at end of the year

16,984,342 **9,582,444**

Funding

Maintaining a strong and diverse financial base is key to preserving Crisis Group's independence and credibility. In broad round figures, in 2006 40 per cent of Crisis Group's funds came from governments, 30 per cent from foundations, and 30 per cent from private individuals and corporations. In a unique expression of trust, donors provided the majority (70 per cent) of funds in the form of unrestricted core contributions, providing the organisation with much-needed flexibility, while the remaining 30 per cent were earmarked to support specific programs or projects.

Overall, Crisis Group raised an unprecedented U.S.\$14.79 million in 2006 (compared to U.S.\$11.84 million in 2005), making this its most successful year to date in terms of resource generation. Made possible through reinforced commitments from existing donors as well as the extraordinary

generosity of a number of new supporters, this financial boost enabled Crisis Group to meet the fast-growing demands on its work around the world and to create a more solid financial base for future activity.

Crisis Group is deeply appreciative of the 22 government donors and 15 philanthropic foundations listed below, who supported its work in the past year, as well as of the members of the International Advisory Council, who were major benefactors in 2006. It also wishes to express its profound gratitude to Patrons, Contributors, Donors and all other contributors who have provided essential resources to Crisis Group's operations.

Past successes notwithstanding, Crisis Group needs to secure flexible and reliable future funding from a diverse range of sources if it is to sustain and intensify its top-quality research and advocacy efforts. New members and supporters are therefore extremely welcome: Crisis Group's membership categories, and the benefits associated with each, are set out below.

Governments

- ✕ Australia (Agency for International Development)
- ✕ Austria (Federal Ministry of Foreign Affairs)
- ✕ Belgium (Ministry of Foreign Affairs)
- ✕ Canada (International Development Agency; International Development Research Council)
- ✕ Czech Republic (Ministry of Foreign Affairs)
- ✕ Denmark (Ministry of Foreign Affairs)
- ✕ European Union (European Commission)
- ✕ Finland (Ministry of Foreign Affairs)
- ✕ France (Ministry of Foreign Affairs)
- ✕ Germany (Foreign Office)

- ✕ Ireland (Department of Foreign Affairs)
- ✕ Japan (Japan International Cooperation Agency)
- ✕ Liechtenstein
- ✕ Luxembourg (Ministry of Foreign Affairs)
- ✕ The Netherlands (Ministry of Foreign Affairs)
- ✕ New Zealand (Agency for International Development)
- ✕ Norway (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

- ✕ Carnegie Corporation of New York
- ✕ Charles Stewart Mott Foundation
- ✕ Compton Foundation
- ✕ Ford Foundation
- ✕ Fundacion DARA Internacional
- ✕ Hunt Alternatives Fund

- ✕ John D. and Catherine T. MacArthur Foundation
- ✕ Korea Foundation
- ✕ Open Society Institute
- ✕ Pierre and Pamela Omidyar Fund
- ✕ Ploughshares Fund
- ✕ Pro Victimis Foundation
- ✕ Sigrid Rausing Trust
- ✕ VIVA Trust
- ✕ William and Flora Hewlett Foundation

Becoming a Crisis Group Supporter

President's Circle Member

Beginning in 2007, benefactors contributing more than U.S.\$100,000 annually will be invited to join this exclusive circle, whose members are given the opportunity to: attend Crisis Group Board of Trustees Meetings twice a year; join its President, Co-Chairs and Board member George Soros for private dinner discussions; benefit from extended briefing and discussion sessions with senior U.S. policy-makers and with high-level officials from the UN, the EU and NATO; participate in monthly conference calls with Crisis Group's analysts on the ground; and participate in specially tailored field visits.

International Advisory Council Member

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