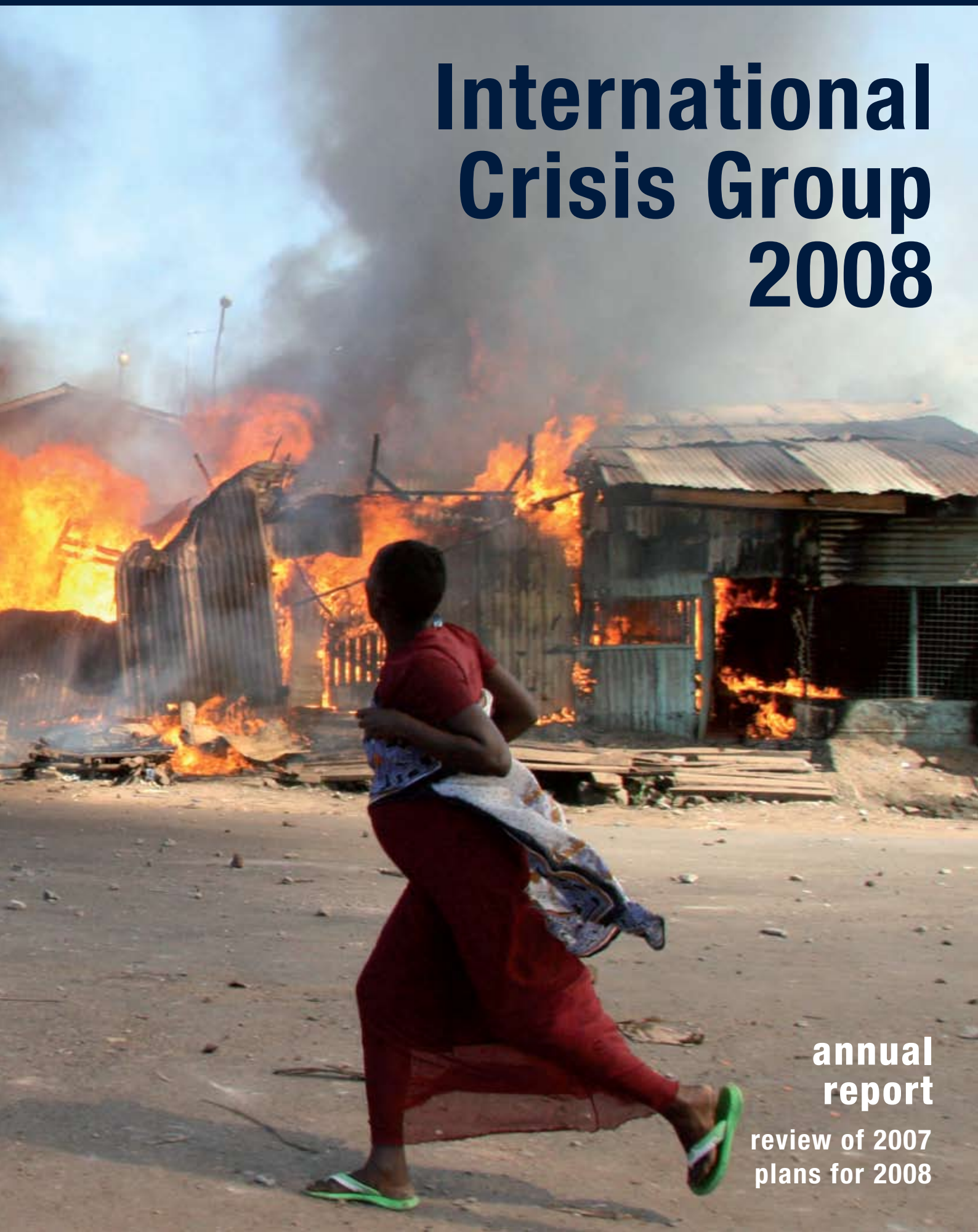


International Crisis Group 2008



**annual
report**

review of 2007
plans for 2008

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annual report 2008

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An Afghan National Army soldier holds a position in southern Afghanistan, November 2007 • Finbarr O'Reilly/Reuters
 Cover photo: A woman runs past burning shacks in Nairobi's Mathare slum during post-election violence in Kenya, December 2007 • Julius Mwelu/IRIN (The Mwelu Foundation; www.mwelu.org)

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From the Co-Chairs

We have had the privilege of watching the International Crisis Group grow into one of the most effective and applauded actors in the field of conflict prevention and resolution worldwide – working with governments, the UN and regional organisations like the European Union and African Union to rid the world of the scourge of mass violence, civil war and war between states.

Crisis Group was born in 1995 as a transatlantic initiative of a group of well-known international figures – the founding chairman was Senator George Mitchell – who despaired at the international community's failure to anticipate and respond effectively at that time to the tragic outbreaks of mass violence in Somalia, Rwanda and Bosnia. The idea was to create a new organisation – unlike any other, with a highly professional staff acting as the world's eyes and ears for impending conflicts, and with a highly influential board that could mobilise effective action from the world's policymakers.



Lord Patten of Barnes Co-Chair

Christopher Patten, 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.

The dream has to a large extent been fulfilled. From tiny beginnings – a two-person office in London, a handful of field staff in the Balkans and West Africa, and a very small voice in the corridors of power – Crisis Group has grown into a mature, highly influential and fully global international organisation. It has now some 140 staff working from field offices

covering over 60 countries or regions of actual or potential conflict, and helping shape debate and decision-making week in and week out from advocacy and liaison bases in Brussels, New York, Washington, London, Moscow and Beijing.

Over its twelve years of existence, Crisis Group has played a major role in preventing the outbreak of new wars and civil conflicts (eg Ethiopia/Eritrea); supporting negotiations to resolve existing ones (eg Sudan, Aceh); drawing attention and energising responses to emerging crises (eg Darfur, Pakistan); providing innumerable particular solutions for particular problems arising at all stages of the conflict cycle (eg Bosnia, Liberia, Haiti, Timor-Leste); publishing analyses of unrivalled detail of the role of various extremist and terrorist groups (eg Indonesia, Somalia); and producing new conceptual and strategic thinking which has helped change the terms of the public debate on major issues (eg Kosovo, Israel/Palestine, Iran). The organisation has become an indispensable and irreplaceable resource for global policymakers.



Ambassador Thomas R. Pickering Co-Chair

Thomas 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.

But for all that, Crisis Group does need to further secure its financial future. We have been and remain enormously grateful to our donors. But to sustain our present level of activity, we need to raise over US\$15 million a year from governments, foundations, individual and corporate supporters. Recurrent funding is a year by year, hand to mouth, process, and we are somewhat over-dependent on government grants (now projected to be some 50 per cent of this year's total) and a small number of highly committed individual donors. Reserves to

meet emergency needs or unexpected income shortfalls are very limited. To ensure the continued effectiveness of Crisis Group – fuelling its efforts for peace, stability and security throughout the world – it needs to have rock-solid financial foundations, and in 2008 we will be launching a major endowment campaign to ensure just that.

We are very proud of what Crisis Group has achieved, but in this volatile world a long list of further challenges lie ahead. We look forward to your continuing support as we strive to meet them.

London, Washington DC
1 March 2008



From the President

What continues to make the International Crisis Group unique among organisations active in conflict prevention and resolution is our highly distinctive methodology: a combination of field-based research, sharply practical policy recommendations, and high-level advocacy. In January 2008 we were named by the Foreign Policy Research Institute, after an international peer survey, as one of the “Top Ten Think Tanks in the World”. But we think of ourselves not just as a think tank, but a *do* tank.

Crisis Group aims to add value in six main ways:

- *ringing early warning alarm bells*, in the monthly *CrisisWatch* bulletin and in specific “crisis alerts”, eg in Ethiopia/Eritrea, Darfur, Somalia and Pakistan;
- *contributing support and advice to critical peace negotiations*, on both process and substance, behind the scenes, eg in Sudan, Aceh, Nepal and Kenya;
- *producing highly detailed analysis and advice on specific policy issues* in scores of conflict or potential conflict situations around the world, helping policymakers do better in preventing, managing and resolving particular conflicts, and in rebuilding after them, eg in Côte d’Ivoire, Congo, Haiti, Afghanistan and Southern Thailand;
- *providing detailed information unobtainable elsewhere* on developments regarding conflict, mass violence and terrorism of particular utility to policymakers, eg on the Jemaah Islamiyah in Indonesia;
- *offering new 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, Kosovo, Iraq and the Western Sahara; and
- *lobbying constantly for a rules-based, rather than force-based, international order*, in particular significantly influencing UN resolutions and institutional structures in relation to the new international norm of the “responsibility to protect”.



Hon Gareth Evans President and CEO

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

2007 was another very intense year for Crisis Group. With some 140 staff worldwide, we continued to publish our signature reports and briefing papers at a steady rate – 88 for the year, along with the monthly *CrisisWatch* bulletin – while also generating over 200 published opinion pieces, and over 5,000 original media mentions. Our reports were by year’s end being sent to some 25,000 specifically targeted policymakers and those who influence them, as well as to another 99,000 subscribers via our website, which continues to increase its reach with over 2.1 million visitors and 3.2 million reports downloaded in 2007.

While causality is always hard to prove, it is reasonable to claim that Crisis Group played a significant role not only in shaping debate, but outcomes, in a number of critical areas. There are many examples in the pages that follow, but some highlights for 2007 were:

- Our central role in shaping the policy debate on **Pakistan**, especially with immediate public responses to drastic deteriorations at year end, resulting in shifts in U.S. funding policies and in international perceptions of President Pervez Musharraf.
- Our continuing efforts to break the nuclear policy impasse with **Iran**, arguing for acceptance of a new red line involving “delayed limited enrichment with maximum safeguards” – a position now largely accepted in Europe, though not yet in the U.S.
- Our alarm-bell ringing in November on the risk of renewed **Ethiopia/Eritrea** war, shortly after which the UN Security Council convened and urged the parties to refrain from violence, and immediate tensions eased.
- Our intense and sustained advocacy of conditional independence for **Kosovo**, with our recommendations strongly reflected particularly in EU policy and actions in advance of the February 2008 declaration of independence.
- Our years of argument, behind the scenes and in public reporting, for an “endgame first” approach to settling the **Israeli-Palestinian** conflict, finally bearing some fruit in the November Annapolis conference.

Fundamental to any of our achievements is the generous and consistent support of our donors, those governments and foundations, private individuals and public corporations identified in this report. We remain immensely grateful for that commitment, and look forward to it continuing – and growing – because what we are doing really does make a difference. For all that continues to go wrong in the world, the frequency, scale, intensity and duration of deadly conflict is diminishing, and all of us associated with Crisis Group can pride ourselves on being at least part of that success story.

Brussels
1 March 2008

“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
March 2007

What we do and how

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, the European Union and the 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 policymakers 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 policymakers 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.

The first all-female unit of UN peacekeepers as they arrive in Monrovia, Liberia, April 2007 • Christopher Herwig/Reuters



"The International Crisis Group has, without a doubt, become one of the most important centres of analysis of international affairs and an indispensable source of information for governments and a wide range of institutions actively working towards peace and conflict resolution."

Miguel Angel Moratinos, Spanish Minister for External Affairs and Development, June 2007

Method

Deciding on projects

We ask ourselves:

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 2007 we expanded our research and advocacy capacities in Africa, as well as our access and outreach to regional capitals, with senior appointments in Nairobi. We also increased our field presence in South East Asia with the appointment of an analyst based in Thailand and in Latin America with a second senior analyst in Bogotá. We opened a new office in Istanbul and established a liaison presence in Beijing, appointing a China Adviser. Our Latin America program will cover Guatemala in 2008. With the devastating outbreak of violence in Kenya at the end of the year, Crisis Group's Nairobi-based team have begun preparing a new series of reports on that country.

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 141 positions on 1 March 2008, 98 were based in the field, in eleven regional offices and sixteen other locations: the others work from our Brussels headquarters and major-city advocacy offices. Altogether, Crisis Group staff represent 49 nationalities and speak 53 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, of which 88 were published in 2007, 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 policymakers hear the message and then persuading them to take action. By the end of 2007, basic distribution continued to expand rapidly. Crisis Group reports and briefing papers were being sent by email notification or attachment to 23,000 specifically targeted recipients (including government ministers, heads of international agencies, diplomats and officials in key roles and journalists), with a further 1,800 high-level contacts receiving copies of publications in printed form.

In addition, some 99,000 subscribers had signed up through our 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 received, based on the new and more accurate web traffic tracking system we are now employing, 2.1 million visits in 2007 (up from 1.98 million in 2006) during which some 3.3 million reports were downloaded (up from 3.1 million).

Media exposure is important for Crisis Group's effectiveness and has increased steadily since 2000. The number of opinion and commentary articles published by Crisis Group staff and Board members grew significantly in 2007, up from 142 in 2006 to 204. After four years of phenomenal growth, the number of Crisis Group mentions in significant print and electronic media worldwide levelled off in 2007. From fewer than 2,000 mentions in 2002, Crisis Group broke the 5,000 mark in 2006 and sustained this level in 2007.

High-level advocacy

Much of Crisis Group's most successful advocacy is done behind closed doors. Our major advocacy offices, in Brussels, Washington 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, the EU and NATO; our London office continued to strengthen Crisis Group's profile and influence in the UK; and our Moscow liaison office maintained our contacts in Russia. Our expanded team in Nairobi and our new Beijing liaison presence have increased access significantly in Africa and China. All Crisis Group offices, both advocacy and field, receive a regular flow of senior political and official visitors.



Top: Crisis Group President Gareth Evans at the conference "Breaking the Kosovo Stalemate, Europe's Responsibility" in Brussels, October 2007 • John Thys/AFP; Bottom: Crisis Group Middle East and North Africa Program Director Rob Malley meeting with Hamas leader Khaled Meshal in Damascus, March 2007 • Crisis Group

Operations around the world

Brussels, Belgium (HQ)

Established 1997: management, research, report production and distribution, media relations, EU and international advocacy and coordination of all field operations



London, UK

Established 2002: UK and European advocacy and fundraising support



New York, U.S.

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

Balkans

 **Regional office: Pristina**
 **Field representation: Belgrade**
Established in Bosnia and Herzegovina 1996, in Pristina 1997: covers Bosnia and Herzegovina, Kosovo and Serbia

Caucasus

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

Turkey/Cyprus

 **Regional office: Istanbul**
Established 2007: addresses primarily the Cyprus conflict and Turkey's geostrategic role

Egypt/Northern Africa

 **Regional office: Cairo**
Established 1999: covers developments across the region with a focus on various and political transitions

 **Covered by Field Analysts***

 **CrisisWatch Monitoring Only**

**Coverage planned for 2008
 Some field locations undisclosed for security reasons*


Covered by Field Analysts


Afghanistan, Algeria, Armenia, Azerbaijan (including Nagorno-Karabakh), Bangladesh, Bolivia, Bosnia and Herzegovina, Burundi, Central African Republic, Chad, China (Taiwan Strait), Colombia, Côte d'Ivoire, Cyprus, Dagestan, DR Congo, Ecuador, Egypt, Eritrea, Ethiopia, Georgia, Guatemala, Gulf states, Guinea, Haiti, India (Kashmir), Indonesia, Iran, Iraq, Israel/Palestine, Jordan, Kazakhstan, Kenya, Kosovo, Kyrgyzstan, Lebanon, Liberia, Morocco, 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, Tunisia, Turkey, Turkmenistan, Uganda, Uzbekistan, Venezuela, Zimbabwe

CrisisWatch Monitoring Only



Includes: Albania, Angola, 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), Western Sahara, Zambia

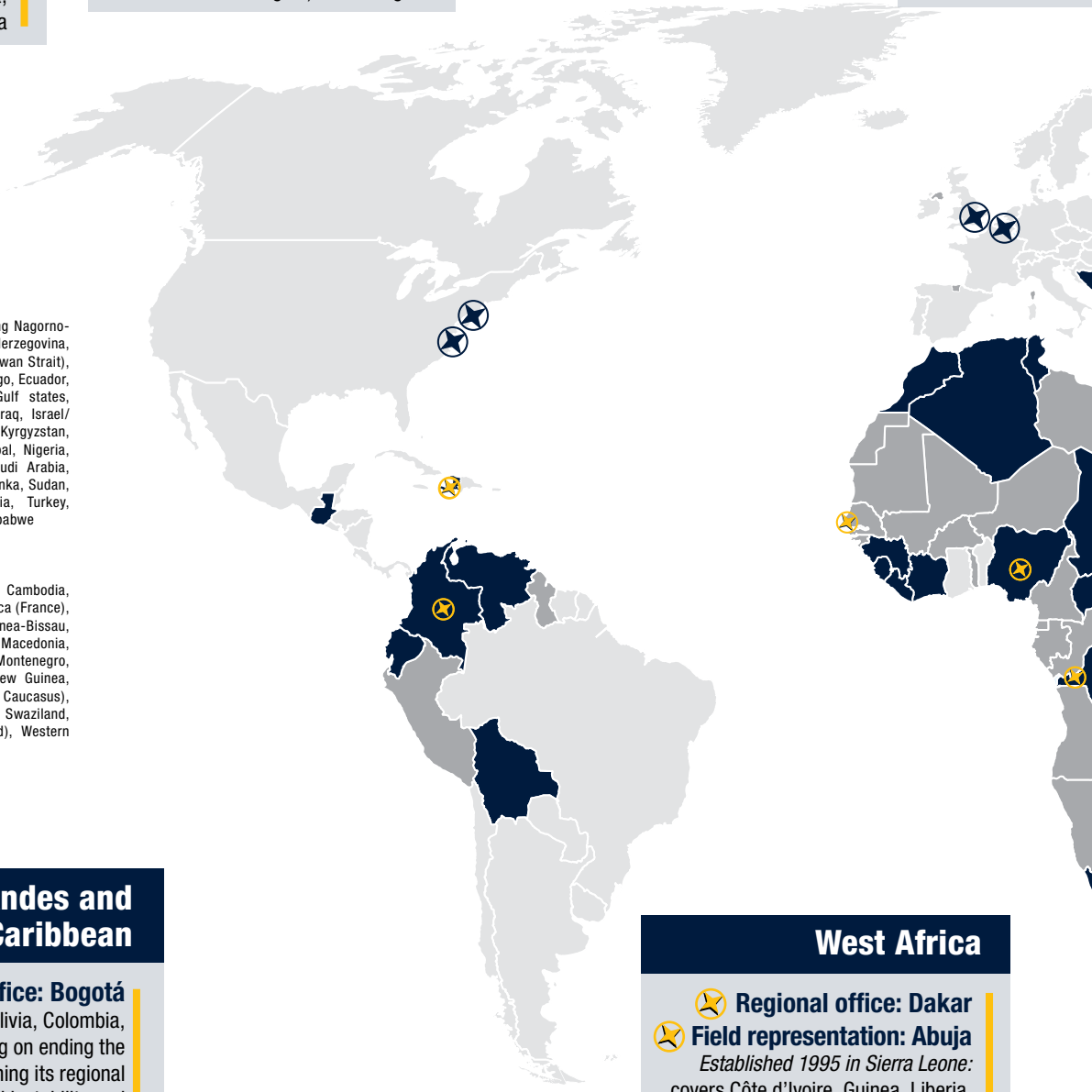
Colombia/Andes and Caribbean

 **Regional office: Bogotá**
Established 2001: covers Bolivia, Colombia, Ecuador and Venezuela, focusing on ending the conflict in Colombia and containing its regional impact, as well as on political instability and reform elsewhere, including in 2008 Guatemala

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

West Africa

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



Washington DC, U.S. 🌐

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

Moscow, Russia 🌐

Established 2003: liaison office – advocacy and technical support

Beijing, China 🌐

Established 2007: liaison presence – advocacy and policy input, with a focus on the role of China in conflict areas around the world

North Africa

Regional office: Cairo
Established 1988 in Algeria, in focus on Egypt and Libya; covers North Africa, the rise of Islamism and political transition strategies

Arab-Israeli Conflict

Field representation: Jerusalem 🌐
Established 2001: covers the situations in Israel and Palestine focusing on peace and political transition strategies

Iraq/Lebanon/Syria

Field representation: Beirut, Damascus 🌐
Established 2001: addresses governance and security in Iraq and covers Syria and Lebanon, focusing on peace and political transition strategies, and on sources of terrorism

Iran/Gulf

Regional office: Istanbul 🌐
Field representation: Tehran 🌐
Established 2002: addresses governance and security in 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

Central Asia

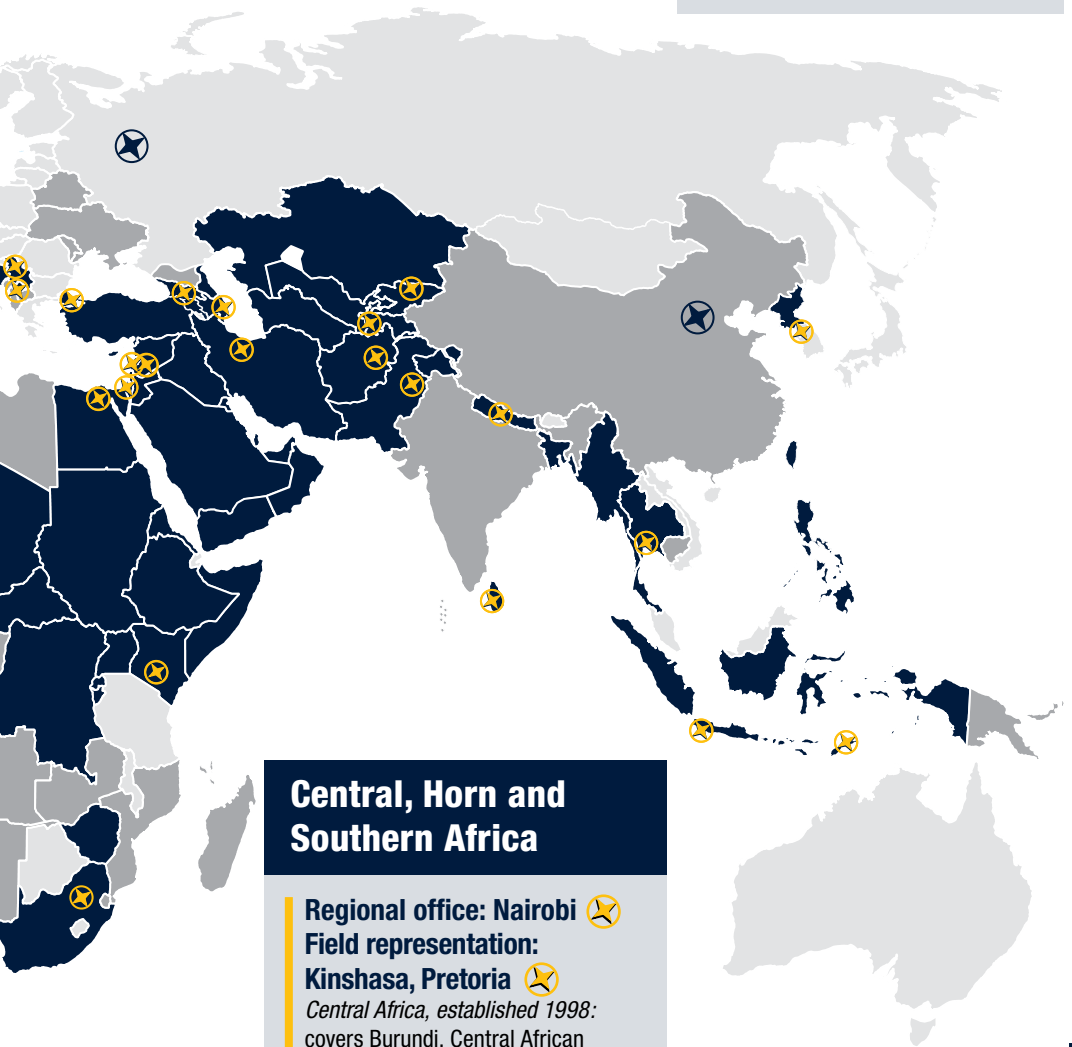
Regional office: Bishkek 🌐
Field representation: Dushanbe 🌐
Established 2000: addresses governance issues, Islamism and political transition strategies in Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan

South Asia

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

Central, Horn and Southern Africa

Regional office: Nairobi 🌐
Field representation: Kinshasa, Pretoria 🌐
Central Africa, established 1998: covers Burundi, Central African Republic, Democratic Republic of Congo, Rwanda and Uganda
Horn of Africa, established 2001 in Sudan: focuses on Darfur and the north-south-east Sudan conflict, Ethiopia/Eritrea, Chad, Kenya and Somalia
Southern Africa, established 2001 in Zimbabwe: covers Zimbabwe and South Africa's continental role



South East Asia

Regional office: Jakarta 🌐
Field representation: Bangkok, 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

Crisis Group
in Africa...



Africa 2007 was a worrying year for Africa. Despite peaceful changeover in Sierra Leone, vote rigging and electoral violence in Nigeria and Kenya endangered democratic progress. Advances in northern Uganda's peace talks allowed the resettlement of thousands of internally displaced persons (IDPs), but the situation in Sudan remains bleak with intensified conflicts in neighbouring Chad and Central African Republic. Fighting raged in Somalia and eastern Congo, while Ethiopia and Eritrea came close to resumed war.

Central Africa

The **Burundi** government faced a serious institutional crisis in its third year in power, losing its parliamentary majority following an internal split in the ruling CNDD-FDD. The November appointment of a more inclusive cabinet ended the crisis, but its cohesion is yet to be fully tested. The peace process was once more strained by the PALIPEHUTU-FNL delegation's hasty departure from Bujumbura in July and renewed army-rebel skirmishes.

Joseph Kabila's first year as elected president of the **Democratic Republic of Congo** was less than impressive. He resorted to using force against the opposition and did little to improve government performance. Security improvements in Ituri were overshadowed by sharp deteriorations in North Kivu. A weak and disorganised Congolese army clashed inconclusively with Laurent Nkunda's well-trained insurgents, provoking an appalling humanitarian situation. In November, Congo and **Rwanda** agreed to tackle the Hutu Rwandan rebels jointly and hold a peace conference for the Kivus, but did not clarify how they will address the root causes of conflict in eastern Congo.

In **Uganda**, frequently stalled peace talks between the government and the Lord's Resistance Army (LRA) gained momentum under the auspices of UN Special Envoy Joaquim Chissano. An agreement on reconciliation and accountability signed in June could provide a domestic alternative to prosecution by the International Criminal Court (ICC). LRA negotiators spent a five-month recess consulting locally on domestic justice mechanisms. Talks resumed in January 2008, possibly leading to the conclusion of a comprehensive peace agreement in coming months – though increased calls for the withdrawal of the ICC arrest warrants could further complicate and delay the process.

The security situation worsened badly both in the north west and north east of the **Central African Republic (CAR)**. Clashes between the government army and rebels continue despite a French military intervention, with both sides committing large-scale atrocities against the civilian population.

Crisis Group impact

Crisis Group focused international attention on the continued challenges facing the **Democratic Republic of Congo** after the post-electoral period and highlighted the importance of a regional approach to the North Kivu crisis. A multilingual domestic and international media strategy prompted representatives of key Congolese politicians, from President Kabila down, to seek further contact – we met with Kabila in April to discuss peacebuilding challenges. Our Washington office helped draft U.S. legislation, sponsored by Senator Barack Obama, on relief, security and democracy in Congo. Crisis Group also briefed the UN Security Council on issues surrounding MONUC's mandate and encouraged recognition



Government soldiers in North Kivu, Democratic Republic of Congo, November 2007 • Nicolas Postal

amongst Africa Security Council members of the EU's willingness to engage in costly security sector reform in Congo. In Brussels, the Civilian-Military Committee of the EU Council of Ministers invited Crisis Group to present before their June meeting on this topic.

Crisis Group helped revive international interest in the **Burundian** peace process with the PALIPEHUTU-FNL rebel group and in resolving the institutional crisis. In addition to our August report *Burundi: Finalising Peace with the FNL*, interviews given at critical moments in the political crisis were praised by the UN in Bujumbura for helping to defuse tensions on the ground. We also twice addressed the UN Peacebuilding Commission on Burundi as the sole NGO representative.

On the conflict in northern **Uganda**, Crisis Group focused on ways to encourage the peace process, highlighting the opportunity provided by the Sudanese peace agreement and elections in Congo. Our September briefing emphasised the need to reconcile peace and justice, calling for the establishment of a comprehensive justice framework to encompass both LRA and army commanders. We were a leading voice in a campaign drawing attention to Kampala's inadequate provision of welfare and protection to the displaced, resulting in the government's Emergency Action Plan for Northern Uganda, which featured key Crisis Group recommendations. May advocacy efforts in Brussels and London aimed to refocus interest on the situation, with EU foreign ministers calling for renewed commitments to development and rule of law in June.

Crisis Group in Africa...

Key issues for Central Africa in 2008

Democratic Republic of Congo

Stabilising the Kivus: The three Kivu provinces are the most volatile and violent in the country. Crisis Group will examine how they can be stabilised and state authority restored, with particular attention to economic and cross-border dimensions of the conflict and political solutions.

Ituri: This district continues to face numerous peacebuilding challenges. Crisis Group analysis will focus on progress in DDR, continued illegal exploitation of natural resources and reconciliation of Hema and Lendu communities as the displaced begin to return and claim land.

Security sector reform: In post-transition Congo, donor governments must urgently elaborate a comprehensive approach to security, including both army and police.

Burundi

Turmoil among Hutu political forces: Crisis Group will examine progress in the implementation of the government-FNL ceasefire agreement, as well as the consequences of the CNDD-FDD internal political crisis.

Central African Republic

Reform agenda for peace: We will focus on lasting solutions to the chronic instability of this country, with particular emphasis on the governance system and security sector reform.

Uganda

Government-LRA negotiations: The June agreement on accountability and reconciliation has removed a major obstacle. Crisis Group's focus will now be on how to move the peace process forward.

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 IDPs returning home, focus should be on planning and implementing a land policy that will promote tenure security and productive land use.

Queuing for food at Oromi IDP camp, Kitgum District, northern Uganda, May 2007 • Manoocher Deghati/IRIN



Horn of Africa

The situation in **Sudan** remained bleak in 2007. The conflict in the western region of Darfur continued to evolve as rebel groups splintered and new armed groups and alliances emerged, while the 2005 North-South Comprehensive Peace Agreement (CPA) teetered on the brink of collapse following the southern-based SPLM's decision to suspend participation in the government of national unity. In July, the UN Security Council authorised a larger UN/AU hybrid peacekeeping force for Darfur (UNAMID) to replace the existing AU force, but bureaucratic obstructions by Khartoum and difficulties obtaining equipment continue to hamper deployment. Notwithstanding AU/UN mediation efforts, fresh peace talks have not taken off, with the international community divided and Khartoum committed to a military solution. Although the SPLM re-entered government in late December, the CPA remains at risk with the status of the oil-rich Abyei region unresolved and trust between parties dangerously low.

Violence from Darfur continued to spill over into **Chad**, with a significant escalation in January 2008 as Khartoum-backed Chadian rebels attacked the capital N'Djamena. The Security Council endorsed a new UN/EU mission for Chad and the Central African Republic in September, including an EU force for protection.

The situation deteriorated dramatically in **Somalia**, following the December 2006 retaking of Mogadishu from the Council of Somali Islamic Courts (CSIC) by the Transitional Federal Government (TFG) and Ethiopian forces. Fighting raged in and around Mogadishu throughout the year, as CSIC remnants and local clan militias waged an insurgency against the Ethiopians and TFG, leading to some 6,500 civilian deaths in the capital and the displacement of hundreds of thousands.

A resumption of conflict over the stalled **Ethiopia/Eritrea** border dispute seemed dangerously close in late 2007 with virtual border demarcation by, and subsequent dissolution of, the Ethiopia-Eritrea Boundary Commission. The event passed peacefully but tensions remain high and the dispute continues to play out in Somalia, where Eritrea supports anti-Ethiopian insurgents and Ethiopian troops support the TFG. A new front opened in the Ethiopian region of Ogaden, with regular clashes between the army and Eritrean-backed Ogaden National Liberation Front, sparking a humanitarian crisis in the region.

The year ended with the beginning of an unprecedented political, security and humanitarian crisis in **Kenya**. The rigging of 27 December presidential elections sparked protest riots, repression

and revenge killings – increasingly along ethnic lines – causing over 1,000 deaths and massive displacement through the beginning of 2008. Recovery from this violence and addressing its causes present tremendous challenges ahead.

Crisis Group impact

Crisis Group's reporting and advocacy on **Sudan** in 2007 focused attention not only on the situation in **Darfur** but also on broader – and related – conflict dynamics in the country. Our March report *Revitalising the Darfur Peace Process* argued for renewed focus on the political track and suggested a negotiating strategy which has largely been adopted by the AU/UN mediation team. A *Strategy for Comprehensive Peace in Sudan*, in July, warned of the looming crisis in CPA implementation, which played out in the SPLM's suspension from government, and argued for more consistent and inter-linked policies on Darfur and the CPA. Our October briefing *Breaking the Abyei Deadlock* provided timely research on Abyei, the single most volatile element of the CPA, with a particular focus on the under-reported importance of the oil reserves in the area. In November, *Darfur's New Security Reality* tracked the changes in the security situation in Darfur since the May 2006 signing of the Darfur Peace Agreement and reinforced our earlier calls for changes in the peace process and peacekeeping force to reflect the evolution of the conflict.

Sudanese JEM (Justice and Equality Movement) rebel in Adré, eastern Chad, March 2007 • Teun Voeten



“Crisis Group is quick, flexible and pragmatic – in a class of its own among NGOs.”

Lord Malloch-Brown, UK Minister for Africa, Asia and the UN, January 2008

Crisis Group in Africa...

Our Sudan reporting was widely praised in 2007, by Sudanese, regional and international actors alike, and we continued to be one of the leading voices on the country. Our Darfur reports were singled out by both the UN and AU special envoys as critical reading, and our July report helped trigger a noticeable shift in the international community toward refocusing on CPA implementation.

Africa Program Senior Adviser Andebrhan Giorgis pushed our message regionally through trips to Libya and Egypt, and led Crisis Group's advocacy in the Arabic-speaking world. Crisis Group also co-organised a full-day workshop in Cairo in April regarding Arab media coverage of the crisis in Darfur. We held numerous high-level meetings with senior U.S. government and UN officials, including Secretary-General Ban Ki-moon, as well as European, Libyan and regional officials. Our New York office also worked extensively to help shape the Security Council resolution finally authorising the UN/AU force.

Crisis Group's warning of the risk of a resumption of conflict between Ethiopia and Eritrea, set out in our November briefing *Ethiopia and Eritrea: Stopping the Slide to War*, helped trigger public and private high-level appeals from the UN and the U.S. government for both sides to maintain the ceasefire. On Somalia, Crisis Group responded to the December 2006 fall of the Islamic Courts with a January briefing, *Somalia: The Tough Part Is Ahead*. We outlined a clear strategy for the TFG and stressed the need for a multilateral peacekeeping force to replace Ethiopian troops.

An eleven-year-old survivor of the mob attack on the Kenya Assemblies of God Pentacostal church near Eldoret, in which up to 50 people were burnt to death during Kenya's post-election violence, January 2008 • Georgina Cranston/Galbe.com



Key issues for the Horn of Africa in 2008

Sudan

North-South update and the 2009 elections: Serious obstacles to the CPA's implementation remain, including Abyei, security sector reform, oil and demarcation of the North-South border. Crisis Group will focus on the necessary measures to prevent a slide back to war and to prepare for the 2009 elections.

Kordofan: The risk of new conflict in the central region of Kordofan continues to grow. Crisis Group will examine the key risks, which include growing dissatisfaction with the ruling NCP, spillover from Darfur, an outbreak of conflict between the Sudanese Armed Forces (SAF) and the SPLA, and a breakdown of the Nuba Mountains agreement.

Darfur peace process and peacekeeping: 2008 will see the resumption of the Darfur peace process and the full deployment of UNAMID. The success of both is crucial for reversing the downward trend in Darfur since the conflict began in 2003.

Somalia

A new roadmap for peace: A successful strategy for peace must unlock the dynamics of the Ethiopia/Eritrea proxy war in Somalia, the weakness of the TFG and the divided opposition, AMISOM's lack of capacity as a replacement for the Ethiopian force, and the continued U.S. support for the Ethiopian invasion as part of Washington's "global war on terror".

Ethiopia/Eritrea

Beyond the border stalemate: The root causes of the Ethiopia/Eritrea conflict go beyond the contested town of Badme, and must be resolved if a stable peace is to take hold. Crisis Group will examine these causes, including the proxy war the two countries are fighting in Somalia, as well as the nature of the regimes in Asmara and Addis Ababa.

Chad

Chad in crisis: The conflict in Darfur has spilled over and destabilised Chad. However, the crisis has deep rooted internal dynamics, requiring internal political negotiations. President Idriss Déby's conflict with the Islamist regime of Khartoum and open support for the Darfur rebels is a short-term survival strategy – Crisis Group will seek to suggest long-term solutions to Chad's crisis of governance.

Kenya

Conflict in Kenya: The December-January violence shattered Kenya's reputation as a haven of stability – a political settlement alone will be insufficient. Crisis Group will advise on how to restore Kenya's citizens' trust in their own government and rebuild the foundations of a stable democracy.



Zimbabwe's President Robert Mugabe attends the closing ceremony of the EU-Africa summit in Lisbon, December 2007 • Nacho Doce/Reuters

Southern Africa

There were increased efforts by the Southern African Development Community (SADC) in 2007, led by South Africa's President Mbeki, to resolve **Zimbabwe's** crisis. Following a government crackdown on the opposition in March, SADC mandated Mbeki to mediate between the ruling ZANU-PF and the opposition Movement for Democratic Change (MDC) to secure agreement on constitutional reform ahead of March 2008 elections and to end the economic crisis. The talks collapsed, perhaps permanently, just after year end. Divisions in the MDC and demonstration fatigue reduced pressure for reform, while dissent within ZANU-PF was insufficient to prevent endorsement of President Robert Mugabe to run in the March 2008 presidential polls.

Crisis Group impact

Crisis Group's reporting and advocacy on **Zimbabwe** helped to keep the seven-year-old crisis in the spotlight in 2007, and became increasingly influential with leading government and opposition figures within Zimbabwe and with SADC policymakers. The regional initiative launched in March was in line with our recommendations in *Zimbabwe: An End to the Stalemate?* that SADC take the lead in resolving the crisis. We successfully advocated low-key but determined EU involvement in the negotiations process, and maintained close contact with key ZANU-PF players, urging them to push for an inclusive transition process. MDC leaders Morgan Tsvangirai and Arthur Mutambara endorsed our analysis publicly and privately.

Our September report *Zimbabwe: A Regional Solution?*, which received 240 international media mentions in just three days, was welcomed by policymakers and experts, and its message – that SADC countries, and in particular South Africa, should use their leverage

to expedite reform in Zimbabwe – was delivered in many high-level meetings in the region. Senior South African government officials have pointed to the value of Crisis Group's reporting, noting that it often articulated policy recommendations that the government privately desired but was unable to support publicly.

Key issues for Southern Africa in 2008

Zimbabwe

Zimbabwe's transition: Mugabe's announcement that he will run for another term in March 2008 has created a rift within ZANU-PF and with SADC leaders, to whom he had promised to step down. As the crisis increasingly destabilises the region, Crisis Group will advise on the necessary international and regional responses to set the country on a path to recovery.

Zimbabwe's security apparatus: This omnipresent arm of repression provides Mugabe's main support base. Yet the rank and file are also affected by the economic meltdown. Crisis Group will analyse the role of this institution and how to address it.

Transitional justice?: The crimes committed during the liberation war, the 1980s Gukuruhundi repression and the seven-year campaign against the MDC and its supporters have left a profound mark on Zimbabwe. The problem of political violence must be revisited and transitional justice initiatives proposed.

Crisis Group ...in Africa

West Africa

Nigeria was the main flashpoint in the region in 2007. Over 200 were killed during the April elections, the most poorly organised and massively rigged in the nation's history. Desperate efforts by outgoing President Obasanjo and his People's Democratic Party (PDP) to ensure sweeping victories at federal, state and local levels have given Nigeria a new president, Umaru Musa Yar'Adua, with little legitimacy or capacity to moderate and resolve violent domestic conflicts. The Niger Delta remained extremely volatile, as rebel groups resumed attacks on oil pipelines in August after an electoral lull and the military had to be deployed to Port Harcourt to bring street fighting under control. Clashes between rival gangs and the army have spread to neighbouring states.



A man waits for a minibus beside a campaign poster the day before gubernatorial elections in Lagos, Nigeria, April 2007 • Tiggy Ridley/IRIN

In **Côte d'Ivoire**, President Gbagbo and Forces Nouvelles (FN) rebel leader Guillaume Soro signed the Ouagadougou peace agreement in March. Identification of Ivorian nationals and eligible voters has been delayed, increasing the risk of security incidents in the run-up to the 2008 presidential elections.

A new government led by civil society candidate Lansana Kouyaté was formed in **Guinea** in March, ending a violent three-month political crisis in which hundreds were killed. Kouyaté's reforms remain limited, after some damaging political missteps and bureaucratic opposition from President Lansana Conté.

Sierra Leone seemed to follow the path of **Liberia** with peaceful election of an opposition candidate as president – Ernest Bai Koroma, who replaced Ahmed Tejan Kabbah. Both countries continued to struggle to eradicate corruption and rebuild viable security forces after their long civil wars.

Crisis Group impact

Crisis Group reporting on **Nigeria** won steadily increasing coverage and respect during the year. In the early months it centred on the April elections. March's *Nigeria's Elections: Avoiding a Political Crisis* highlighted serious flaws in the electoral process, while May's *Nigeria: Failed Elections, Failing State?* concentrated on measures needed to reverse the spiral towards state collapse. In December, *Nigeria: Ending Unrest in the Niger Delta* highlighted the major risk of the Niger Delta once again sliding into chaos. Two advocacy visits by senior Crisis Group staff and increasingly frequent media appearances by our Abuja-based senior analyst significantly increased our visibility.

Timed to coincide with the August elections in **Sierra Leone**, our July report *Sierra Leone: The Election Opportunity* led to Crisis Group being the only NGO to address a July meeting of the UN Peacebuilding Commission

in New York. The gathering featured a videolink with senior UN and government officials in Freetown.

We published *Guinea: Change or Chaos* during the insurrection against President Conté's regime and recommended an exit strategy, which was partially adopted. Crisis Group's direct engagement with **Guinean** union leaders and political players after a rise in tension in January 2008 has been influencing a new common course of action.

Crisis Group reporting continues to shape the international community's perception of the situation in **Côte d'Ivoire**, as well as encouraging national actors, especially civil society, to take new initiatives. Key recommendations from our June report *Côte d'Ivoire: Can the Ouagadougou Agreement Bring Peace?* have been taken up by the Ivorian government, the UN Security Council and the president of Burkina Faso, facilitator of the peace process.

Key issues for West Africa in 2008

Nigeria

Consolidating democracy: Democracy in Nigeria faces major threats. Crisis Group will analyse steps to improve governance, including effective constitutional review, consolidation of economic reforms and success of the anti-corruption campaign.

Sharia and the state: Opposing legal systems at state and national levels raise fundamental questions about Nigeria's viability as a federation. Crisis Group will assess how to address these differences to avoid further fracturing along religious lines.

Guinea

Political transition and security sector reform: With legislative elections expected in 2008 and President Conté's power ebbing, Crisis Group will examine the requirements for peaceful elections and effective security sector reform.

Liberia

Progress in democratic Liberia: The new government faces many challenges, foremost economic and security sector reform. Crisis Group will identify the steps needed to consolidate President Johnson-Sirleaf's reforms and support long-term recovery.

Sierra Leone

Post-election reform: The September election of opposition candidate Ernest Bai Koroma underlined Sierra Leoneans' dissatisfaction with the ruling elite and with slow progress since the war's end in 2003. A reform agenda that will guard against return to conflict is needed.

Côte d'Ivoire

Peace process and elections: Daunting challenges remain following the Ouagadougou agreement, including disarmament and voter registration. Crisis Group will monitor the political climate, security situation and preparations for the 2008 elections.

Cameroon

Stability and succession: Crisis Group will closely monitor the situation following unrest in early 2008 sparked by President Biya's attempts to extend his 25-year rule.

Crisis Group
in Asia...



Crisis Group in Asia...

Asia 2007 saw significant developments – and turmoil – in Asia. Serious blows to democracy and stability rocked Pakistan with Musharraf’s imposition of martial law and the assassination of opposition leader Benazir Bhutto. Conflict intensified in Afghanistan and Sri Lanka, while Nepal’s peace process remained fragile. Monk-led demonstrations in Myanmar/Burma were violently repressed and the situation in Thailand’s Muslim south deteriorated. Flawed elections in Kazakhstan, Krygyzstan and Uzbekistan reinforced rising authoritarianism.

Central Asia

Elections across the region in 2007 confirmed a strong authoritarian trend that is likely to have widespread implications for regional security, development and international ties. August parliamentary polls in **Kazakhstan** resulted in President Nursultan Nazarbaev’s party, Nur Otan, occupying every seat. Although monitors from the Organization for Security and Co-operation in Europe (OSCE) reported electoral violations, it announced in November that the country would become its chair in 2010. In **Krygyzstan**, President Kurmanek Bakiyev also consolidated power in parliamentary elections, followed by opposition protests and allegations of irregularities.



Opposition supporters attend a rally in Almaty, Kazakhstan, February 2007 • Shamil Zhumatov/Reuters

In **Uzbekistan**, the ruthless and uncompromising Islam Karimov held on to power, winning a widely condemned vote at year end. There is no sign that a succession mechanism exists, raising the risk of a violent power struggle and regional shocks in the event of his incapacitation or demise. Human rights violations have continued unchecked, and the tightly controlled economy has left most of the population in grinding poverty. The regime cites the “war on terror” to justify its authoritarian policies, but repression may be creating greater danger by radicalising opponents. The polarisation and inherent instability of Uzbek society now worries even the country’s neighbours and Russia. **Turkmenistan** continued its hesitant retreat from the personality cult of its late leader Saparmurat Niyazov, who died in December 2006, with no clear model of governance yet emerging. **Tajikistan**, meanwhile, maintained its status as a near-failed state.

Crisis Group impact

Our May report *Central Asia’s Energy Risks*, one of the most widely read of all Crisis Group reports on the region, injected a critical assessment of the implications of energy development for these states’ internal politics, stability and development into a discussion often limited to outside actors’ energy access and influence. Since its release, we have briefed numerous officials working on Central Asian energy issues and been invited to a series of public speaking engagements in the U.S. and Europe. We also produced a very timely report on **Turkmenistan** in February, *Turkmenistan after Niyazov*, which was a useful resource for policymakers at a critical time in the country’s potential transition from dictatorship to democracy.

Crisis Group’s reporting on **Uzbekistan** continued despite increasing difficulty in obtaining direct information from the country due to government restrictions and security concerns. Our August briefing *Uzbekistan: Stagnation and Uncertainty* warned of potential instability, particularly around political succession, and showed how efforts at international engagement have been stymied since the 2005 Andijon massacre.

Key issues for Central Asia in 2008

Radicalisation and migration in Central Asia: Several million people have left Uzbekistan, Kyrgyzstan and Tajikistan in recent years to work in Russia, Kazakhstan and elsewhere, often suffering violence and discrimination. Crisis Group will examine the risks surrounding these migrants and the recruitment efforts of radical groups such as Hizb ut-Tahrir.

Women and radical Islam: With more and more male members being arrested, and women remaining marginalised socially, economically and politically, Hizb ut-Tahrir is increasingly drawing women into its ranks. Crisis Group will analyse the causes and consequences of the growing role of women in this group.

Return of the Russians: A resurgent Russia wants to extend its influence, and perhaps its authoritarian model of governance, to the countries of Central Asia. Crisis Group will assess Russian aims and ambitions, as well as regional and international responses.

Crime, punishment and extremism in Central Asia: Policing and incarceration practices, and the potential for radical groups to take advantage of them to recruit, will also be a focus.



Anti-North Korea protesters burn the North Korean national flag during a rally denouncing the meeting of South-North Korean prime ministers in Seoul, South Korea, November 2007 • Han Jae-Ho/Reuters

North East Asia

Following a series of breakthroughs in the six-party talks, **North Korea** began to disable three key nuclear facilities in November. Yet it failed to meet a year-end deadline to submit a declaration detailing its nuclear programs. **South Korea's** President-elect Lee Myung-bak took office in February 2008 and is expected to demand greater reciprocity from the North – a move that could affect denuclearisation. Technical issues prolonged disablement beyond the December target, but political problems now threaten the six-party process.

In 2007 **China** continued its shift toward a more proactive foreign policy, increasingly using its bilateral leverage and playing a substantial role in processes designed to deal with conflicts. The mix of assets that China can bring to bear on crises such as North Korea and Sudan – including economic and political muscle, skilled diplomatic brokering capacity, and a qualitatively different set of relationships with the regimes – is critical for international responses.

Crisis Group impact

On **North Korea**, Crisis Group's April briefing *After the North Korean Nuclear Breakthrough: Compliance or Confrontation?* emphasised that a phased negotiation process – such as agreed in February, with Pyongyang making concessions in return for security assurances and development aid – remains the only strategy with a chance of success. We also continued to put resolution of the nuclear issue in wider regional context, producing December reports on relations with Russia, *North Korea-Russia Relations: A Strained Friendship*, and on the **South Korea** presidential election, *South Korea's Election: What to Expect from President Lee*.

In late 2007, Crisis Group hired a new North East Asia Project Director, who will work largely from Beijing on the role of China in conflict-related areas in the region and around the world.

Key issues for North East Asia in 2008

North Korea

North Korea's nuclear program: If the denuclearisation process continues, North Korea will dismantle its nuclear facilities and surrender its plutonium and any nuclear bombs it might possess. But will it? Looking ahead, Crisis Group will consider how the disarmament and arms control process should proceed.

North Korean succession: While North Korea is currently stable, a collapse could come with little warning and swiftly degenerate into a serious crisis. Crisis Group will assess what would be needed to stabilise and reconstruct the country if its government broke down.

China

Chinese policy toward countries in conflict: A more proactive Chinese foreign policy has implications for the global strategic environment. A critical focus for Crisis Group will be how China can constructively contribute to shaping policy toward countries that are current or potential international flashpoints.

Taiwan: Crisis Group will continue to monitor the outlook for stability across the Taiwan Strait, and report after the Beijing Olympics on the current and future outlook.

Crisis Group in Asia...

South Asia

Conflict increased in **Afghanistan**, as the insurgency expanded beyond the southern and eastern border regions to areas surrounding Kabul and some northern provinces. Suicide attacks became more frequent, while poppy production – both a symptom and source of instability – grew. The Karzai administration has become more cut off from the people, and its foreign supporters have fragmented, lacking both necessary military muscle and overall strategic plan.

Pakistan suffered serious blows to democracy and stability in 2007. Pervez Musharraf's military government, reliant on the support of Islamist parties to stay ahead of the moderate democratic opposition, failed to dismantle extremist groups. In November, Musharraf imposed effective martial law to prevent the judiciary from ruling against his controversial re-election as president, and imprisoned hundreds of thousands. Under U.S. pressure he lifted emergency rule and gave up his army chief post, but only after imposing new restrictions ahead of parliamentary elections. Those were postponed to February 2008 after the December murder of opposition leader Benazir Bhutto – and resulted in a resounding defeat for Musharraf's party. Pakistan's instability also slowed the normalisation process with India over **Kashmir**, as Delhi rejected demands to reduce its military presence, citing continued cross-border militant attacks.

Despite a promising start to the year, with a new legislature in January and interim government in April, **Nepal's** peace process faltered several times. Violent unrest in the Tarai plains highlighted the exclusion of marginalised groups, while elections for a constituent assembly were twice postponed. The Maoists quit the government in September, but a year-end agreement saw polls back on track for April 2008 as the parties agreed to declare Nepal a republic. **Bangladesh** entered a state of effective military rule after January elections were indefinitely postponed amid rising violence and continued threats of an opposition boycott. A technocratic administration took over with army backing, launching a major crackdown on corruption among the political elite that has seen thousands arrested and a muzzling of dissent.

The **Sri Lankan** government's campaign to win back territory from the Tamil Tigers (Liberation Tigers of Tamil Eelam, LTTE) made significant progress but at a high cost in the north and east, with tens of thousands displaced and an estimated 2,500 soldiers and civilians killed. The LTTE continued attacks on civilian targets, while the government killed or "disappeared" hundreds. Human rights violations went unpunished and often-violent repression of political dissenters, journalists and aid workers reached alarming levels.

Crisis Group impact

In **Afghanistan**, our January review of the international community's early 2006 five-year commitment, *Afghanistan's Endangered Compact*, provided some of the only analysis of its kind and was widely used in assessments. Our analysis of the violence in the country and possible solutions were actively sought and studied by NATO troop-contributing countries, including Canada, in front of whose Independent Panel on Canada's Future Role in Afghanistan we testified in December. We also briefed President Karzai and the heads of the U.S. and EU policing efforts on the recommendations in *Reforming Afghanistan's Police* (August).

Within weeks of the imposition of martial law in **Pakistan**, Crisis Group published a briefing, *Winding Back Martial Law in Pakistan* (November), and stepped up a major advocacy campaign which helped push the U.S. Congress to pass three critical legislative provisions: linking U.S. policy on Pakistan to its counter-terrorism performance and democratic freedoms; conditioning some \$300 million in military aid on support for democracy, including judicial independence; and – for the first time – instituting reporting requirements for the nearly \$1 billion provided to Pakistan by the U.S. Department of Defense. With our January briefing *After Bhutto's Murder: A Way Forward for Pakistan*, released within days of Bhutto's assassination, we started 2008 as a continuing central player in the policy debate.

"No other organisation touches the quality and quantity of Crisis Group's work."

Leslie Gelb, President Emeritus
of the Council on Foreign Relations,
December 2007



An Afghan National Army soldier on guard during U.S. Defense Secretary Gates's tour of the Kabul Military Training Centre, December 2007 • Shamil Zhumatov/Reuters

In **Sri Lanka**, our June report *Sri Lanka's Human Rights Crisis* was cited by members of the U.S. Congress in a letter urging the Bush administration to take stronger action against the collapse of rule of law and received extensive international media attention. Calls by Crisis Group for donors to review their aid to the country were followed by the cancellation of most U.S. military assistance. We also briefed UN Humanitarian Advisor John Holmes, UN High Commissioner for Human Rights Louise Arbour, and UN Special Representative for Children and Armed Conflict Radhika Coomaraswamy prior to their visits. Crisis Group President Gareth Evans gave a lecture in Colombo on the principle of Responsibility to Protect (R2P) and its relevance to Sri Lanka's civil war crisis, sparking a major debate that embedded R2P in Sri Lankan political discourse.

With three reports in the first half of 2007, Crisis Group examined crucial aspects of **Nepal's** peace process in the wake of the November 2006 Comprehensive Peace Agreement. *Nepal's Troubled Tarai Region* (July) was widely welcomed as the most comprehensive introduction to a largely neglected, but increasingly politically significant, area. Two reports in the second half of the year explained the weaknesses exposed by the Maoist walk-out and recommended steps to restore consensus. Crisis Group worked closely with domestic political leaders and with international actors, in particular the UN Mission in Nepal established in January.

Key issues for South Asia in 2008

Afghanistan

Elections and security: Crisis Group will look toward presidential and parliamentary elections due in 2009/10 and prerequisites for their successful operation in the current security environment.

Taliban and insurgent propaganda: Extremist groups use propaganda to present themselves, promote their views and criticise outside interventions. Crisis Group will publish a close reading of insurgent – especially Taliban – propaganda in Afghanistan and Pakistan and evaluate government and international efforts to respond, and win the battle for hearts and minds.

[continued overleaf]

Police baton-charge lawyers during a protest in Lahore, Pakistan, November 2007 • Arif Ali/AFP



Key issues for South Asia in 2008

[continued]

Pakistan

Extremism and the judiciary:

An independent judiciary is an essential component of any sustainable democratic transition. Crisis Group will continue its analysis of institutional problems within Pakistan by analysing how executive intervention has undermined judicial capacity.

Policing in Pakistan: Pakistan faces a serious law and order problem directly linked to religious and sectarian violence. Crisis Group will assess the problems with present policing and propose reforms needed to create an effective police service independent of the military and capable of fighting extremism.

Sri Lanka

LTTE and Tamil nationalism: To complement our reports on the Muslim and Sinhalese communities, Crisis Group will examine the Tamil community's history and politics. This will include assessing the current state of the LTTE and effectiveness of international efforts to curtail its fundraising, arms smuggling and political organising abroad.

Economies of war: Crisis Group will investigate the economic relationships and networks that sustain the war and related conflict dynamics, such as the effects of high defence spending and corruption in equipment procurement.

Bangladesh

Politics, radicalisation and security: Bangladesh is now under effective military rule, a situation that has aroused little criticism internationally because of the poor performance of the democratic parties. Crisis Group will examine civil-military relations and how the status quo may endanger fragile institutions and benefit Islamist groups.

Nepal

Elections and political party reform: Crisis Group will provide a checklist of essential criteria for a viable and credible poll, now due in April 2008, and report on Nepal's political parties, who must enact reforms to rid themselves of charges of nepotism and show commitment to tackling corruption.

Gender, ethnicity, caste and regionalism: Crisis Group will investigate inclusion of women in the long-term political process, and the overlapping and competing interests of different castes, ethnicities and regions.

In Myanmar/Burma, monks march through Yangon as bystanders join in an anti-government demonstration, September 2007 • Adrees Latiff/Reuters



South East Asia

Indonesia experienced a relatively peaceful year, without terrorist attacks or large-scale communal violence. But significant problems persist. Violent jihadi groups, though fractured and hard pressed by police action, continue to seek to regroup and recruit. Attacks by hardline Muslim groups on "deviant" Islamic sects and "unauthorised" Christian churches increased, with the government apparently unwilling to combat the increase in religious intolerance. Post-conflict situations in Aceh and Poso remain fragile, while in Papua ethnic conflicts erupted, particularly in the Timika area, and grievances continued over lack of accountability of the security forces.

The situation in the Muslim south of **Thailand** deteriorated further, with bombings and assassinations a daily occurrence. The military government, which seized power in the 2006 coup promising to pursue peace in the south and national reconciliation, notably failed in both goals with elections at year end emphasising continuing political divisions. The repression with deadly violence of monk-led demonstrations in **Myanmar/Burma** between August and October brought major international condemnation but little response. Despite talks between the junta and opposition leader Aung San Suu Kyi, the crackdown underlined the military government's determination to retain power.

Parliamentary and presidential elections in **Timor-Leste** were reasonably peaceful, but the formation of the new government was marred by a constitutional crisis and street violence. Security continues to depend on international security forces, and the

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consequences of the 2006 violence remain unresolved – gangs of former soldiers are still at large and over 100,000 people displaced. In the **Philippines**, the government's offensive against Abu Sayyaf militants continued, while talks with MILF separatist rebels failed yet again to yield any results.

Crisis Group impact

Crisis Group continued to provide the most widely respected analysis of Islamist movements in **Indonesia**. Law enforcement and intelligence communities used our May report *Indonesia: Jemaah Islamiyah's Current Status* extensively. January's *Jihadism in Indonesia: Poso on the Edge*, issued two days after the critical police operation in Poso, shaped government and media interpretation of that situation, while November's "Deradicalisation"

"I found Crisis Group's latest report an invaluable aid in better understanding the situation in Burma/Myanmar."

James Moran, Asia Director, External Relations, European Commission, February 2008

"I support the important work of the International Crisis Group."

Dr. Susilo Bambang Yudhoyono, President of the Republic of Indonesia, August 2007

and *Indonesian Prisons* refocused international aid efforts on prison reform as a crucial element in the fight against extremism. October's *Aceh: Post-Conflict Complications* was acknowledged as an important corrective to the widespread assumption that Aceh's problems have been resolved.

Crisis Group's reports on southern **Thailand**, *The Impact of the Coup* (March) and *The Problem with Paramilitaries* (October), consolidated our reputation as the leading international source of analysis on this growing conflict. Following the crackdown in **Myanmar/Burma**, Crisis Group worked extensively to help chart a way forward and regularly briefed UN Special Envoy Ibrahim Gambari. Our arguments for key roles to be played by China and ASEAN seemed to set the tone for much subsequent commentary. Our June briefing *Timor-Leste's Parliamentary Elections* announced the establishment of a new Crisis Group office in Dili and was widely referenced by Timorese leaders.

Key issues for South East Asia in 2008

Indonesia

Jihadist networks in Indonesia: Jemaah Islamiyah is adapting to more intensive counter-terrorism measures, and smaller spin-offs are emerging. Crisis Group will examine these developments and the role the Internet and Islamic publishing play in propagating a jihadist message.

Sharia law in Aceh: Crisis Group will update our earlier reporting on the introduction of Sharia law in Aceh, focusing on both the debate over its implementation there and the implications for Indonesia more broadly.

Indonesia's borders: Territorial disputes contribute to Indonesia's prickly relationships with Malaysia and Singapore and provide a prime justification for the Indonesian military's territorial role. Crisis Group will assess the illusory and real security challenges along land and maritime borders, and the impact of the military's presence in these areas.

Timor-Leste

Justice: Timor-Leste's formal justice system has failed to provide accountability for past crimes. Crisis Group plans to explore methods of building a functional justice system within the Timor-Leste cultural context.

Thailand

Insurgency in Southern Thailand: The insurgency has worsened in recent years with the death toll rising despite efforts at reconciliation by the government in Bangkok. Crisis Group will examine whether the insurgency is driven more by Islamic extremism or ethno-nationalist discontent and assess the risk of wider radicalisation.

Burma/Myanmar

Border issues: Crisis Group will investigate how ethnic conflict and porous borders affect prospects for political change.

Crisis Group
in Europe...



Europe Negotiations over Kosovo's final status expired without agreement in December, paving the way for a declaration of independence early in 2008. Protests in Georgia against President Saakashvili's increasingly authoritarian government were violently repressed, while the region's frozen conflicts moved no closer to resolution. Intensified nationalist rhetoric in Bosnia and Herzegovina questioned the foundations of the state. Turkey's EU convergence slowed, but a strong civilian government emerged from the summer's political crisis despite pressure from the military.

Balkans

The **Kosovo** final status proposal by UN envoy Martti Ahtisaari (former Finnish president and Crisis Group Chairman) was presented to Belgrade and Pristina in February. The plan amounts to independence supervised by international missions with strong protections for minorities. Though it was forwarded to the UN Security Council in March, **Serbian** objections and the threat of a Russian veto prevented a Council decision. Months of negotiations managed by a "troika" of diplomats to bring Pristina and Belgrade closer followed, but expired without agreement on 10 December. While Serbia and Russia insisted they continue, the EU and U.S. declared them "exhausted" and support, even without new Security Council endorsement, Kosovo's declaration of independence in February 2008, consistent with the Ahtisaari plan. Though in early 2008 it appears a handful of EU countries will not recognise the new state, all support the deployment of an EU rule of law mission.

Hashim Thaci's Democratic Party of Kosovo won the November elections and will govern in coalition with the defeated Democratic League of Kosovo, headed by President Sejdiu. Serbia held parliamentary elections on 21 January, with Vojislav Kostunica forming a coalition government with President Boris Tadic's Democratic Party. Belgrade maintained its headline Kosovo policy, at times urging partition behind the scenes, and continued to shelter war crimes indictee Ratko Mladic, causing the EU to delay progress on signing a Stabilisation and Association Agreement (SAA), though it was initialled on 7 November.

Nationalist rhetoric increased sharply in **Bosnia and Herzegovina**. Republika Srpska Prime Minister Milorad Dodik threatened that RS had the right to secede. A major political crisis also erupted in October when new High Representative/EU Special Representative Miroslav Lajcak imposed changes to the law on the Council of Ministers, prompting the council's chairman to resign and RS politicians to withdraw from the central government. The crisis was defused in early December, eventually leading to the EU initialling an SAA with Bosnia on 7 December.

Montenegro's economy steadily improved as it joined the IMF and World Bank in January, and in October signed an SAA with the EU and adopted a new constitution. In **Macedonia**, tensions within the coalition government persisted and violence between Albanians and police flared in the north.

Crisis Group impact

Crisis Group's reporting and high-level advocacy on the **Kosovo** final status process continued to guide policymakers and media. We delivered an influential memorandum to UN Security Council members in advance of their April mission to the region and in May published *Kosovo: No Good Alternatives to the Ahtisaari Plan*, shaping opinions at



A Bosnian Muslim woman hugs the coffin of her relative before a mass funeral in the town of Brcko, June 2007 • Damir Sagolj/Reuters

a crucial time. In response to the failure to gain Council endorsement for the Ahtisaari plan, Crisis Group argued in *Breaking the Kosovo Stalemate: Europe's Responsibility* (August) and at high-level forums in October in Brussels and at the UN that the EU use the "troika" talks to prepare itself to assume responsibility for bringing Kosovo to independence. Policymakers praised the report for setting the agenda.

In December, Crisis Group published *Kosovo Countdown: A Blueprint for Transition*, which proposed a mechanism for bringing Kosovo to supervised independence in accordance with the Ahtisaari plan by May 2008. The EU Council conclusions of 14 December fully reflected the steps on Kosovo that we had recommended, which had been reiterated in a letter from Crisis Group President Gareth Evans to member state governments before their meeting. Although Kosovo Albanians had wanted a faster independence schedule, their leaders used the report's recommendations to focus on the transition period ahead. Intensive rounds of high-level advocacy in New York similarly influenced the UN Secretariat and key members of the Security Council.

In February Crisis Group argued for a policy approach toward **Bosnia and Herzegovina** that would rely less on Bonn powers and more on EU "soft power" in *Ensuring Bosnia's Future: A New International Engagement Strategy*. Our analysis of the new government in Belgrade accurately predicted that **Serbia** would turn increasingly from the EU in response to Kosovo independence, *Serbia's New Government: Turning from Europe* (May). We also gave warning of the potential for renewed violence in South Serbia's ethnic Albanian Presevo Valley as the Kosovo independence process proceeds, *Serbia: Maintaining Peace in the Presevo Valley* (October).

Crisis Group in Europe...

Key issues for the Balkans in 2008

Kosovo

Final status: Crisis Group continues to track the final status process, as it works through, and to liaise closely with members of the UN Security Council, the negotiating team, EU member states, and the parties to the conflict to identify stumbling blocks and provide independent advice on ways forward. We will continue to report on Kosovo's status and the post-independence international presence, examining the challenges ahead.

Kosovo's Serb north: With the Serb north resisting incorporation in an independent Kosovo, there is a risk of territorial disintegration, which, in turn, would reignite border questions across the region. Crisis Group will examine the response of the international community and Pristina.

Political system: Crisis Group will assess whether the political system can mature sufficiently to enable crucial state institutions to become robust, with a contest of ideas supplanting patronage as the main political driver, and furthermore explore whether the political system will be able to accommodate popular discontent.

Serbia

Serbia's Kosovo policy: Crisis Group will continue to monitor closely Serbia's reaction to Kosovo's final status process and its implications internally and externally.

Islamism in Serbia: Building on previous reports on the Presevo Valley and Sandzak regions, Crisis Group will examine how Islamic extremism is developing in the two regions – and its possible linkages to similar movements in Bosnia-Herzegovina.

Serbian-Russian relations: Belgrade has benefited from Russia's political support on the Kosovo question. Crisis Group will analyse the reasons for Russia's strongly supportive position, as well as Russian economic gains in the region.

Bosnia and Herzegovina

Challenges post-OHR: Vital constitutional and police reforms have stalled, slowing progress toward signing an SAA with the EU. Crisis Group will assess these challenges, along with growing tension between a more unified Bosnia-Herzegovina and Serb commitment to a more autonomous Republika Srpska.

Caucasus

Georgia plunged into a political crisis on 7 November when authorities violently cracked down on peaceful protests against the increasingly authoritarian tendencies of President Saakashvili's administration, and forcefully closed the commercial broadcaster Imedi. The government declared a state of emergency, claiming a Russia-inspired coup had been averted. Saakashvili passed a first test in winning the snap presidential election held on 5 January 2008, but deeper problems must be tackled.

UN and Russian-led Georgian-Abkhaz negotiations remained stalled and security incidents in the Gali district and the Kodori Valley weakened confidence. Tbilisi attempted to change the negotiation and peacekeeping mechanisms in the Georgian-Ossetian conflict by launching negotiations with a Tbilisi-appointed leader with limited authority over the region. These unilateral initiatives further radicalised the breakaway Ossetian constituency. Negotiations in the quadrilateral Joint Control Commission resumed in October for the first time in over a year.

Armenia and Azerbaijan are no closer to resolving the Nagorno-Karabakh conflict, despite continued Minsk Group negotiations, regular meetings between foreign ministers and a meeting between their presidents in May. Buoyed by oil revenues, Azerbaijan engaged in increasingly belligerent rhetoric, while economic stability despite closed borders furthered Armenia's intransigence. With presidential elections in both countries, there is little chance for a breakthrough in 2008.

Armenian soldiers vote in Yerevan in parliamentary elections, May 2007 • Karen Minasyan/AP/Getty Images



“J'apprécie particulièrement les rapports de Crisis Group pour la pertinence de leurs analyses construites à partir de données solides. On est loin des spéculations politico-intellectuelles.”

Yves Marc Aichenbaum, Opinion editor,
Le Monde (2005-2007), February 2008



Anti-government protesters throw a tear gas cannister back at police during demonstrations calling for the resignation of President Saakashvili, November 2007 • Dato Rostomashvili

Crisis Group impact

Crisis Group provided input for high-level discussions on the frozen conflicts of South Ossetia, Abkhazia and Nagorno-Karabakh. *Abkhazia: Ways Forward* (January) and *Georgia's South Ossetia Conflict: Make Haste Slowly* (June), suggested ways for **Georgia** to engage in dialogue and build confidence with the separatist constituencies, while *Nagorno-Karabakh: Risking War* (November) examined the dangers of ignoring the arms race between **Armenia** and **Azerbaijan** and urged the international community to coordinate efforts to advance the peace process.

Georgia: Sliding Towards Authoritarianism?, issued within weeks of the violent November crackdown, urged the government to engage political opponents and make its reform process transparent and accountable. In the run-up to the January 2008 presidential election, the report contributed to domestic political debate and provided international policymakers, election observation missions and journalists with a comprehensive analysis.

Throughout the year, we liaised with embassies, OSCE and NATO representatives, the EU special representative for the region, the UN Secretary-General's special representative, and senior policymakers from the UK's Foreign Office and the U.S. State Department.

Key issues for the Caucasus in 2008

Georgia's conflicts: Crisis Group will continue to report on Abkhazia and South Ossetia. A report on the Gali district is planned for the first half of the year.

Georgia-Russia relations: Since 2004 relations have become increasingly strained, reaching a crisis point after Georgia deported four Russian officials for alleged spying in 2006 and Russia, in response, banned some Georgian goods and cut transportation and communication links. Tensions remained high in 2007. Crisis Group will analyse the interests of and relations between the neighbours.

Islamism in Azerbaijan: Baku downplays the threat of extremist Islamism and its links to sensitive ethnic issues, attempting to portray Azerbaijan as a country united around a common national project. Crisis Group will critically assess Islamism in Azerbaijan.

Turkey-Armenia relations: Employing research analysts in both Turkey and the South Caucasus, Crisis Group plans to report on Turkey-Armenia relations, explaining the origins of the uneasy relationship, the efforts being made to improve matters, and the detrimental effects of the frozen ties.

Crisis Group ...in Europe

Turkey/Cyprus

Turkey's EU convergence slowed in 2007 due to continued lack of progress on Cyprus and the election of French President Nicolas Sarkozy, partly on a platform opposing Turkey's EU entry. This in turn undermined Turkey's appetite for EU reforms. But its continued economic growth, as well as the victory of civilian government over military pressure during political turbulence over the summer, mitigated EU criticism. Late in the year clashes escalated between Turkish armed forces and Kurdish PKK rebels in Turkey's Kurdish south east, followed by U.S. permission for air raids on rebel Kurd bases in northern Iraq.

Greek and Turkish Cypriot sides failed in 2007 to implement previously agreed confidence-building steps, undermining progress toward fully-fledged negotiations on the divided Mediterranean island. Presidential elections in February 2008 have brought **Cyprus** to centre stage, with a new opportunity for the EU to lead efforts to restart UN-mediated talks between the Greek and Turkish Cypriot communities.

Crisis Group impact

Crisis Group's new **Turkey/Cyprus** project, based in our new regional office in Istanbul, published its first report in August. *Turkey and Europe: The Way Ahead* was launched in the European Parliament and accompanied by more than fourteen op-eds in major European newspapers. Focusing on Europe's need to reach out to Turkey, it supplied arguments to an emerging group of "like-

minded" EU countries led by the UK, Sweden, Spain and Italy, which are seeking ways to keep the EU-Turkey relationship on track and minimise the damage being done to the process by France and Greek Cypriots. In Turkey, pro-EU foreign affairs commentators seized on the report as evidence that progress was still possible. A Crisis Group delegation led by Gareth Evans was received by President Gül and Foreign Minister Babacan in October, both of whom welcomed the opening of the Istanbul office.

Key issues for Turkey/Cyprus in 2008

Turkey-EU relations: Crisis Group will continue to monitor and report on Turkey-EU relations as it believes they are key to ensuring stability in and around Turkey and guaranteeing the EU a strong role as an international foreign and security actor.

Cyprus update: Crisis Group will follow up pre-election analysis published in January 2008 with further reporting on renewed momentum in the peace process.

Turkey and northern Iraq: Crisis Group will remain attentive to Turkish preparations for military action against alleged PKK strongholds in northern Iraq as well as the PKK's capabilities and political organisation.

Hand of a protester casts a shadow on a Turkish flag during a rally to oppose the ruling AK Party's presidential candidate in Istanbul, April 2007 • Osman Orsal/Reuters



in Latin America...



Latin America Colombia's civil conflict continued in 2007, with no breakthroughs in peace talks and humanitarian agreements, and ongoing electoral interference by armed actors. Violent political clashes plagued Bolivia's faltering Constituent Assembly, while voters blocked an aggressive series of constitutional reforms pushed by Venezuelan President Hugo Chávez. Despite some success in efforts to combat gangs and violence, Haiti remains fragile and especially vulnerable to drug trafficking.

Colombia/Andes

The **Colombian** government under President Alvaro Uribe faced serious challenges in 2007, as the armed struggle with the insurgent Revolutionary Armed Forces of Colombia (FARC) continued and talks with the smaller rebel National Liberation Army (ELN) produced no breakthrough. Attempts to bring about a hostages-for-prisoners swap with the FARC failed despite the Uribe administration's unilateral release of more than 150 FARC prisoners. Facilitation efforts by Venezuelan President Hugo Chávez saw the release of only two hostages out of more than 700 held by FARC. The prosecution of demobilised members of the United Self-Defence Forces of Colombia (AUC) under the Justice and Peace Law (JPL) revealed links between the paramilitaries and politicians close to Uribe. Domestic and international observers expressed concern over the continued interference of armed actors in October departmental and municipal elections, and new illegal armed groups operating closely with drug-trafficking organisations emerged in many regions.

Debates in the Constituent Assembly (CA) in **Bolivia** were punctuated by violent clashes between supporters of Evo Morales's government and the political opposition in its eastern lowland strongholds. In December, Morales's Movement Towards Socialism (MAS) and its allies passed a new constitution without opposition CA delegates, triggering a new round of confrontation. **Venezuelan** President Hugo Chávez suffered a serious setback as a majority of citizens

rejected his far-reaching constitutional reform plans in a December referendum, temporarily cutting short his quest for expanding his "Bolivarian Revolution" across Latin America. His **Ecuadorian** counterpart Rafael Correa obtained a majority in that country's Constituent Assembly, established in November.

Crisis Group impact

In **Colombia**, the Uribe administration's adoption of a more comprehensive strategy to combat emerging armed groups reflects recommendations made in Crisis Group's May report *Colombia's New Armed Groups* and broad, high-level advocacy in Bogotá. Our October briefing on the talks with the ELN, *Colombia: Moving Forward with the ELN?*, provided practical ideas on how obstacles could be overcome with the help of international facilitators.

In **Bolivia**, January violence in Cochabamba highlighted the deadly consequences of refusing to engage in dialogue, as Crisis Group had warned in the January briefing *Bolivia's Reforms: The Danger of New Conflicts*, published only a few days before the clashes. Despite the failure to draft a more inclusive and democratic constitution, the creation of a "political council" in late 2007 reflected Crisis Group's recommendation of establishing a high-level political commission to bridge the differences between MAS and the opposition, set out in August's *Bolivia's New Constitution: Avoiding Violent Confrontation*.

Police stand behind their shields during a student protest against constitutional reform in Caracas, Venezuela, October 2007 • Carlos Garcia Rawlins/Reuters



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Crisis Group's background reports on **Venezuela**, *Venezuela: Hugo Chávez's Revolution*, in February, and **Ecuador**, *Ecuador: Overcoming Instability?*, in August, provided analysis of the political history, make-up and goals of the left-wing governments of Chávez and Correa, offering a less ideological and more balanced understanding of the two countries among decision-makers and domestic and international public opinion. Crisis Group reporting and advocacy supported transparent and democratic elections for the Constituent Assembly in Ecuador and helped set the stage for Chávez accepting the referendum result that defeated his constitutional reform plans.

Key issues for Colombia/Andes in 2008

Colombia

Evolution of conflict with the FARC: While still far from promising, attempts to secure a hostages-for-prisoners swap continue; if ultimately successful, they could have strategic implications for opening peace negotiations with FARC. Crisis Group analysis will also focus on changes in the group's political and military strategies and its involvement in drug trafficking.

Reintegration of former combatants, new armed groups and transitional justice: Crisis Group will assess the obstacles to the effective reintegration amid the surge of new illegal armed groups, and continue to monitor the application of the JPL and other actions to ensure victims' rights to reparation, truth and reconciliation.

Bolivia

Constitutional and nationalisation processes: Crisis Group will monitor the final phase of Bolivia's constitutional process, including the referendum by which the new constitution will have to be approved, and the evolution of government policies in the economic and social sectors.

Venezuela

"Socialism of the 21st Century": President Chávez's constitutional reform efforts, which for the time being were defeated in the December 2007 referendum, have sparked widespread citizen protest. With the government unable to rally as much support as before and the political opposition unsure how to build a democratic counterweight to the regime, Crisis Group will evaluate the evolution of Venezuelan domestic politics.

Ecuador

Institutional stability and social equity: Crisis Group will assess whether the new constitution, currently being drafted in the Constituent Assembly, can help overcome chronic instability.

Guatemala

At risk of becoming a failed state: Since the end of the civil conflict in 1996, Guatemala has failed to reduce killings and ethnic tensions and to protect its weak democratic institutions against mushrooming criminal organisations. Covering the country for the first time, Crisis Group will analyse why the country risks becoming a failed state.

Haiti

Joint operations between MINUSTAH and Haiti's police in early 2007 successfully disrupted gangs, especially in red zones in Port-au-Prince. Yet the increased sense of security was shaken in December when kidnappings, in decline all year, rose again, showing that stability cannot be achieved without substantial socio-economic progress. Major drug seizures throughout 2007 demonstrated Haiti's vulnerability as a transit country. With a year-long extension of its mandate, MINUSTAH will now focus on border management and helping curb trafficking. Calls within Haiti for the reinstallation of the army continued. November elections to renew one third of the senate were postponed until April 2008 and will be organised by a new temporary electoral council.

Crisis Group impact

Several Crisis Group recommendations on justice reform, set out in January's *Haiti: Justice Reform and the Security Crisis*, became reality: the government of René Prével established a functioning detention commission and parliament passed three important justice reform laws. A subsequent May briefing on prison reform, *Haiti: Prison Reform and the Rule of Law*, also influenced policy, including the elaboration of a prison reform plan. Our July analysis of the fragile nature of recent achievements, *Consolidating Stability in Haiti*, shaped the adoption of a broader peacebuilding approach by the UN and the international community. Our end of year report on the Haitian diaspora, *Peacebuilding in Haiti: Including Haitians from Abroad*, provided a detailed outline of a ten-year diaspora policy and received significant coverage.

Key issues for Haiti in 2008

Measuring progress in security sector reform: In the wake of massive arrests and arms and drugs seizures in 2007, Crisis Group will analyse progress made by the UN and the Haitian government to reform the security and justice system, including vetting of police and judges, prison reform and budgetary policies.

Violence reduction and the role of Haitian and international players: Crisis Group will assess domestic and international violence-reduction efforts, and their relation to arms control policies and arms and drug trafficking, to formulate lessons learned from failures and best practices.

"Crisis Group's hallmark is injecting hard facts, innovative prescriptions and fresh thinking into complex national and international debates."

Ernesto Zedillo, Former President of Mexico, August 2007

Crisis Group

in the Middle East/North Africa...



Middle East The Middle East remained extremely volatile in 2007. Iraq was partly stabilised, to some extent by the U.S. military surge, while in Lebanon the political stalemate deepened. The fracture between Hamas and Fatah and persistent violence overshadowed sporadic attempts at peacemaking between Israelis and Palestinians. An apparent U.S. push toward military confrontation with Iran was undercut by a domestic intelligence report at year end, creating an opportunity for direct negotiations in 2008.

Arab-Israeli Conflict

Relations between **Israelis** and **Palestinians** in 2007 were characterised by episodic efforts at peacemaking amid a generally violent and discouraging environment. The disconnect between the two worlds reflected weakened political leaderships, the collapse of trust and seven years of culpable neglect by the Bush administration.

The Israeli-Palestinian arena was dominated by three inter-related dynamics. The first was between Israel and the West Bank, marked by Prime Minister Ehud Olmert's and President Mahmoud Abbas's efforts to achieve a peace agreement and improve the situation there. Yet the two sides were unable to agree even on a broad statement describing the nature of the endgame for the November Annapolis conference, settlement activity continued, and efforts to improve life, lessen Israel's presence, and restore law and order had mixed results.

The second dynamic was that between Hamas and Fatah, dominated by deteriorating relations between them after a brief improvement with the February Mecca accords and a national unity government. Faced with continued Western and Israeli opposition to any Hamas role, the ongoing siege and unresolved issues between the two movements, the Mecca agreement collapsed as Hamas took control of Gaza in June and Abbas named a separate government based in Ramallah. The third involved Israel and Gaza, still the most dangerous Arab-Israeli flashpoint. Continued rocket firing from Gaza and intensified Israeli military operations could turn into all-out war.

Highly sceptical of Abbas's and Prime Minister Salam Fayyad's capacity to assert control in the West Bank, Israel's defence establishment looked with increased interest toward **Syria**. However, significant obstacles persist in presumed U.S. opposition, Israeli concern at Damascus's relations with Iran, Hamas and Hizbollah, and deep mistrust between the two sides.

Crisis Group impact

Crisis Group reporting on the **Arab-Israeli** conflict has been widely cited, confirming that we remain a leading source of analysis regarding developments in the region and the measures required to resolve the interlocking crises. In January, Crisis Group co-organised the Madrid +15 conference, with over 200 participants and observers – an event marking the 1991 Middle East peace talks in Madrid – and secured widely noted **Syrian** participation. Senior Crisis Group Board members followed up with a high-level visit to Israel, Syria and the Palestinian territories in March. Crisis Group also organised a high-level meeting of key players on the margins of the UN General Assembly to outline the prerequisites for a successful Annapolis conference.



Child throwing stones at the Israeli Army in Gaza City • Stephane Lehr

Reports published in the wake of the February Mecca agreement, *After Mecca: Engaging Hamas* (February) and *Restarting Israeli-Syrian Negotiations* (April), generated significant interest among policymakers in the U.S., Europe and the region, and were widely reported in the international media. *After Mecca* presciently argued that, if international and regional policies toward the new Palestinian government were not transformed, the situation was likely to collapse.

Following bifurcation of the Palestinian Authority, Crisis Group published *After Gaza* (August), warning of the dangers of a “West Bank first” approach and urging Palestinian reconciliation. Our November briefing *The Israel-Palestinian Conflict: Annapolis and After* made the case that only a visible and inclusive negotiating process could yield a two-state settlement and reiterated our consistent calls for an endgame-first approach – which was largely embraced at Annapolis, if not yet in what has followed.

Although EU officials indicated privately that Crisis Group's recommendations – especially to engage with Hamas and Syria – had influenced discussions, the international community nevertheless maintained its hardline stance toward the Islamist movement. We concluded the year with *Inside Gaza: the Challenge of Clans and Families*, a report which confirmed Crisis Group as a uniquely knowledgeable authority on Gaza among senior Israeli and Palestinian, as well as international, figures.

Crisis Group's field presence in Damascus provided unique access to Syrian officials. We targeted those at the highest level, including President Bashar al-Assad, in an advocacy campaign designed to address the remaining obstacles to restarting negotiations with Israel.

Key issues for the Arab-Israeli Conflict in 2008

Middle East peace process: Energising negotiations to achieve a comprehensive Arab-Israeli settlement and implementing eventual agreements remain the international community's key challenges in this volatile region.

Palestinian politics: The fallout of the bifurcation of the Palestinian polity between the rival Hamas and Fatah movements, and the creeping disintegration of Palestinian society are having a structural impact on the political system. Crisis Group will assess the resulting challenges and opportunities.

Islamism in Palestine: Crisis Group will also analyse the opportunities for more radical jihadi groups to emerge, created by Hamas's inability to govern and the continued siege of Gaza.

Israeli politics: Instability in the Israeli political system and the continued crisis over Iran's nuclear program create potentially lethal combinations. Crisis Group will review these issues as well as the role of religion in Israel's politics – the impact of Jewish religious groups on policy choices and of radical Islam on the Arab-Israeli population.

Iraq/Lebanon/Syria

After two years of growing sectarian conflict and other violence, the situation in Iraq was partly stabilised during 2007. The U.S. military surge, which brought over 30,000 additional U.S. troops to Iraq, had a direct impact, especially in parts of Baghdad, where fighters affiliated with al-Qaeda in Iraq were engaged and, in many cases, pushed onto the defensive. But its indirect impact was more significant. On the Sunni side, groups of former insurgents and tribal elements established local "awakening" councils and "concerned citizen" groups that drove al-Qaeda in Iraq fighters from most of central Iraq. On the Shiite side, Sadrist fighters belonging to the Mahdi Army militia largely heeded their leader's call for a ceasefire, apparently in response to U.S. and Iraqi government military pressure and a realisation that the Sadrists will eventually gain from U.S. withdrawal. By year end, the primary concern was whether military progress could be matched by political accommodation at the top.

Lebanon remained caught in a deepening political stalemate. The opposition's attempts to wrench a blocking third in the Western-backed cabinet by resorting to mass mobilisation led to clashes with dangerous sectarian overtones. Political killings continued and the country plunged into a new and seemingly inextricable confrontation over the election of a successor to pro-Syrian President Emile Lahoud. Syria adjusted its policies by shifting its approach to Iraq, normalising relations with its government and enhancing border security. It also attended the November Annapolis meeting and worked with newly-elected French President Nicolas Sarkozy to resolve the Lebanese

Shiites commemorating the anniversary of the death of Shiite cleric Muhammad Sadiq al-Sadr in Baghdad's Sadr City, November 2007 • Kareem Raheem/Reuters



"As ever [your new Iraq report is] a masterful piece of research, analysis and writing. I don't know what I'd do without Crisis Group's legwork, expertise and insights."

Rob Watson, BBC Defence and Security Correspondent, February 2008



A girl covers her face as she passes a burning car and tyres during a general strike called by the opposition in a Beirut suburb, January 2007 • Khalil Hassan/Reuters

impasse. However, by the end of the year much of the progress seemed to have been lost due to lack of movement in Lebanon, with Paris halting contacts over alleged obstruction and the U.S. renewing its strong criticism.

Crisis Group impact

Over the past two years, Crisis Group's key achievement in this region has been to consolidate and expand our access to central players, and therefore our capacity to produce accurate and respected analysis, despite **Lebanon's** deepening tensions, **Syria's** increased international isolation, and unprecedented levels of violence in **Iraq**.

Despite difficulties of access, Crisis Group maintained a regular flow of analysts and consultants to Iraq who travelled widely throughout the country, well beyond the Green Zone. We also maintained regular interaction with Mahdi Army commanders, engaged a range of insurgent representatives and combatants, and conducted fieldwork in Baghdad, Anbar, Diyala, Karbala and Basra. Senior officials in the UK eagerly sought our briefings on the basis of Crisis Group's

June report *Where Is Iraq Heading? Lessons from Basra*, which was quoted by almost every significant media outlet in the West and the Arab world. With our April report *Iraq and the Kurds: Resolving the Kirkuk Crisis*, the UN mission for Iraq requested we provide them with a written memorandum on how to resolve the Kirkuk issue; significantly, their latest approach closely mirrors our principal recommendations.

In Lebanon, Crisis Group has acquired unprecedented visibility and gained high-level access to all players, including Hezbollah and the salafist milieu in Tripoli. Our in-depth study of Hezbollah's current policies and practices, *Hezbollah and the Lebanese Crisis* (October), received praise from across the political spectrum and its recommendations were discussed in ministerial circles.

Syria remains a key regional actor, with major interests and potential leverage in three of the most critical arenas: Iraq, Lebanon and Palestine. Having gained, through extensive negotiations, a privileged and unique access to Syria, Crisis Group is engaging with officials to make better sense of their policies and encourage positive evolution. Our insights are increasingly sought by diplomats and officials.

Key issues for Iraq/Lebanon/Syria in 2008

Iraq

National accommodation: In the context of relative calm, the U.S. has both the opportunity and credibility to encourage Iraq's political actors to reach across the sectarian and ethnic divide to reach accommodation on the principal issues dividing them: federalism, oil management and revenue sharing and Kirkuk. Crisis Group will assess progress of the surge's political dimension.

Iraqi refugees: With Iraq's population spilling into Syria and Jordan, Crisis Group will highlight this humanitarian crisis, warn against its possible destabilising impact and examine the political obstacles to a concerted, efficient response.

Kirkuk: Following up on two earlier ground-breaking reports, Crisis Group will look at the Kirkuk dispute in the context of the political negotiations over an oil law.

Re-reading the Iraqi insurgency: As reports of negotiations and increased cooperation between insurgent groups and the coalition proliferate, Crisis Group will update its February 2006 report which gained wide international attention.

Tribal "revival": U.S. policy of co-opting and arming Iraq's tribes is reminiscent of British colonial tactics as well as Saddam Hussein's policies in the 1990s. Crisis Group will look into the related risks.

Governance in Kurdistan: While generally quiet and peaceful, Iraqi Kurdistan is not entirely stable. It is ruled by two parties that have yet to fully integrate their formerly parallel administrations and have come under popular criticism for corruption and an inability to provide basic services, such as fuel and electricity. Crisis Group will review the state of the region.

Lebanon

Lebanon's Christians: As the presidential crisis makes clear, Lebanon's Christian community lacks a clear, consensual leadership and is deeply anguished about its future. Crisis Group will explore the intricacies of Christian politics, a largely unknown dimension of the Lebanese political scene.

Building a sustainable state: Endless short-term crises tend to absorb the full attention of policymakers and analysts. Crisis Group will take a longer-term view and examine what it would take for a functional Lebanese state ultimately to emerge.

Syria

Change and continuity in Syria: Crisis Group will offer a corrective to common perceptions of Syrian society as inert and the regime as monolithic and reactionary, examining dynamics driving societal change and the regime's evolution, as well as structural impediments to more far-reaching reform.

Iran/Gulf

Amid growing tensions over Iran's nuclear ambitions and accusations of Iranian meddling in conflicts in Iraq, Lebanon, Palestine and Afghanistan, an apparent U.S. push toward direct military confrontation was suddenly undercut in early December by the release of a National Intelligence Estimate (NIE) which concluded that while Iran had an active nuclear weapons program until 2003, it was then discontinued, partly in response to the Iraqi regime's removal by the U.S. This coincided with U.S. reports that Iran had reduced its transfer of explosives to Iraqi militias. The combination of the two developments could pave the way for U.S.-Iranian negotiations in 2008, though it remains unclear whether the political leadership in either country will seize the opportunity.

Fearing the destabilising potential of Iraq spinning out of control, Saudi Arabia and the Gulf states, all of whom opposed the 2003 effort to remove the Iraqi regime, supported U.S. efforts to pacify the country and bring Sunni Arabs into the political process, state institutions and security forces. They saw this as a way of not only improving stability on their border, but also containing the threat emanating from an empowered and potentially nuclear Iran.

Crisis Group impact

Crisis Group continued to cover Iran in 2007, despite having no ongoing presence on the ground, a situation that was rectified only in December. February's *Iran: Ahmadi-Nejad's Tumultuous Presidency* highlighted politics and governance under a president who has acted as a lightning rod for international condemnation but at the same time succeeded in strengthening his base among some of the regime's key constituencies, including *basisis* and Revolutionary Guards. We also continued to argue for the acceptance of a new nuclear red line involving "delayed limited enrichment with maximum safeguards". We published influential commentary in the press and engaged key interlocutors in New York, Washington, Brussels, Vienna, London, Beijing and – in a high-level visit by Crisis Group President Gareth Evans in November – Tehran, arguing that an acceptable deal was achievable. Our position has been largely accepted in Europe, though not yet in the U.S.

Key issues for Iran/the Gulf in 2008

The nuclear predicament: Against the backdrop of the NIE, it is important to renew efforts to resolve the nuclear crisis diplomatically. Crisis Group plans an intensive advocacy effort, based on a new report, to overcome existing impediments and advance our "delayed limited enrichment with maximum safeguards" model. The report will also address the impact of international sanctions and its utility in effecting change in the Iranian government's nuclear posture.

The domestic situation: Domestic discontent with President Ahmadi-Nejad's inability to meet lofty economic promises is likely to affect the outcome of planned local elections in 2008. One question is how electoral results will affect Iran's nuclear posture and we plan to issue a report analysing their outcome.

Iran's role in the region: Iran's activities in Lebanon, Palestine and Iraq are of unremitting concern not only to the U.S. but also to Arab leaders and Israel.

Egypt/North Africa

In 2007, North Africa was relatively quiet and stable, with the exception of **Egypt**, where political tensions over the presidential succession increased. **Libya** continued on its path of reintegration into the international community and its institutions; **Algeria** is still emerging from more than a decade of violence and civil war; **Morocco** has remained stable, despite contested national elections; and the issue of the **Western Sahara** remains unresolved. North African countries face a new threat with the formation of al-Qaeda in the Islamic Maghreb, as witnessed by deadly terrorist attacks in Algeria in the latter part of the year.

Crisis Group impact

Crisis Group coverage of North Africa expanded in 2007 from a focus on **Algeria** during the 1990s civil war to wider coverage of the region's conflicts and potential flashpoints. In June, we simultaneously published two reports on the **Western Sahara** – *Western Sahara: The Cost of the Conflict* and *Western Sahara: Out of the Impasse* – urging renewed international attention to the conflict ahead of the resumption of UN-mediated talks between Morocco and the Polisario movement. In January's *Egypt's Sinai Question*, we highlighted the radicalisation of the Sinai Peninsula's Bedouin population in Egypt, which contributed to three major bombings of tourist targets between 2004 and 2006.

Key issues for Egypt/North Africa in 2008

Egypt

The Muslim Brothers: 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. Crisis Group will assess this development and the regime's repressive strategy toward the organisation.

Presidential succession: With President Hosni Mubarak probably serving his last term and no successor clearly identified, Egypt's future leadership is uncertain. Crisis Group will evaluate this destabilising climate and the regime's ability to implement meaningful reforms.

North Africa

Violent jihadism: A new generation of violent jihadi groups, feeding on popular discontent with corrupt and authoritarian rule, is threatening to undermine stability in the region. Crisis Group will evaluate the rise of these groups, particularly in Morocco and Algeria.

Firemen evacuate a victim of a suicide car bomb which exploded near the Algerian prime minister's headquarters in central Algiers, April 2007 • Louafi Larbi/Reuters



Crisis Group

2007: A Review



Reports and briefings published in 2007

Africa

Central Africa

- Congo: Staying Engaged after the Elections**, Africa Briefing N°44, 9 Jan. 2007 (also available in French)
- Northern Uganda: Seizing the Opportunity for Peace**, Africa Report N°124, 26 Apr. 2007
- Congo: Consolidating the Peace**, Africa Report N°128, 5 July 2007 (also available in French)
- Burundi: Finalising Peace with the FNL**, Africa Report N°131, 28 Aug. 2007 (also available in French)
- Northern Uganda Peace Process: The Need to Maintain Momentum**, Africa Briefing N°46, 14 Sept. 2007
- Congo: Bringing Peace to North Kivu**, Africa Report N°133, 31 Oct. 2007 (also available in French)
- Central African Republic: Anatomy of a Phantom State**, Africa Report N°136, 13 Dec. 2007 (also available in French)

Horn of Africa

- Somalia: The Tough Part Is Ahead**, Africa Briefing N°45, 26 Jan. 2007
- Darfur: Revitalising the Peace Process**, Africa Report N°125, 30 Apr. 2007
- A Strategy for Comprehensive Peace in Sudan**, Africa Report N°130, 26 July 2007 (also available in Arabic)
- Sudan: Breaking the Abyei Deadlock**, Africa Briefing N°47, 12 Oct. 2007 (also available in Arabic)
- Ethiopia and Eritrea: Stopping the Slide to War**, Africa Briefing N°48, 5 Nov. 2007
- Darfur's New Security Reality**, Africa Report N°134, 26 Nov. 2007 (also available in Arabic)

Southern Africa

- Zimbabwe: A Regional Solution?**, Africa Report N°132, 18 Sept. 2007
- Zimbabwe: An End to the Stalemate?**, Africa Report N°122, 5 March 2007

West Africa

- Guinea: Change or Chaos**, Africa Report N°121, 14 Feb. 2007 (also available in French)
- Nigeria's Elections: Avoiding a Political Crisis**, Africa Report N°123, 28 March 2007
- Nigeria: Failed Elections, Failing State?**, Africa Report N°126, 30 May 2007
- Côte d'Ivoire: Can the Ouagadougou Agreement Bring Peace?**, Africa Report N°127, 27 June 2007 (also available in French)
- Sierra Leone: The Election Opportunity**, Africa Report N°129, 12 July 2007
- Guinea: Change on Hold**, Africa Briefing N°49, 8 Nov. 2007 (also available in French)
- Nigeria: Ending Unrest in the Niger Delta**, Africa Report N°135, 5 Dec. 2007

Asia

Central Asia

- Turkmenistan after Niyazov**, Asia Briefing N°60, 12 Feb. 2007
- Central Asia's Energy Risks**, Asia Report N°133, 24 May 2007 (also available in Russian)
- Uzbekistan: Stagnation and Uncertainty**, Asia Briefing N°67, 22 Aug. 2007

North East Asia

- After the North Korean Nuclear Breakthrough: Compliance or Confrontation?**, Asia Briefing N°62, 30 Apr. 2007 (also available in Korean and Russian)
- North Korea-Russia Relations: A Strained Friendship**, Asia Briefing N°71, 4 Dec. 2007 (also available in Russian)
- South Korea's Election: What to Expect from President Lee**, Asia Briefing N°73, 21 Dec. 2007

South Asia

- Afghanistan's Endangered Compact**, Asia Briefing N°59, 29 Jan. 2007
- Nepal's Constitutional Process**, Asia Report N°128, 26 Feb. 2007 (also available in Nepali)
- Pakistan: Karachi's Madrasas and Violent Extremism**, Asia Report N°130, 29 March 2007
- Discord in Pakistan's Northern Areas**, Asia Report N°131, 2 Apr. 2007
- Nepal's Maoists: Purists or Pragmatists?**, Asia Report N°132, 18 May 2007 (also available in Nepali)
- Sri Lanka's Muslims: Caught in the Crossfire**, Asia Report N°134, 29 May 2007
- Sri Lanka's Human Rights Crisis**, Asia Report N°135, 14 June 2007
- Nepal's Troubled Tarai Region**, Asia Report N°136, 9 July 2007 (also available in Nepali)
- Elections, Democracy and Stability in Pakistan**, Asia Report N°137, 31 July 2007
- Reforming Afghanistan's Police**, Asia Report N°138, 30 Aug. 2007
- Nepal's Fragile Peace Process**, Asia Briefing N°68, 28 Sept. 2007 (also available in Nepali)
- Pakistan: The Forgotten Conflict in Balochistan**, Asia Briefing N°69, 22 Oct. 2007
- Sri Lanka: Sinhala Nationalism and the Elusive Southern Consensus**, Asia Report N°141, 7 Nov. 2007
- Winding Back Martial Law in Pakistan**, Asia Briefing N°70, 12 Nov. 2007
- Nepal: Peace Postponed**, Asia Briefing N°72, 18 Dec. 2007 (also available in Nepali)

South East Asia

- Jihadism in Indonesia: Poso on the Edge**, Asia Report N°127, 24 Jan. 2007
- Southern Thailand: The Impact of the Coup**, Asia Report N°129, 15 March 2007 (also available in Thai)
- Indonesia: How GAM Won in Aceh**, Asia Briefing N°61, 22 March 2007

[continued overleaf]

Crisis Group ... in Print

Indonesia: Jemaah Islamiyah's Current Status, Asia Briefing N°63, 3 May 2007

Indonesia: Decentralisation and Local Power Struggles in Maluku, Asia Briefing N°64, 22 May 2007

Timor-Leste's Parliamentary Elections, Asia Briefing N°65, 12 June 2007

Indonesian Papua: A Local Conflict Perspective, Asia Briefing N°66, 19 July 2007

Aceh: Post-Conflict Complications, Asia Report N°139, 4 Oct. 2007

Southern Thailand: The Problem with Paramilitaries, Asia Report N°140, 23 Oct. 2007 (also available in Thai)

"Deradicalisation" and Indonesian Prisons, Asia Report N°142, 19 Nov. 2007

Europe

Islam and Identity in Germany, Europe Report N°181, 14 March 2007

Balkans

Ensuring Bosnia's Future: A New International Engagement Strategy, Europe Report N°180, 15 Feb. 2007 (also available in Russian)

Kosovo: No Good Alternatives to the Ahtisaari Plan, Europe Report N°182, 14 May 2007 (also available in Albanian, Russian and Serbian)

Serbia's New Government: Turning from Europe, Europe Briefing N°46, 31 May 2007

Breaking the Kosovo Stalemate: Europe's Responsibility, Europe Report N°185, 21 Aug. 2007 (also available in Russian)

Serbia: Maintaining Peace in the Presevo Valley, Europe Report N°186, 16 Oct. 2007 (also available in Russian)

Kosovo Countdown: A Blueprint for Transition, Europe Report N°188, 6 Dec. 2007 (also available in Russian)

Caucasus

Abkhazia: Ways Forward, Europe Report N°179, 18 Jan. 2007 (also available in Russian)

Georgia's South Ossetia Conflict: Make Haste Slowly, Europe Report N°183, 7 June 2007 (also available in Russian)

Nagorno-Karabakh: Risking War, Europe Report N°187, 14 Nov. 2007 (also available in Russian)

Georgia: Sliding Towards Authoritarianism?, Europe Report N°189, 19 Dec. 2007 (also available in Russian)

Turkey/Cyprus

Turkey and Europe: The Way Ahead, Europe Report N°184, 17 Aug. 2007 (also available in Turkish)

Latin America

Colombia/Andes

Bolivia's Reforms: The Danger of New Conflicts, Latin America Briefing N°13, 8 Jan. 2007 (also available in Spanish)

Venezuela: Hugo Chávez's Revolution, Latin America Report N°19, 22 Feb. 2007 (also available in Spanish)

Colombia's New Armed Groups, Latin America Report N°20, 10 May 2007 (also available in Spanish)

Ecuador: Overcoming Instability?, Latin America Report N°22, 7 Aug. 2007 (also available in Spanish)

Bolivia's New Constitution: Avoiding Violent Conflict, Latin America Report N°23, 31 Aug. 2007 (also available in Spanish)

Colombia: Moving Forward with the ELN?, Latin America Briefing N°16, 11 Oct. 2007 (also available in Spanish)

Haiti

Haiti: Justice Reform and the Security Crisis, Latin America/Caribbean Briefing N°14, 31 Jan. 2007 (also available in French)

Haiti: Prison Reform and the Rule of Law, Latin America/Caribbean Briefing N°15, 4 May 2007 (also available in French)

Consolidating Stability in Haiti, Latin America Report N°21, 18 July 2007 (also available in French)

Peacebuilding in Haiti: Including Haitians from Abroad, Latin America/Caribbean Report N°24, 14 Dec. 2007 (also available in French)

Middle East/North Africa

Arab-Israeli Conflict

After Mecca: Engaging Hamas, Middle East Report N°62, 28 Feb. 2007 (also available in Arabic)

After Gaza, Middle East Report N°68, 2 Aug. 2007 (also available in Arabic)

The Israeli-Palestinian Conflict: Annapolis and After, Middle East Briefing N°22, 20 Nov. 2007 (also available in Arabic)

Inside Gaza: The Challenge of Clans and Families, Middle East Report N°71, 20 Dec. 2007

Iraq/Lebanon/Syria

Restarting Israeli-Syrian Negotiations, Middle East Report N°63, 10 Apr. 2007 (also available in Arabic)

Iraq and the Kurds: Resolving the Kirkuk Crisis, Middle East Report N°64, 19 Apr. 2007 (also available in Arabic)

Where Is Iraq Heading? Lessons from Basra, Middle East Report N°67, 25 June 2007 (also available in Arabic)

Hizbollah and the Lebanese Crisis, Middle East Report N°69, 10 Oct. 2007 (also available in Arabic)

Shiite Politics in Iraq: The Role of the Supreme Council, Middle East Report N°70, 15 Nov. 2007 (also available in Arabic)

Iran/Gulf

Iran: Ahmadi-Nejad's Tumultuous Presidency, Middle East Briefing N°21, 6 Feb. 2007 (also available in Arabic and Farsi)

Egypt/North Africa

Egypt's Sinai Question, Middle East/North Africa Report N°61, 30 Jan. 2007 (also available in Arabic)

Western Sahara: The Cost of the Conflict, Middle East/North Africa Report N°65, 11 June 2007 (also available in Arabic and French)

Western Sahara: Out of the Impasse, Middle East/North Africa Report N°66, 11 June 2007 (also available in Arabic and French)

Translations in 2007

Albanian 1; Arabic 15; Farsi 1; French 14;
Korean 1; Nepali 5; Russian 12; Serbian 1;
Spanish 6; Thai 2; Turkish 1

Total 59

CrisisWatch and thematic issues in 2007

CrisisWatch

CrisisWatch is a twelve-page 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 of the most significant current and potential conflict situations around the world.

Published at the beginning of every calendar month, *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. It summarises developments during the previous month in some 70 situations of current or potential conflict, assessing whether the overall situation in each case has significantly deteriorated, significantly improved or on balance remained more or less unchanged. *CrisisWatch* also alerts readers to situations where, in the coming month, there is a particular risk of new or significantly escalated conflict, or a particular conflict resolution opportunity.

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 2007 are highlighted below.

Energy

As part of Crisis Group's regular research and reporting on conflict around the world, we placed a sharp focus in 2007 on how competition over energy resources and the distribution of revenues affect both regional and global security, and our energy analyst continued to work full-time 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. For example, our May report *Central Asia's Energy Risks* drew attention to the challenges and problems that oil and gas represent for Central Asia's producing countries, and strengthened Crisis Group's position as a leading commentator on international energy politics. We also integrated analysis of the significance of energy resources into reports on unrest in the Niger Delta, on the contested Abyei region in Sudan and on the situation in Nagorno-Karabakh.

"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, August 2005

The 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. In 2007, Crisis Group has been actively involved in the creation of the Global Centre for the Responsibility to Protect, based at the Ralph Bunche Institute at the City University of New York, and supported by a worldwide network of associated centres. The initiative is jointly sponsored by Crisis Group, Human Rights Watch, Oxfam, Refugees International and the World Federalist Movement-Institute for Global Policy, and Gareth Evans serves as Co-Chair of the Centre's International Advisory Board.

Islamism

In 2007 we continued reporting on 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 policymakers 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. It is the subject of internal debate in the Muslim world and encompasses a variety of different forms and agendas – political, missionary and jihadist. In 2007, Crisis Group addressed this issue in a number of reports, including *Islam and Identity in Germany* in March, *"Deradicalisation" and Indonesian Prisons* in November as well as a series on Islamism-linked instability in Pakistan.

Pakistani and foreign students during an examination at the Islamic Seminary of Jamia Benoria in Karachi, June 2006 • Rizwan Tabassum/AFP



www.crisisgroup.org Crisis Group's website is one of our most important advocacy tools. In 2007 we had 2.1 million visits (up from 1.98 million in 2006)* to the site, during which some 3.26 million reports were downloaded.



All Crisis Group reports and briefing papers are available on the website and free to download. While visitors 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 online 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. In 2007 we launched a number

of new advocacy pages, including on Pakistan and Myanmar/Burma. These 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.



CrisisWatch database, 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.



Crisis Group commentary, collecting opinion pieces and articles written, and speeches and testimony delivered, by Crisis Group staff.

Conflict histories database, providing a brief but detailed historical overview of conflicts covered by our analysts.

Research resources and links page, providing 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 (R2P).

Maps database, providing quick access to all Crisis Group 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 devices, 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

2.146 million visits* during 2007 (up from 1.983m in 2006)

3,264,390 reports downloaded during 2007 (up from 3,111,282 in 2006)

7.5 million page views in 2007

178,814 visits on average per month in 2007 (up from 165,254 in 2006)

3.48 pages viewed on average per visit in 2007

* 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. Crisis Group began using a more accurate web traffic tracking system (Google Analytics) in 2007 – although this gives lower numbers than previously reported, a retrospective application of the system shows a similar consistent increase in visits.

Media

Crisis Group maintains a strong presence in the media worldwide. After four years of phenomenal growth, the number of Crisis Group mentions in significant print and electronic media worldwide levelled off in 2007. From less than 2,000 original mentions in 2002, Crisis Group broke the 5,000 mark in 2006, and continued above 5,000 in 2007.

The number of opinion and commentary articles (“op-eds”) published by Crisis Group staff and Board members has been increasing rapidly year on year: from 63 in 2003, to 105 in 2004, to 128 in 2005, to 142 in 2006, to 204 in 2007. Crisis Group published pieces in all the major newspapers and other periodicals 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*, *Foreign Affairs*, *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*, openDemocracy.net, *La Repubblica*, *Süddeutsche Zeitung*, *Vremya Novostei*, *Wall Street Journal*, *Washington Post* and *Die Welt*, among many others.

We have 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. Crisis Group also co-hosts monthly media briefings in Brussels prior to each EU foreign ministerial meeting, attracting significant turn-out among EU correspondents and helping to set the policy agenda.

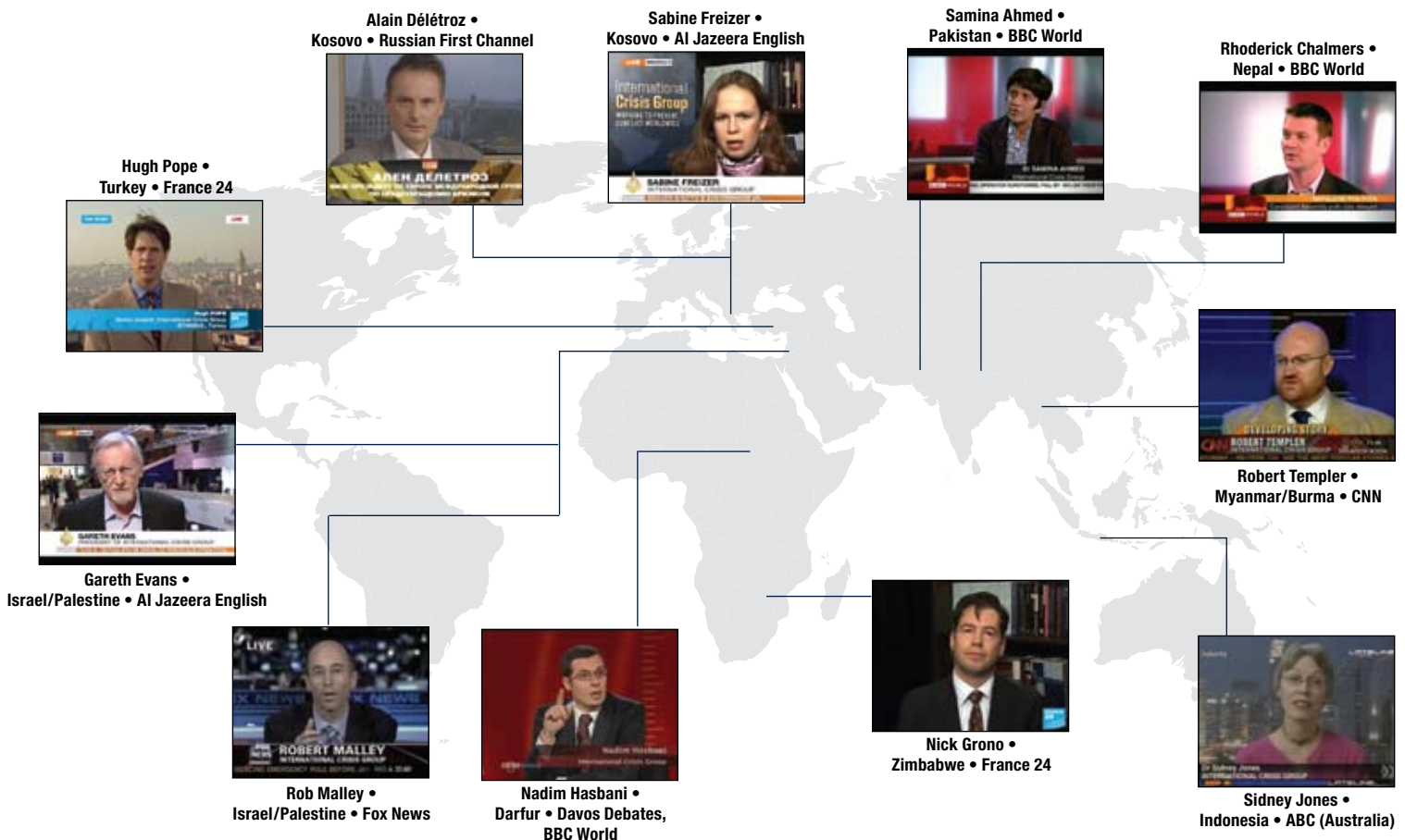
Although we try to avoid “talking-head” instant punditry not directly related to our reports, our staff and Board members appeared

“The International Crisis Group has a remarkable team of experts and analysts around the world, seeking to understand and explain some of the most intractable conflicts, and where possible to propose serious and sensible ways in which they can be alleviated. The group provides an invaluable service: in a media world of instant and superficial judgements, its reports provide an essential dose of detailed analysis and hard-nosed realism.”

Quentin Peel, International Affairs Editor,
Financial Times, January 2008

frequently in broadcast interviews in 2007 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 TV 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.

A successful media strategy in 2007 has been the syndication of op-eds across a wide variety of language markets in Europe. Articles on Kosovo, by Crisis Group Board members Pat Cox and Joschka Fisher, and on Turkey, by Turkey/Cyprus Senior Analyst Hugh Pope, were each published in ten or more European countries. In early March, an op-ed on Darfur, by Crisis Group Board Co-Chair Chris Patten, was published in eleven European countries over the course of three weeks, including in *Le Monde*, *El Mundo* and *Süddeutsche Zeitung*.



Progress in 2007

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 2007?

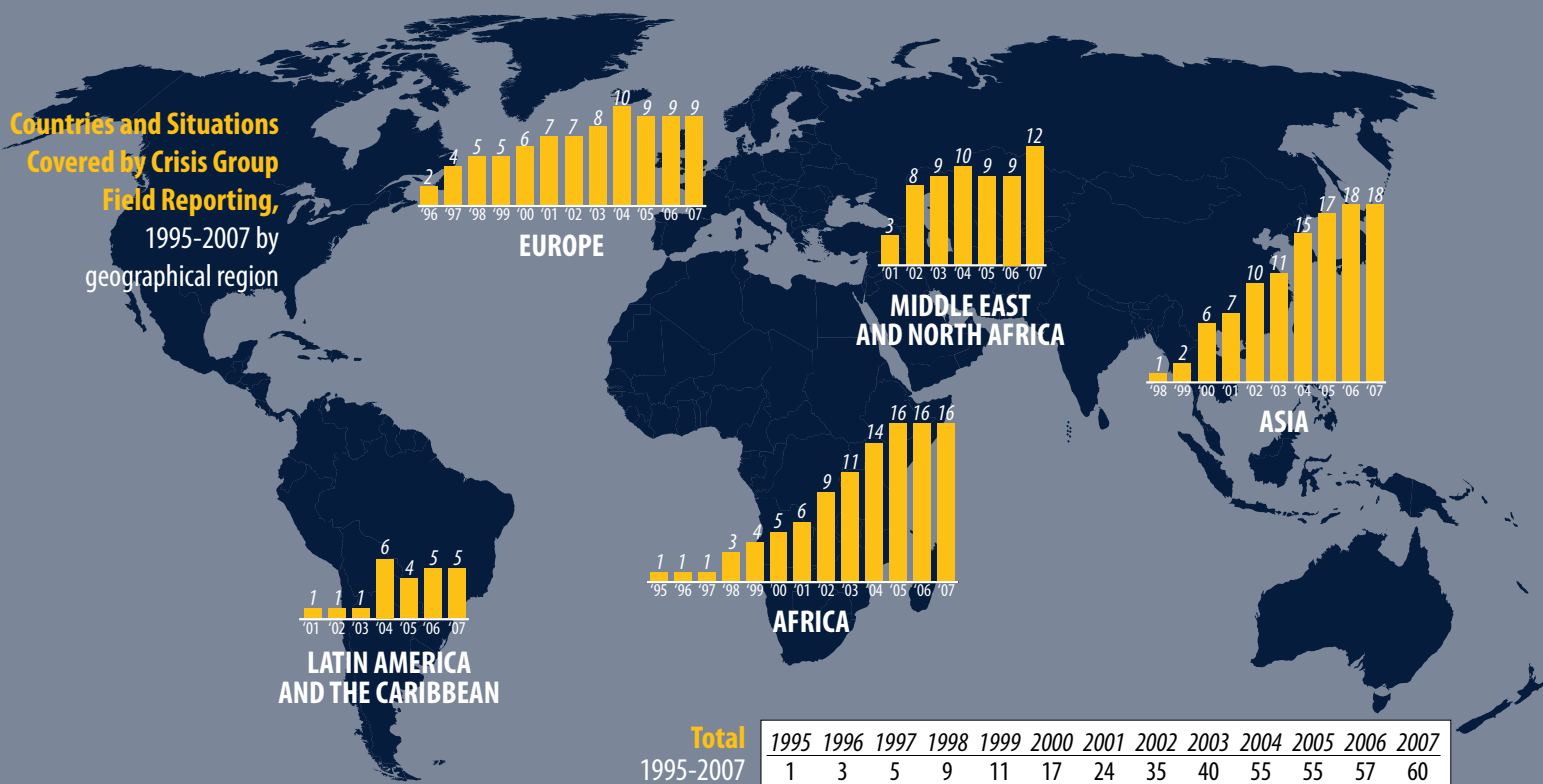
Operations

Crisis Group continued to grow in 2007. We now cover over 60 areas of actual or potential conflict worldwide, expanding recently to include an analyst in Thailand and a second senior analyst in Colombia. We formally opened a new office in Istanbul to address the Turkey/Cyprus problem and to follow closely regional developments, including the Kurdish issue. We also established a liaison presence in Beijing, and expanded our research and advocacy team in Nairobi, who began reporting on Kenya in February 2008. Crisis Group staff positions, as at 1 March 2008, are at 141, 98 of whom are based in the field, with staff representing 49 nationalities and 53 different languages.

of reports into relevant languages, including Albanian, Arabic, Farsi, French, Korean, Nepali, Russian, Serbian, Spanish, Thai and Turkish. Briefing papers, generally 8-16 pages in length, and reports, generally 16-36 pages, were being sent at the end of 2007 by email notification or attachment to 23,000 specifically targeted recipients, with a further 1,800 high-level contacts receiving them in printed form. Some 99,000 subscribed to receive reports and briefing papers directly through our website, bringing the total number of regular recipients to well over 120,000 by the end of 2007 (as compared to 90,000 in 2006). All Crisis Group publications are posted on our website: 3.26 million copies of reports and briefing papers were downloaded from www.crisisgroup.org in 2007.

Output

Crisis Group published 88 reports and briefing papers in 2007, holding steady from 2006. We also published 59 translations



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 original Crisis Group media citations was 5,205 (compared with 5,535 in 2006, 4,501 in 2005, 3,166 in 2004, 2,503 in 2003, and 1,832 in 2002) and 13,193 if republications are included. Local press, radio and television 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 in the editorial pages of major papers – 204 were published in national and international newspapers in 2007 (up from 142 in 2006, 128 in 2005, 105 in 2004, and 63 in 2003).

Support

Crisis Group's income rose by 1.4 per cent in 2007 to US\$15.0 million, compared with \$14.79 million in 2006, and expenditure for the year rose to \$14.52 million from \$12.47 million in 2006. Twenty-one government donors supported Crisis Group in 2007, and collectively, they provided \$5.86 million or 39 per cent of available funds (compared to \$5.95 million or 40.2 per cent in the previous year). Foundations contributed \$4.57 million in 2007 (down slightly from \$4.64 million in 2006) or 30.5 per cent of the total. Other sources – mainly private individuals, family trusts and corporations – continued to grow in importance, contributing \$4.58 million in 2007 (up from \$4.2 million in 2006) or 30.5 per cent of the total. In 2007, some 73 per cent of all available income was unrestricted, while 27 per cent was earmarked for specific projects or purposes. The task ahead is to secure a stable, longer term financial future for the organisation by further widening our donor base, strengthening the financial foundation of the organisation and pursuing new opportunities for growing funding.



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 among others. 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, still 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 policymakers at whom our publications are targeted: in 2007 that feedback continued to be extremely positive.

Judgements

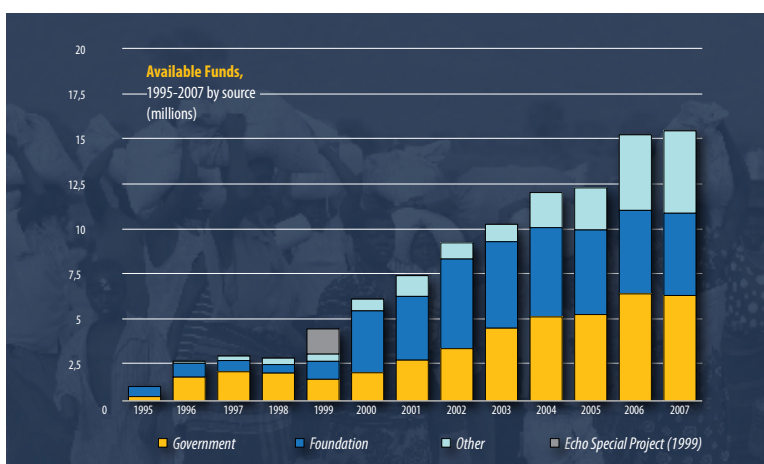
Anecdotal evidence abounds – some of it reflected in the quotations throughout this report – that Crisis Group's reporting is highly regarded by policymakers, the media and other analysts. Crisis Group was listed as one of the "Top Ten Think Tanks in the World" in a survey, based on peer review, published in January 2008 by the Philadelphia-based Foreign Policy Research Institute. We have won a number of awards in recent years – including in 2005 "Time Asia Hero" and "Time European Hero" and a Rausing Trust leadership award.

Internal assessment

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.



Outcomes

Crisis Group tabulates and tracks as best it can the fate of its policy recommendations. In recent years the pattern showed some 40 to 50 per cent of our recommendations being achieved, in whole or in part, within a year. Some examples are set out in the

Crisis Group Funding

“The quality and quantity of Crisis Group’s advocacy work is unmatched.”

Frank Giustra, Chairman, Endeavour Financial
and Crisis Group Trustee, June 2007



www.crisisgroup.org/donate

Funding Maintaining a strong and diverse donor base is critical to preserving Crisis Group's independence and credibility. In 2007 around 40 per cent of Crisis Group's funding came from governments, 30 per cent from foundations, and 30 per cent from private individuals and corporations. In a remarkable expression of confidence in the organisation, donors gave the majority of funds (73 per cent) in the form of unrestricted core contributions, providing much-needed flexibility: the remaining 27 per cent were earmarked to support specific programs or projects.

Crisis Group raised an unprecedented US\$15 million in 2007 (compared to \$14.79 million in 2006), 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 start building a more solid financial base for the future.

Crisis Group is deeply appreciative of the continued trust and support received from the 21 government donors and fourteen institutional foundations listed below. Special thanks also go to the private individuals, family foundations and corporations who supported Crisis Group's work in 2007. The members of the President's Council and International Advisory Council, in particular, were major benefactors without whose essential support Crisis Group would not have been able to contribute so effectively to the prevention of conflict around the world.

Having firmly positioned itself as a major global NGO and recognised international policy player with a solid organisational structure, top-quality output and an expanding audience, Crisis Group now needs to put its financial future on a more secure footing. The organisation is therefore exploring ways to assure longer-term financial security, as well as increasing annual recurrent funding, and will in 2008 launch a major endowment campaign. Developing a stronger capital base will allow Crisis Group to consolidate its global reputation and influence, reinforce its financial and political independence, and deepen its organisational and emergency response capacity. In this important undertaking, we will continue to depend on the generosity of old and new donors to help provide for both ongoing activities and future security. New members and supporters are therefore always extremely welcome.

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Carnegie Corporation of New York • Charles Stewart Mott 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 • VIVATrust • William and Flora Hewlett Foundation

Crisis Group Board of Trustees Co-Chair Thomas Pickering, Vice-Chair Maria Cattau and Trustee George Soros at Crisis Group Board meeting in Doha, Qatar, October 2007 • Olivia Caeymaex (Crisis Group)

"Crisis Group has earned its place as a key source of information on policy and conflict worldwide."

George Soros, Chairman, Soros Fund Management and Crisis Group Trustee, June 2007



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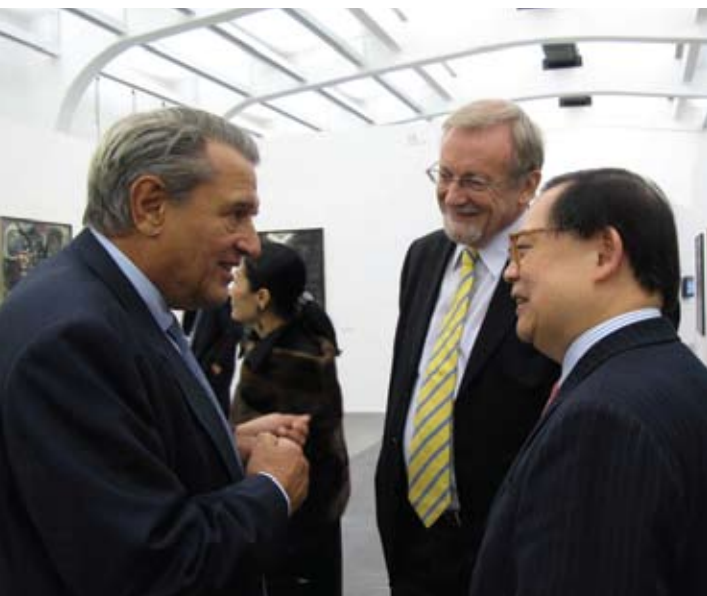
Corporate and individual donors play a key role in providing Crisis Group with much needed financial stability and flexibility. Donors are offered opportunities to become more involved with Crisis Group and learn more about its work through the Crisis Group Council membership schemes. Depending on the level of support committed, members are offered opportunities to attend Board meetings and private residence events with Board members; participate in briefing sessions with senior U.S. policymakers and with high-level officials from the UN, the EU and NATO, and in roundtable discussions and briefing sessions with experts and senior staff; gain access to Crisis Group experts in the field; and receive priority invitations to Crisis Group private events.

In 2007, Crisis Group supporters had the opportunity to participate in special events in New York, London, Brussels and elsewhere. Among such events in New York, Crisis Group held its Annual Award luncheon honouring Stephen Solarz, Crisis Group Board member and former U.S. Congressman; George Mitchell, Crisis Group Chairman Emeritus and former U.S. Senate Majority Leader; and Nicholas Kristof, *New York Times* journalist and Pulitzer Prize winner. In London, Council members were invited to a private dinner discussion with Lord Malloch-Brown, Foreign and Commonwealth Office Minister for Africa, Asia and the UN, and former UN Deputy Secretary-General. Discussions on Kosovo were organised in Brussels with members of the European Commission and the European Parliament, and in New York, with Ambassador Frank Wisner, Special Representative to the Kosovo Status Talks.

President's Council

This exclusive Council welcomes donors contributing US\$100,000 or more annually:

Canaccord Adams Limited • Bob Cross • Frank Holmes • Ford Nicholson • Ian Telfer • Guy Ullens de Schooten • Neil Woodyer • Don Xia



Crisis Group President's Council member Guy Ullens de Schooten, Trustee Victor Chu and President Gareth Evans in Beijing, November 2007 • Stephanie Kleine-Ahlbrandt (Crisis Group)

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International Advisory Council member Harry Bookey (R) and South Asia Deputy Project Director Rhoderick Chalmers (C) during a donor trip to Nepal, March 2007 • Jennifer Leonard (Crisis Group)

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*Only donations of US\$1,000 or more are listed here. Crisis Group also receives donations from individuals who wish to remain anonymous.

Donations to Crisis Group can be made online through our website, www.crisisgroup.org/donate. Alternatively:

• **In the U.S.** please contact Blair Blackwell, Director, Private Sector Initiatives (North America) in the New York office (bblackwell@crisisgroup.org, +1 212 813 0820). All donations to Crisis Group are fully tax-deductible to the extent allowed by law.

• **Outside the U.S.** please contact Maria Sanchez-Marin, Director, Private Sector Initiatives (Europe) in the London office (mms@crisisgroup.org, +44 207 831 1436).

Further contact details for Crisis Group offices are listed on the back cover of this report.

SUPPORT

Statement of Activities

For financial years ended 30 June 2007 and 30 June 2006 (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	13,765,441	20,175,260
Investment income	484,624	272,309
Total • Revenues and other support	14,250,065	20,447,569

Expenses:

Africa Program

Central Africa	840,688	910,726
Horn of Africa	1,160,467	781,106
Southern Africa	229,209	373,064
West Africa	499,206	526,112
Total • Africa Program	2,729,570	2,591,008

Asia Program

Central Asia	387,869	404,160
North East Asia	333,573	372,273
Nepal	259,941	236,367
Pakistan/Afghanistan	672,318	508,860
Sri Lanka	250,114	38,147
South East Asia	514,730	440,300
Total • Asia Program	2,418,545	2,000,107

Europe Program

Caucasus	365,696	372,053
Kosovo	358,291	335,700
Macedonia	-	22,949
Serbia	224,177	261,597
Turkey/Cyprus	49,664	15,646
Total • Europe Program	997,828	1,007,945

Middle East/North Africa Program

Arab-Israeli Conflict	1,007,943	566,894
Iran/Iraq/Gulf	646,900	571,284
North Africa	238,826	231,035
Total • Middle East Program	1,893,669	1,369,213

Latin America Program

Colombia	405,256	390,831
Haiti	229,118	60,581
Total • Latin America Program	634,374	451,412

Partner Share of Income

	217,670	641,701
Total • Program Expenses	8,891,656	8,061,386

Advocacy

	3,309,410	3,279,052
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Administration

Fundraising	767,028	539,192
Administration	1,719,217	1,304,942
Currency exchange gain	(690,077)	(138,901)
Total • Administration	1,796,168	1,705,233

Total expenses

	13,997,234	13,045,671
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Changes in net assets

	252,831	7,401,898
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Net assets at beginning of year

	16,984,342	9,582,444
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Net assets at end of year

	17,237,173	16,984,342
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Acknowledgements

Special Thanks

Crisis Group is particularly pleased to thank the following for making a variety of very special contributions in 2007:

Suliman Baldo
Howard Berman
Betty Bigombe
William Brencick
John Bul Dau
Chris Coleman
Radhika Coomaraswamy
Herman De Bode
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Crisis Group gratefully thanks our Senior Advisers, who as former members of the Board of Trustees (and not currently occupying executive public office) were willingly available to offer counsel and support:

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Pro Bono Services

Crisis Group very gratefully thanks our primary pro bono counsel for their enormous continuing pro bono commitment to providing legal services during 2007:

• **Shearman & Sterling LLP** • **White & Case LLP**

Crisis Group also thanks Amy Neuhardt and Boies, Schiller & Flexner LLP for special litigation services, and local pro bono counsel Mosquera y Helo Asociados, Ltda. for their services in Bogotá, Colombia and Lee & Ko SIPPT and Patent 100 SIPPT for their services in Seoul, Korea.

Consultants and Former Staff

Crisis Group warmly thanks the consultants and former staff members who worked for Crisis Group (along with others who cannot be named) in 2007:

Fathi Al-Daw, Noel Atama, Jessica Bechir, Peter Beck, Nathalie de Broyer, Esra Bulut, Matthew Bryden, Sophia Cason, Katy Clement, Tiago Dias, Geoffrey Elungata, Jon Ewing, Richard Fanthorpe, Shymala Fernando, Lans Gberie, Gerard Gerold, Vugar Gojayev, Patricia González Anton-Pacheco, Apolinario Guterres, Michael Hall, Melissa Hanham, Damien Helly, Kristin Höltge, Jean-Christophe Hoste, Amy Hunter, Rami Kanaan, Sabina Khalid, Hannah Koep, Alba Lamberti, Francesca Lawe-Davies, David Lewis, Terrance Lyons, Konstantinos Mastakas, Lamia Matta, Jeremy McDermott, Ken Menkhaus, Magdalena Mughrabi, Theo Murphy, Carolyn Norris, Adam O'Brien, Neil Partrick, Martin Plaut, John Prendergast, Mouin Rabbani, Maggie Ray, Patrick Saich, Ivo Schutte, Andrew Simmons, Stephen Smith, Jason Stearns, Julia Spiegel, Colin Thomas-Jensen, Sujata Tuladhar, Johanna van der Hoeven, Hervé Verhoosel, Dan Vexler, Allison Villapiano, Helmut Warmenhoven, Chris Whitehouse, and Levon Zourabian

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Crisis Group warmly thanks all the interns who worked with Crisis Group in 2007:

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See www.crisisgroup.org for details