

Annual Report 2009

REVIEW OF 2008 PLANS FOR 2009













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The printed matter is recycable. Scanprint A/S, Aarhus, Denmark ISO 14001 certified and EMAS approved Design: Crisis Group Brussels/Kjell Olsson Copies: 5,000 COVER PHOTO An Afghan soldier searches a truck driver during a route security mission in Kunar province in eastern Afghanistan, December 2008. REUTERS/BOB STRONG

From the Co-Chairs



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.



Ambassador Thomas R. Pickering

Thomas Pickering is a former U.S. Under Secretary of State for Political Affairs and Ambassador to the UN, India, Russia, Israel, El Salvador, Nigeria and Jordan, and current Chairman of Hills & Company. He has been Co-Chair of Crisis Group since April 2006.

RISIS GROUP CAME on the scene fourteen years ago for one very clear reason. Its founders believed there was a critical need for tough-minded analysis and policy recommendations which would mobilise governments and the international community to anticipate and to respond effectively to deadly conflict both actual and potential. We believe that it has performed that role more successfully each year. Although conflict-related death and destruction are still all too present in the 21st century, the world is a lot better today at preventing conflicts and the horrors that follow from them than it ever has been before. Crisis Group has been a crucial part of this progress, and it is an honour for us to chair the Board as the organisation continues its work and we hope – improves its effectiveness.

What still makes Crisis Group unique - and generates regular praise for its work - is the distinctive methodology of field-based research, sharply practical policy recommendations and high-level advocacy. As we both know well, the ability of policymakers, diplomats and governments to address the long-term drivers of conflict and the immediate causes of violence is only as good as the information at their disposal. Producing analysis of the highest quality is what Crisis Group does, following it up with intensive advocacy where it matters. With smart, savvy staff, experienced management and a highly influential board, Crisis Group is able to shape policy at all levels, from the United Nations to regional organisations like the European Union and African Union, and from capitals across the world to local officials dealing directly with violence and instability.

CRISIS GROUP'S SUCCESSES in 2008 attest to that influence. Examples appear throughout the following pages, but two especially clear illustrations are our efforts on the Georgia-Russia conflict and on Pakistan. Well before the August war, Crisis Group warned that Georgia and Russia had entered a new, dangerous phase and then responded with a full report just weeks after the outbreak of violence, followed by extensive briefings with all relevant actors to shape the international response. Efforts to support the democratic transition in Pakistan were similarly robust, with regular meetings with deci-

sionmakers from Islamabad to Brussels to Washington DC, backed by a series of reports addressing strategies for reforming the police and judiciary and tackling violence along the border with Afghanistan.

These are just samples of the tremendous scope and reach that the organisation has. Its analysts cover 60-odd countries across Africa, Asia, Europe, Latin America and the Middle East, and even more are reported on in its monthly bulletin of conflict hotspots, *CrisisWatch*. All this is accomplished by a highly dedicated and professional staff, working from over 25 locations in the field as well as in Brussels, New York, Washington DC, London, Moscow and Beijing.

TO MAINTAIN THIS level of quality and impact, Crisis Group must of course maintain a strong and diverse funding base. We are deeply grateful to the longstanding partners – governments, institutional foundations, private individuals and others – who have provided generous support. We are confident that support will continue even in the present challenging economic environment – in fact, particularly at this time, as the global recession may raise the risk of conflict in weak and fragile states across the world, inevitably increasing the demand for Crisis Group's work.

So, as we face a new year, we welcome your interest and confidence in what Crisis Group does. If you are inspired by the information in the following pages, or find our reports and other materials available on Crisis Group's website useful, we would certainly welcome your support.

London, Washington DC

1 March 2009

"Thanks to its distinguished trustees and experts, the International Crisis Group has in the span of one decade become a widely respected and influential organisation for promoting conflict prevention and resolution. We greatly appreciate the work the International Crisis Group does in the Balkans, Middle East, Africa, Asia and Latin America to make the world a better place." — Condoleezza Rice, U.S. Secretary of State (2005–2008), April 2008

From the President

HE GLOBAL ECONOMIC meltdown beginning in the latter part of 2008 had its effect on Crisis Group, as on every other organisation dependent on government, foundation and corporate income. We had to engage in some serious belt-tightening, reducing staff in some areas and cutting costs in others. But we have been able, overall, to maintain our reach and effectiveness, thanks to the loyalty and commitment of our staff and supporters.

PROVING THE IMPACT Of Crisis Group's efforts to prevent and resolve deadly conflict around the world is always a challenge. To try to quantify our influence a little more, in January 2009 we conducted an online survey of our primary readership - the 25,000 policymakers and "influentials" who are targeted recipients of our reports, and the more than 120,000 others who subscribe online to Crisis Group reports and briefings. We received over 11,000 replies (a gratifying response for a survey that took some fifteen minutes to complete), with over a third of them coming from our key advocacy targets. Encouragingly, over 50 per cent said that our reports and recommendations had an effect on their opinions "very often", "often" or at least "partially", while more than 20 per cent said our reports were "the best available in the public domain", and 67 per cent said they were "superior to most others".

There were a number of specific areas in 2008 where our reporting and advocacy seemed to make a visible difference, including:

 our alarm-bell ringing in advance of the Georgia-Russia war and follow-up analysis which bolstered the EU's efforts to secure Russia's agreement to withdraw its forces;

- our central role in shifting the debate on *Burma/Myanmar* after cyclone Nargis, successfully urging modification or reversal of counterproductive aid and trade policies;
- our on-the-ground coverage of *Zimbabwe's* postelection crisis, offering practical options and a steady flow of information to key actors;
- our detailed analysis of coca production in the *Andean region* and counter-drug policies in the U.S. and Europe, with a new U.S.-Colombian integrated strategy reflecting our recommendations;
- our guidance to policymakers on the Kirkuk issue in *Iraq*, with the UN mission there adopting it as its top priority;
- our sustained advocacy to shape the response to the International Criminal Court prosecution of *Sudan's* President Bashir, emphasising the opportunity to advance both peace and justice there; and
- our continuing advocacy of a more realistic approach to engaging with *Iran* on an acceptable diplomatic solution to the nuclear issue, and to recognising the reality of Hamas's role in the *Occupied Territories*.

I AM DEEPLY indebted, again, to all the members of the International Crisis Group family – staff, Board members and major donors – for their immense commitment to making this the uniquely productive and influential organisation that it now is and, in these troubled and uncertain times, must remain.

Brussels
1 March 2009

January



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.

Crisis Group Trustee Louise Arbour and Gareth Evans at the November 2008 Board meeting. It was announced on 12 March 2009 that she would succeed him as president of Crisis Group from July 2009.



www.crisisgroup.org International Crisis Group 2008/2009 3

CRISIS GROUP MISSION AND METHOD

What we do and how

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 to prevent or at least contain deadly conflict – and, if and when prevention failed, try to resolve it.

Crisis Group Approach

Our approach has three basic elements:

Expert field research and analysis Crisis Group's credibility is founded on its field-based research. Our analysts are based in or near many of the world's trouble spots, where there is concern about the possible outbreak of conflict, its escalation or 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. And they consider the actual and potential role for other countries and intergovernmental bodies like the United Nations, European Union and African Union.



Crisis Group South Asia Deputy Project Director Rhoderick Chalmers speaking with a candidate in Nepal's April 2008 constituent assembly elections.

Practical, imaginative policy prescriptions

Crisis Group's task 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, whether political, legal, financial or ultimately, military. Some of these tools require action by the national government or local actors; others require the commitment of other governments or international organisations. Some will be within the current marketplace of received ideas; others will be over the horizon but nonetheless the right way forward. These policy prescriptions, along with our field-based research and analysis, are presented in succinct, timely and readable reports.

Effective, high-level advocacy Identifying the problem and the appropriate response is still only part of the story. All too often the missing ingredient is the "political will" to take the necessary action. Crisis Group's task is not to lament its absence but to work

out how to mobilise it. That means persuading policy-makers directly or through others who influence them, not least the media. That in turn means having the right arguments: moral, political, legal or financial. And it means having the ability to effectively deploy those arguments, with people of the right credibility and capacity.



Crisis Group Trustees Ghassan Salamé, Pär Stenbäck and Ayo Obe at the November 2008 Board meeting.

Policy and Operations

Crisis Group decides on what situations to cover based on the seriousness of situation, whether we can add value to international understanding and response, and whether we have or can raise the necessary resources in the field and centrally to ensure high-quality reporting and effective follow-through.

2008 was largely a year of consolidating and deepening our coverage, with 65 situations monitored by our field-based staff. In Africa, we began covering Kenya, Cameroon and Guinea-Bissau, and increased our coverage of eastern Congo with a new senior analyst. In Asia, we appointed a China analyst, and our Central Asia project director took on the additional role of Russia adviser. We moved our Belgrade field presence to Sarajevo (continuing to cover the entire region), published our first report on Russia's North Caucasus and started monitoring Ukraine. Coverage in Latin America included Guatemala and in the Middle East included Yemen, though overall resources for the Andes and North Africa were reduced.

Operating in the field Crisis Group's analysts are drawn mostly from experienced former diplomats, journalists, academics and NGO staff, often leading world experts in their fields. Of 129 positions on 1 March 2009, 77 were based in the field, in nine regional offices and eighteen other locations: the others work from our Brussels headquarters and majorcity advocacy and liaison offices. Security for our

field staff is often an issue, requiring, in some cases, operating on a non-disclosed basis.

Determining policy In the initial drafting of reports and briefing papers, field analysts work with our capital-based regional program directors. A research and advocacy 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 Crisis Group reports are settled with input from field and senior staff, and Board members, as well as consultation with governments, intergovernmental organisations, academics, and other think tanks and NGOs.

Getting the story out Strong advocacy means effective dissemination. By the end of 2008, Crisis Group reports and briefing papers were being sent by email notification to 25,000 specifically targeted recipients (including government ministers, heads of international agencies, diplomats and officials in key roles and journalists) and a further 120,000 subscribers signed up through our website. We also maintained strong media exposure, both in terms of mentions in significant print and electronic media worldwide and influential opinion and commentary pieces published.



Crisis Group Turkey/Cyprus Project Director Hugh Pope discussing Turkey–EU relations in *Milliyet*, 24 June 2008.

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 has the access and influence at the highest levels of the U.S. and European governments, the UN, EU and NATO; our London office continued to maintain Crisis Group's profile and influence in the UK; and our Moscow liaison office worked to improve our contacts in Russia. Our large team in Nairobi and recent Beijing liaison presence have increased access significantly in Africa and China.

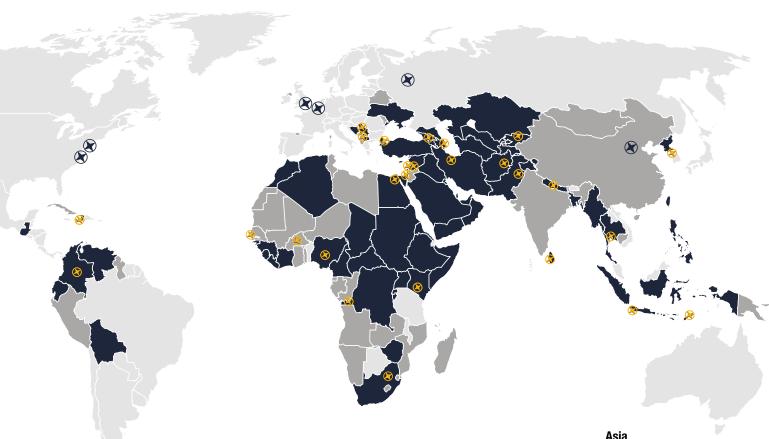
CRISIS GROUP OPERATIONS AROUND THE WORLD

Covered by field analysts

CrisisWatch monitoring only

Advocacy or liaison office

Regional office or field representation



RO = Regional office FR = Field representation

Europe

Balkans Established 1996. Covers Bosnia and Herzegovina, Kosovo, Macedonia and Serbia, RO: Pristina. FR: Saraievo

Caucasus Established 2003, Covers Armenia, Azerbaijan (including Nagorno-Karabakh), Georgia and Russia's North Caucasus. RO: Tbilisi, FR: Baku.

Turkey/Cyprus Established 2007. Addresses primarily the Cyprus conflict and Turkey's geostrategic role. RO: Istanbul.

Latin America/Caribbean

Colombia/Andes Established 2001. Covers Bolivia, Colombia Ecuador and Venezuela, as well as Guatemala. RO: Bogotá.

Haiti Established 2004. Covers peacebuilding and political transition in Haiti. FR: Port-au-Prince.

Middle East/North Africa

Egypt/North Africa Established 1998. Covers Egypt, as well as Algeria and Morocco, FR: Cairo

Arab-Israeli Conflict Established 2001. Covers the situations in Israel and Palestine. FR: Jerusalem.

Iraq/Lebanon/Syria Established 2001. Addresses governance and security in Iraq and covers Syria and Lebanon. FR: Beirut, Damascus.

Iran/Gulf Established 2002. Covers Iran, Saudi Arabia and the Gulf states. and Yemen. RO: Istanbul, FR: Tehran.

Africa

Central Africa Established 1998. Covers Burundi, Central African Republic, Chad, DR Congo, Rwanda and Uganda. RO: Nairobi, FR: Kinshasa.

Horn of Africa Established 2001. Covers Sudan, Ethiopia/Eritrea. Kenya and Somalia.

Southern Africa Established 2001. Covers Zimbabwe and South Africa's continental role. FR: Pretoria.

West Africa Established 1995. Covers Cameroon, Côte d'Ivoire, Guinea, Guinea-Bissau, Liberia, Nigeria and Sierra Leone. RO: Dakar, FR: Abuja, Ouagadougou

Asia

North East Asia Established 2002. Covers North Korea, Taiwan Strait tensions and regional security generally. FR: Seoul.

Central Asia Established 2000. Addresses governance issues, Islamism and political transition strategies in Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. R0: Bishkek.

South Asia Established 2001. Covers Afghanistan, Bangladesh, Kashmir. Nepal. Pakistan and Sri Lanka. RO: Islamabad, FR: Kabul, Colombo, Kathmandu.

South East Asia Established 2000. Covers Indonesia, Myanmar/Burma, the Philippines, Thailand and Timor-Leste. RO: Jakarta, FR: Bangkok,

Advocacy and liaison offices

Brussels, Belgium (HQ) Established 1997: management, research, report production and distribution, media relations, EU and international advocacy and coordination of all field operations. Washington DC, U.S. Established 1997: advocacy with the U.S. administration, Capitol Hill and the U.S. media; policy input. New York, U.S. Established 2001: advocacy with the UN Secretariat, diplomatic corps and media; liaison with the philanthropic community; policy input. London, UK Established 2002: UK and European advocacy and fundraising support. 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.

Covered by field analysts* Afghanistan, Algeria, Armenia, Azerbaijan (including Nagorno-Karabakh), Bangladesh, Bolivia, Bosnia and Herzegovina, Burundi, Cameroon, Central African Republic, Chad, China (Taiwan Strait), Colombia, Côte d'Ivoire, Cyprus, DR Congo, Ecuador, Egypt, Eritrea, Ethiopia, Georgia, Guatemala, Gulf states, Guinea, Guinea-Bissau, Haiti, India (Kashmir), Indonesia, Iran, Iraq, Israel/Palestine, Kazakhstan, Kenya, Kosoyo, Kyrgyzstan, Lebanon, Liberia, Macedonia, Morocco, Myanmar/Burma, Nepal, Nigeria, North Korea, Pakistan, Philippines, Rwanda, Russia (North Caucasus), Saudi Arabia, Serbia, Sierra Leone, Somalia, South Africa, Sri Lanka, Sudan, Syria, Tajikistan, Thailand, Timor-Leste, Turkey, Turkmenistan, Uganda, Ukraine,

Uzbekistan, Venezuela, Yemen, Zimbabwe. CrisisWatch monitoring only Includes: Albania, Angola, Belarus, Burkina Faso, Cambodia, China (internal), Comoros Islands, Cuba, Equatorial Guinea, Fiji, France (Corsica), Gabon, Gambia, Ghana, Guyana, India (non-Kashmir), Jordan, Lesotho, Libya, Madagascar, Maldives, Mali, Mauritania, Moldova, Mongolia, Montenegro, Mozambique, Namibia, Niger, Papua New Guinea, Peru, Republic of Congo, Senegal, Solomon Islands, Spain (Basque Country), Swaziland, Togo, Tunisia, United Kingdom (Northern Ireland), Western Sahara, 7ambia.

* Coverage planned for 2009

www.crisisaroup.ora INTERNATIONAL CRISIS GROUP 2008/2009 5 Africa saw little progress in its deadliest conflicts in 2008. Dynamics shifted in Sudan, but the security and humanitarian situation remained grim there and in Somalia. Continued insecurity in the Democratic Republic of Congo's North Kivu province threatened regional escalation, and major violence erupted in Kenya following flawed elections. A final deal for Northern Uganda remained elusive, and in Guinea a coup immediately followed long-time dictator Lansana Conté's death in December.

Crisis Group Africa

Central Africa

In **Burundi** the government continued to harass members of the political opposition and refused to accept an independent legislature. After 22 members broke with the ruling CNDD-FDD, the government pressured the constitutional court into authorising their replacement with party supporters. The peace process saw a promising step ahead in December, as the government reached agreement with the last remaining rebel group, the Palipehutu-FNL, on power sharing, rebel demobilisation and release of prisoners, and dropping "Hutu" from the group's political party name.

Various rebel groups continued to carry out attacks in the north of the **Central African Republic** (CAR). A European peacekeeping force (EUFOR) deployed along the border with **Chad** in March. A peace agreement in June between the government and two main rebel groups paved the way for inclusive talks in December, where President François Bozizé's government, opposition parties and rebel groups agreed to form a consensus government to remain in power until the 2010 presidential elections. Yet endemic suspicion between Bozizé and the opposition threatens the new government.

In the Democratic Republic of Congo (DRC), the government of Joseph Kabila continued to be marred by systemic ineffectiveness, corruption and indiscipline in the security services. In North Kivu, the government, Laurent Nkunda's Congolese Tutsi CNDP insurgents, and Mai Mai militia agreed in January on a ceasefire and the "Amani" peace process. But as the negotiations faltered, the CNDP resumed fighting, threatening to take Goma in October. Joint military operations with Rwanda - despite evidence Kigali had been supporting Nkunda - eventually saw the CNDP split, with Nkunda arrested in Rwanda in January 2009 and serious concerns about destabilisation as Rwandan troops crossed the border to tackle the Rwandan Hutu FDLR.

President Yoweri Museveni of **Uganda** announced he would seek a fourth term in 2011, raising fears he would never relinquish power. Despite repeated promises, the leader



CENTRAL AFRICAN REPUBLIC A soldier from the armed group UFDR at the airstrip of Sam Ouandja, in north eastern CAR, May 2008. – DRC A government soldier at Mushake in eastern Congo, January 2009.

of the rebel Lord's Resistance Army (LRA), Joseph Kony, failed to sign a final peace agreement with the government, leading to a joint military offensive by the armed forces of Uganda, the DRC and South Sudan starting in December on the rebels' DRC base in Garamba National Park. The continuing offensive scattered the LRA and led to reports of hundreds of civilians dead and thousands displaced. Kony claimed he remained committed to peace, but again asked that the three-year-old International Criminal Court (ICC) warrant for his arrest be dropped, and demanded a new mediator and venue for peace talks.

Crisis Group impact

Crisis Group's report *Burundi*: *Restarting Political Dialogue* (August) helped ensure the spotlight remained on a potentially violent situation. Several actors involved in the peace process endorsed the report's recommendations, including a new electoral law and an agreement on the composition of the electoral commission.

Broad readership of our very first report on the **Central African Republic**, *Anatomy* of a Phantom State (December 2007), was reflected in frequent use of the term "phantom state" in European and African media reports in 2008. We maintained that interest with *Untangling the Political Dialogue* (December), highlighting the need to address the organisation of elections in 2010 and transitional justice issues.



"We should all be thankful that we have an organisation like Crisis Group that contributes to peace and security in helping to resolve conflicts, to ring the alarm bells of the international community, and to be a mirror for the conscience of the world."

Colin L. Powell, U.S. Secretary of State (2001–2005), April 2008

Two of the recommendations in *Congo*: Bringing Peace to North Kivu (October 2007) were implemented in 2008: the organisation of a conference bringing all parties in the Kivu conflict to the negotiation table and the nomination of a mediation team. In November, Crisis Group submitted to the UN Security Council a strategy for responding to the CNDP offensive, and through the end of the year pushed for new support for the UN mediators, focus on the existing Nairobi and Goma agreements and action against the skyrocketing use of rape in the conflict. We also kept attention on Ituri, publishing Four Priorities for Sustainable Peace in Ituri in May.

On northern **Uganda**, *The Road to Peace, with or without Kony* (December) set forth a number of proposals to advance the Juba peace process, despite Kony's failure to sign. Those include an envoy representing both the African Union and European Union to negotiate disarmament and reintegration of LRA forces.

CENTRAL AFRICA: KEY ISSUES IN 2009

BURUNDI Pre-election political and security environment: With elections due in 2010, Crisis Group will examine political tensions and progress in demobilisation and disarmament of the FNL.

CENTRAL AFRICAN REPUBLIC SSR in CAR:

Crisis Group will analyse the politics of security sector reform and the requirements for its success and sustainable stabilisation of the country.

DEMOCRATIC REPUBLIC OF CONGO Kabila's

regime: Despite facing substantial pressure internally and externally, President Kabila's government has not fulfilled most of its promises. Crisis Group will evaluate governance and security under the present regime.

Conflict in eastern DRC: Stabilisation in the Kivus will require sustained engagement by the international community and the Congolese government. Crisis Group will examine progress and challenges in return of refugees, resettlement of IDPs, and disarmament and integration of armed groups, and the sensitive issue of Rwanda's cross-border role.

UGANDA Lord's Resistance Army – next steps: Following the regional offensive launched in December against the LRA, Crisis Group will assess the status of the peace process and suggest ways to revive it.

Horn of Africa

The situation in **Sudan** remained dire in 2008, though a series of events shifted conflict dynamics. May saw a failed attack by Darfur rebel groups on Omdurman and, in the oil-rich region of Abyei, the worst fighting between the Sudan People's Liberation Movement (SPLM) and the Sudan Armed Forces since the 2005 North-South Comprehensive Peace Agreement (CPA). The ICC prosecutor's application in July for an arrest warrant for President Bashir for atrocity crimes committed in Darfur, which was granted in March 2009, provoked a virulent reaction, but also placed Khartoum under unprecedented pressure. The regime threatened humanitarian operations, the UN/ AU peacekeeping force in Darfur (UNAMID) - which by year end still had not been fully deployed or equipped - and progress under the CPA. But it also renewed dialogue with some rebel groups and launched a diplomatic campaign to secure a UN Security Council deferral of the pending ICC prosecution.

Chad's government continued to clash with rebels, with a failed coup attempt by Khartoum-backed Chadian forces in February. President Idriss Déby relaunched implementation of the 13 August 2007 agreement with the political opposition, but progress has been slow. An EU peacekeeping force (EUFOR) coupled with a UN police mission (MINURCAT) deployed along the CAR border in March.

The already devastating security and humanitarian situation in **Somalia** deteriorated further. Mogadishu saw the worst violence since the December 2006 takeover from the Islamic Courts by the Transitional Federal

Government (TFG) and Ethiopian forces, as the Islamist-led insurgency also spread to other cities. A fragile agreement signed in August in Djibouti between the TFG and a faction of the Alliance for the Re-liberation of Somalia (ARS) held out some hope, despite its rejection by more radical Islamist groups. Fighting escalated at the end of the year – including between Islamists – as President Abdullahi Yusuf Ahmed stepped down and Ethiopian troops withdrew. The Djibouti agreement has yet to reap any significant benefits in terms of improved security.

Following the dissolution of the **Ethiopia-Eritrea** Boundary Commission in December 2007, the border conflict continued to simmer but the risk of war appeared to recede, although another buffer was removed as Eritrea forced the UN peacekeeping mission (UNMEE) out mid-year. A brutal crackdown on the Ogaden National Liberation Front (ONLF) in Ethiopia resulted in widespread human rights abuses, while millions of Ethiopians were in need of food aid.

Kenya made some progress on political reconciliation after the shocking violence following its flawed December 2007 elections, which left over 1,000 dead and hundreds of thousands displaced. The diplomatic mediation led by Kofi Annan produced a power-sharing deal in February with incumbent Mwai Kibaki as president and opposition leader Raila Odinga as prime minister. Progress has also been slow in implementing needed reforms and reconciling Rift Valley communities – some of which were most affected by the violence.

Crisis Group impact

Our March report, *Sudan's* Comprehensive Peace Agreement: Beyond the Crisis, repeated our previous warnings of the risk of new fighting in Abyei and emphasis on the need for full CPA implementation. When fighting broke

Crisis Group Trustees Kofi Annan and Wesley Clark at the November 2008 Board meeting.







out in Abyei in May we responded swiftly with appeals and briefings, particularly to European policymakers, resulting in a series of high-level calls to respect the 18 May ceasefire. Sudan's Southern Kordofan Problem: The Next Darfur? (October) led to the Government of National Unity (GNU) and the UN mission in Sudan (UNMIS) reviewing their engagement in the region and discussions between the Nuba and the SPLM in Juba. By the end of 2008, the GNU had adopted a key recommendation - to establish a Southern Kordofan tribal conference to address grievances and expedite peace dividends. Crisis Group also significantly shaped the international response to the ICC arrest warrant for President Bashir. We issued statements in July 2008 and March 2009, published a series of op-eds and engaged in extensive advocacy at the UN and elsewhere, emphasising the risks but also the real opportunity for Sudan and the international community to both fight impunity and bring peace to the country, a position reflected in influential editorial pages and adopted by key policymakers.

In *Chad:* A *New Conflict Resolution Framework* (September), we presented a new three-track framework for settlement, emphasising movement towards national reconciliation and sustainable governance. The report was well received, including by members of the political opposition, civil society, the Chadian government and rebel groups. We also presented analysis at a December Arria formula meeting at the UN Security Council, outlining our recommendations for the future of the UN peace-keeping mission (MINURCAT II) after the standing down of EUFOR in March 2009.

Amid U.S. pressure for a new UN peace-keeping mission for **Somalia**, our December report, *To Move Beyond the Failed State*, emphasised that political dialogue towards a ceasefire agreement among the warring factions should be the priority. It also called on President Yusuf, whose credibility had been

progressively damaged, to resign, which he did just days after publication. Our New York advocacy team was instrumental in ensuring that a peacekeeping force was not authorised in January, convincing Security Council members to support what may be a rare opportunity for productive inter-Somali dialogue. The report received extensive coverage in the Somali media and the influential Kenyan weekly *The East African* and drew a favourable response from several members of the Somali political elite as well as tempered endorsement from the Ethiopian foreign ministry.

Despite signs of reduced tensions between **Ethiopia** and **Eritrea**, Crisis Group continued to press for a sustainable solution to the border dispute. Among the principal recommendations in our June report, *Beyond the Fragile Peace between Ethiopia and Eritrea: Averting New War*, was the appointment of a UN special envoy and formal endorsement of the Boundary Commission's virtual demarcation.

CHAD An Irish soldier from the European Union force (EUFOR) patrols near the eastern Chadian town of Gos Beida, June 2008. — SOMALIA An Islamist insurgent outside the stadium in Mogadishu, one of the bases vacated by Ethiopian troops, January 2009.

Our advocacy teams in the U.S. and Europe gave a series of briefings to high-level policy-makers discussing the need for continued engagement.

After the rigging of the December 2007 elections in **Kenya**, we immediately engaged all key players, including Kofi Annan's negotiation team, to shape the response to the grave political, security and humanitarian crisis. Our advocacy teams at the UN and in Washington DC laid the groundwork with briefings and testimony, to press the analysis in our February report *Kenya in Crisis*, our first on the country. Crisis Group was hailed by many actors locally and internationally for its poignant and timely analysis, including serving as a "wake-up call" to the regional implications of

HORN OF AFRICA: KEY ISSUES IN 2009

SUDAN Southern Sudan and the 2009 elections: One of the central benchmarks of the CPA, the holding of national elections in 2009, is approaching fast. Crisis Group will outline the strategic importance of the polls for the North-South agreement and the key policies needed for the electoral process to succeed.

NCP governance and power structure: At the heart of conflict resolution in Sudan lies the ruling National Congress Party's governance and power structure. Crisis Group will report on its organisation and modus operandi and relate it to the key CPA reforms.

CHAD Security in eastern Chad: Crisis Group plans to evaluate the impact the EU and UN missions have had on the security situation, as well as examining political and tribal dynamics in the region and outlining a framework to restore stability.

SOMALIA Puntland and Somaliland: These regions are in danger of becoming fronts for the war being fought in southern Somalia. Crisis Group will report on the deteriorating situation and recommend ways to stop the spreading crisis.

ETHIOPIA/ERITREA Governance and root causes of the conflict: Crisis Group will address the internal policy changes necessary to stabilise the two countries and the region, looking at security within Ethiopia alongside the policies of President Isaias Afwerki's government in Eritrea.

KENYA Institutional reforms and security trends: Crisis Group will monitor the implementation of the reforms agreed during the settlement of the 2008 post-election crisis and related security risks in the country.





a possible resumption of violence in the Rift Valley. Our Africa program provided record input to the media and has been influential in discussing Crisis Group's recommendations with Kenyan stakeholders.

Southern Africa

Flawed elections in March sent Zimbabwe further into crisis but also created some hope for change. Despite extensive electoral manipulation and intimidation, for the first time ZANU-PF lost control of parliament to the opposition Movement for Democratic Change (MDC) and Robert Mugabe came second in presidential polls, trailing MDC leader Morgan Tsvangirai. After a brutal countrywide crackdown launched by Mugabe and his hardline supporters - with over 100 deaths and widespread beatings, rapes and torture the MDC boycotted a presidential run-off in June. A deal was finally signed in September providing for the formation of an inclusive government and constitutional reform, but implementation stalled over allocation of key posts, while the country suffered disastrous economic and humanitarian failures, with thousands dead from cholera. Following the MDC's decision in January 2009 to join the government, with Tsvangirai as prime minister, the question is whether Mugabe and ZANU-PF hardliners will allow meaningful reforms to end the overlapping crises.

Crisis Group impact

As the situation in **Zimbabwe** deteriorated, Crisis Group helped shape policy, publishing three well-received papers and engaging in extensive advocacy. Released a week before the landmark 29 March elections, *Prospects from a Flawed Election* warned that the polls could lead to escalating violence and was one of the first public calls for greater African Union (AU) engagement in the faltering **South Africa**-led

Southern African Development Community (SADC) mediation. *Negotiating Zimbabwe's Transition* (May) was used extensively by the MDC negotiating team and helped forge the emerging consensus around the need for the AU and UN to play a lead role. Finally, *Ending Zimbabwe's Nightmare: A Possible Way Forward* (December) outlined a possible new framework for resolving the crisis through a non-partisan transitional administration that would hold new elections and implement crucial reforms.

Throughout the year, we provided weekly analysis to The Elders – a group of influential global leaders that includes Crisis Group Trustee Kofi Annan, Nelson Mandela, Desmond Tutu and Mary Robinson – outlining possible actions. In addition, our Pretoria-based senior analyst continued his close involvement in the talks, participating in MDC meetings but also maintaining contacts with ZANU-

SOUTHERN AFRICA: KEY ISSUES IN 2009

ZIMBABWE After Mugabe?: ZANU-PF party elections in 2009 may bring a new leadership onto the scene. Crisis Group will follow changes in the political terrain and map the challenges to formation of a legitimate government.

Zimbabwe's security apparatus: This omnipresent arm of repression provides Mugabe's main support base. Crisis Group will analyse how to deal with its role in the crisis by professionalising and depoliticising the military institutions.

SOUTH AFRICA A new foreign policy agenda: Crisis Group plans to evaluate the successes and failures of South Africa as a conflict mediator on the continent and propose a revised agenda for the future administration. SOMALIA A displaced Somali girl sits under her makeshift hut in Ealasha Village, south of Mogadishu, January 2009. – ZIMBABWE MDC supporters outside the venue of the SADC meeting in South Africa on 9 November 2008.

PF. We systematically engaged policymakers in South Africa, SADC, the AU, key member states of both organisations and the wider international community, including the UN, U.S. and Europe, through regular briefings and a series of influential op-eds. Through these efforts we made it clear that the minimum requirement for an acceptable power-sharing arrangement is meaningful executive power for Tsvangirai.

West Africa

Nigeria's Niger Delta region remained extremely volatile throughout 2008. Militant groups demanding a greater share of oil revenues for the area continued to attack oil installations and military personnel, with the bloodiest clashes in two years in September. In November an estimated 500 were killed when a disputed local election in Jos, Plateau State, degenerated into major violence between Christian and Muslim communities. Political tensions remained high as challenges to President Umaru Yar'Adua's election in 2007 were resolved by the Supreme Court only in December, and ongoing reports of his ailing health raised questions about his ability to serve.

The military coup in **Guinea** that followed the death of long-time dictator Lansana Conté in December was the latest in a series of crises underlining the country's febrile political climate. Junior soldiers mutinied in May demanding back pay, while police protests were violently suppressed a month later. In **Côte d'Ivoire** implementation of the March 2007 Ouagadougou agreement between Forces Nouvelles rebels and those loyal to President Laurent Gbagbo has been extremely slow. Lack of progress in voter identification and rebel

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SIERRA LEONE A child carries water to sell in plastic packages in Mabella slum in Freetown, March 2008.

– NIGERIA Nigerian soldiers patrol the city of Jos, November 2008.

disarmament resulted in further delay of elections, while the risk of violence over the sensitive issue of nationality remains high.

In August a failed coup attempt in **Guinea-Bissau** exacerbated the country's institutional weakness. Successful legislative elections in November restored some hope for the country's future, shaken days later when soldiers tried to assassinate the president – a feat accomplished in March 2009, threatening further instability. In **Cameroon** riots broke out in major cities in early 2008 sparked in part by President Paul Biya's plan to extend his 25-year rule.

The reconstruction of **Liberia** and **Sierra Leone** continued, with relatively good security conditions prevailing, but key weaknesses persist including stagnant economies and high excombatant and youth unemployment. Monrovia experienced a spate of murders, armed robberies and rapes highlighting police deficiencies, while partisan violence broke out in Sierra Leone in August after generally free and fair July local elections.

Crisis Group impact

Nigeria: Ogoni Land After Shell (September) was widely welcomed by stakeholders in the region. Our overall reporting on the Delta was used as background material by the government-constituted Technical Committee on the Niger Delta, which also invited Crisis Group's Abuja-based analyst to its sessions. Thanks to an extensive advocacy campaign, civil society spokespersons, especially in the Delta, frequently referred to our recommendations as the way forward.

The UN and Guinea-Bissau's key international partners (France, the UK, U.S. and

Senegal) have welcomed Crisis Group's new reporting on the country. Our background report *Guinea-Bissau: In Need of a State* (July) laid out the historical roots of the country's structural problems and warned of criminalisation of the state.

Years of close analysis of Conté's **Guinea** have earned Crisis Group a wide readership among the country's political actors. *Ensuring Democratic Reforms* (June) highlighted the ailing president's efforts to block crucial reforms, warning of fractures within the security sector and the strong possibility of a coup. The head of the UN mission in **Côte d'Ivoire** described our April report *Ensuring Credible Elections* as essential reading. Its analysis of obstacles

and risks involved in voter identification and rebel disarmament continues to inform the UN's election preparations.

In **Sierra Leone** Crisis Group analysts advised President Ernest Bai Koroma's new government on how to best earn public confidence in his administration and reform agenda. A New Era of Reform? (July) outlined the positive role the UN Peacebuilding Commission could play to support nationwide consultations. Our strong relationship with the national leadership and UN mission in Liberia made for fruitful advocacy work on political and military aspects of post-war reconstruction.

WEST AFRICA: KEY ISSUES IN 2009

GUINEA Security sector reform: In the wake of the December coup, Crisis Group will report on steps needed to create a republican army that ceases to engage in criminal activity and is no longer used to back up an illegitimate dictatorship.

GUINEA-BISSAU Reducing military interference in politics: Over 30 years after the end of the liberation struggle the military continues to interfere in the political process – with disastrous results. Crisis Group will address this issue, along with the demands of ex-combatants and thousands of soldiers awaiting retirement.

Mano River Basin: A major consequence of the civil wars in southern Guinea, northern Liberia and eastern Sierra Leone has been inter- and intra-ethnic conflict over land use with cross-border implications. Crisis Group will examine recent clashes as well as long-term challenges.

CÔTE D'IVOIRE Ensuring election security: Following the 2007 Ouagadougou agreement, Crisis Group continues to monitor the political climate, the security situation and preparations

for presidential elections in 2009.

NIGERIA Niger Delta: As violence continues to escalate with increasing cross-border implications, Crisis Group will consider the prospects and challenges for conflict resolution.

Northern Nigeria: Crisis Group will analyse conflicts between Muslims and Christians, different Islamic groups, and between "indigene" and "settler" communities, and identify the risks to the stability of the country, as well as strategies for managing them.

CAMEROON Conflict risks: Over 25 years of authoritarian rule, endemic corruption and tensions between francophones and anglophones have been exacerbated by rapid urbanisation. Following riots in 2008, Crisis Group reporting will investigate the underlying problems threatening a re-emergence of violence.



Asia saw greater bloodshed in some regions in 2008 but peaceful progress elsewhere. Escalating violence in Afghanistan and Sri Lanka increased civilian suffering. Successful elections in Nepal permitted a peaceful transition to a republic, and those in Pakistan and Bangladesh returned civilian forces to power. Meanwhile, the democratically elected Thai government was forced from office. Negotiations with North Korea stalled, but relations improved across the Taiwan Strait. Authoritarianism persisted across Central Asia.

Crisis Group Asia

Central Asia

In 2008 the five Central Asian republics saw further consolidation of authoritarian regimes and already difficult social and economic conditions exacerbated by the worldwide economic crisis, especially as **Russia** and **Kazakhstan** began to cut back on migrant labour. The prospect of OSCE chairmanship for Kazakhstan in 2010 precipitated, rather than deterred, the slide toward authoritarianism as evidenced by increased state control over internet sources and self-censorship among media and officials. As a result of corruption and inefficient use of resources, **Kyrgyzstan** experienced its worst energy crisis since independence.

In Uzbekistan, the regime of Islam Karimov remains the most brutal in the region. Though most European Union sanctions were lifted in fall 2008, violations of human rights, including torture and harassment of independent journalists and defence lawyers, continued to be reported. In early 2008 and again the next winter Tajikistan was on the brink of a humanitarian disaster with its energy infrastructure near collapse. Weakened by pervasive corruption, the government of Emomali Rakhmon has limited capacity to remedy the situation. The depth and breadth of reforms in Turkmenistan remain in question. Though President Gurbanguly Berdimuhammedov dismantled many symbols of his predecessor's personality cult, the government held a tightly orchestrated parliamentary election and continues to suppress any dissent.

Crisis Group impact

Crisis Group's study on the murder of journalist Alisher Saipov, *Political Murder in Central Asia* (February), confirmed its reputation as a key and reliable source of political analysis on **Uzbekistan**. We received significant feedback and information requests from journalists and leading academic institutions, as well as favourable comments from the U.S. State Department's Bureau of Intelligence and Research. Crisis Group's April report *Kyrgyzstan:* The Challenge of Judicial Reform was widely noted in specialist circles and a number

CENTRAL ASIA: KEY ISSUES IN 2009

Radicalism and women: Radical groups in Central Asia, particularly Hizb ut-Tahrir, have begun focusing recruitment on women. Crisis Group will expand on earlier reporting and examine causes and consequences of this shift.

Migration and instability: Central Asia has become a major source of migrant labour, particularly in Russia and Kazakhstan, but that may change with the global turndown and reduction in oil prices. Crisis Group will analyse the implications for the unemployed of Central Asia and their governments.

Russia's role: Moscow has been asserting a right to take a greater role in Central Asia to mixed reactions from these states. Crisis Group will examine Russia's expectations, the reality of it policies on the ground and the resistance within the region to becoming part of another Russian sphere of influence.

Symbolic portion of gas pipeline under construction from Turkmenistan to China, crossing Uzbekistan and Kazakhstan.

of its recommendations were adopted, so far in word rather than deed, by the Kyrgyz government. Our update briefing *A Deceptive Calm* (June) on the major political changes since December 2007 was reportedly banned by the government from public mention. Crisis Group has also been asked for informal but detailed advice on issues as diverse as the EU's communication strategy in Tajikistan, UN Development Programme humanitarian early warning operations and Radio Free Europe/Radio Liberty's difficulties operating in regional states.

North East Asia

China continued to play an influential role in 2008 in conflict resolution through its multilateral diplomacy, economic interests and political influence. Adding to its role in North Korea, Iran and Sudan, it has started to become involved in the Democratic Republic of the Congo and the Middle East. Diplomatic efforts to resolve the North Korean nuclear crisis have stalled over verification issues. Difficult negotiations will be required to break the impasse, and success is not guaranteed. If diplomacy fails, the international community will have to respond to a nuclear North Korea and a weakened nonproliferation regime.



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NORTH EAST ASIA: KEY ISSUES IN 2009

Humanitarian issues in North Korea: Food security, public health, human rights and other humanitarian issues pose serious risks for regional stability. Migration from North Korea has been rising, and a sudden and dramatic increase in numbers could have a tremendous regional impact.

North Korean succession: While North Korea is currently stable, Kim Jong-II suffered from serious health problems in 2008. South Korea and the international community must be prepared to deal with a North Korean collapse that could swiftly degenerate into a serious crisis or conflict.

China-PKO: China is now the largest contributor of troops among the permanent members of the UN Security Council. Crisis Group will examine changes in Chinese views of international peacekeeping and assess how its greater role will impact on conflict resolution.

Crisis Group impact

Crisis Group's new liaison presence in Beijing has focused on building relationships with a wide range of government officials, corporate actors, analysts, diplomats, journalists and NGOs in **China**. During his October 2008 visit, Crisis Group President Gareth Evans met with, among others, Foreign Minister Yang Jiechi, who welcomed the new channel of communication with us and expressed appreciation for our "thought-provoking" reports. Our June report *China's Thirst for Oil*, which assessed the impact of Chinese energy policy

PAKISTAN Security officials examine the site of a bomb explosion in Peshawar on 5 December 2008.

on the resolution of conflict, was well received both internationally – noted by an OSCE official as doing "a good job of pointing a course away from the fear and doom-sayers one often hears on the tube" – and within China, where it was widely read within Beijing's policymaking circles, academia, think tanks and the energy industry.

Crisis Group reported on the sweeping electoral and policy changes in **South Korea**, especially their impact on **North Korea**, in *South Korea*'s *Elections: A Shift to the Right* (June). President Gareth Evans met with senior South Korean officials to discuss regional security proposals and contingency planning for dealing with North Korea.

South Asia

There was renewed international attention on **Afghanistan** in 2008, as the insurgency expanded and opium trafficking continued unabated. Popular disillusionment grew, amid rising criminality, inept government and continued allegations of corruption, as well as civilian casualties by foreign air power, with the relationship between the Karzai administration and its international backers increasingly strained. Kabul's offers of talks with the Taliban failed to find a response, with the insurgents increasingly successful in destabilising state-building efforts.

In the wake of Benazir Bhutto's assassination in December 2007, the February elections in **Pakistan** resulted in victory for the secular opposition and a resounding defeat for military-backed incumbents and Islamist parties. Bhutto's Pakistan Peoples Party (PPP) formed a coalition government with Nawaz Sharif's Pakistan Muslim League (PML-N), which successfully forced President Pervez Musharraf's resignation in August but subsequently split. Security deteriorated as Islamist militants bat-

tled security agencies in the tribal areas and attacked urban centres. Efforts by the PPP-led government to renew the composite dialogue with India stalled after over 150 were killed in Pakistan-based militants' attacks on India's commercial capital Mumbai in November.

Nepal's successful April constituent assembly elections marked a major step forward in a lengthy peace process, and a peaceful transition to a republic, with a Maoist-led coalition government. However, the reach and capacity of government, especially at the local level, shrunk alarmingly, and security sector reform and state restructuring have yet to be addressed. By the end of 2008, the constituent assembly had still not embarked on the constitutionwriting process, reinforcing concerns that the May 2010 deadline will not be met. Civilian rule was restored in Bangladesh after a peaceful general election ended the two-year state of emergency. The December 2008 election returned Sheikh Hasina's Awami League to power with an overwhelming majority that has left the opposition in disarray.

Sri Lanka's war grew more intense after the government's January withdrawal from the 2002 ceasefire with the Liberation Tigers of Tamil Eelam (LTTE). By year end, the Sri Lankan military had won back most of the remaining territory held by the LTTE and was confident of final victory. But this came at a terrible cost: 5,000–10,000 soldiers and civilians killed, widespread human rights violations by both sides, regular LTTE terror attacks and an estimated 300,000 civilians displaced.

Crisis Group impact

Crisis Group's February report *Afghanistan*: *The Need for International Resolve* was a wake-up call to the international community. President Hamid Karzai, the heads of NATO and senior diplomats and military officials were all





AFGHANISTAN U.S. soldiers leave Combat Outpost Lowell enroute to the nearby village of Kamu in eastern Afghanistan, January 2009.

reportedly briefed on it. July's *Taliban Propaganda: Winning the War of Words?* was widely praised as one of the best primers on the diverse movement, including by a senior NATO official who said it was "absolutely superb" and circulated it broadly to colleagues. December's briefing, *Policing in Afghanistan: Still Searching for a Strategy*, updated an initial report in 2007 which the head of U.S. police and army training efforts said had had a "significant impact on the course of police reform".

Crisis Group made extensive efforts in Washington DC and European capitals, calling on those countries to seize the opportunity to support the democratic transition in **Pakistan**. We argued for shifting priorities from military aid to economic assistance and support for democratisation and civilian institutions. The U.S. Senate foreign relations committee approved legislation authorising \$7.5 billion in non-military assistance over five years, co-

sponsored by then Senator Barack Obama, and strong new signals came from the State Department, the UK Foreign and Commonwealth Office and EU institutions recognising the need for robust engagement with civilian leaders. Our contribution through reports such as *Reforming Pakistan's Police* (July) and *Reforming the Judiciary in Pakistan* (October) was also recognised by PPP Information Minister Sherry Rehman, who stressed their value for policymakers.

In Nepal, Crisis Group continued to shape the international debate ahead of the April elections, with Nepal's Election and Beyond (April), followed by Nepal's Election: A Peaceful Revolution? and Nepal's New Political Landscape (July). Crisis Group's credibility and influence has been reflected in requests for briefings by the U.S. Congress, UK and EU parliaments, and UN officials, including, among others, Special Representative of the Secretary-Gener-

al Ian Martin and Under-Secretary-General for Political Affairs Lynn Pascoe. Crisis Group's reputation was further enhanced by translations into Nepali, printed copies of which were distributed to each constituent assembly member.

Restoring Democracy in Bangladesh (April), Crisis Group's second report on the country, offered one of the first and only in-depth analyses of the state of emergency and military-backed government's reform efforts. December's Elections and Beyond laid out the measures necessary for credible transition back to civilian rule. Ministers in the caretaker government said our recommendations informed their policy shifts. The government of India, U.S. State Department and Congress, European Commission, UK Foreign and Commonwealth Office and UN all requested briefings.

Ringing alarm bells in Sri Lanka, Crisis Group organised a joint memo in October with Human Rights Watch and Amnesty International calling for pressure on the government to protect civilians in the Wanni region, site of intensive fighting with LTTE rebels. The UK, U.S. and EU all issued robust statements the following week, and humanitarian agencies indicated improved access. Sri Lanka's Return to War: Limiting the Damage (February) received extensive international media attention, and October's Sri Lanka's Eastern Province: Land, Development, Conflict was discussed at a planning meeting with donors in Colombo and widely used by development officials. Crisis Group staff briefed the UN special representative for children and armed conflict and UK Minister for Africa, Asia and the UN Mark Malloch-Brown.

SOUTH ASIA: KEY ISSUES IN 2009

AFGHANISTAN Refocusing the international intervention: The primary challenge now for the international community in Afghanistan is how to define and prioritise desirable – and achievable – objectives. Crisis Group will outline such objectives, along with what is required to deliver on them, in the context of the security and governance situation in the country as well as the strategy needed on the Pakistan side of the border.

Elections and security: Assessing the shape and directions of the insurgency in this election year, Crisis Group will examine whether legitimate and credible presidential polls can be held.

PAKISTAN Militancy in the Pashtun belt: Crisis Group will update our previous work on Pakistan's Federally Administered Tribal Areas, examining the worsening militancy in this area and the risk of Talibanisation spreading to other areas. We will also look at the outbreaks of violence among rival groups in the Northwest Frontier Province (NWFP) and the Pakistan military's failed responses to the spread of extremism.

Kashmir update: The situation in Kashmir has been overshadowed by violence elsewhere in the region, but few steps have been taken to find a lasting solution. Crisis Group will assess how to promote greater engagement between India and Pakistan's new democratic government and strengthen efforts at peacebuilding.

NEPAL Security sector reform: Dealing with the Maoist army and finding a way to reduce the size of the national army and bring it under democratic control, are key issues in Nepal's peace process. Crisis Group will propose ideas for developing a political consensus as well as ways to ensure that spoilers do not stop the processes.

BANGLADESH Policing and extremism: Policing has been contentious in Bangladesh with paramilitary and other forces developing reputations for abuse. Crisis Group will investigate the politicisation of policing and the relationships of security forces to extremism and religious groups.

SRI LANKA War in the Northern Province: In the northern region known as the Wanni, hundreds of thousands of Tamils are displaced as a result of the Sri Lankan military's campaign against the LTTE. Crisis Group will address the prospects for a sustainable military victory over the Tigers and likely political and humanitarian implications.





South East Asia

Cyclone Nargis killed tens of thousands in Burma/Myanmar in May, the country's worst natural disaster. Initially obstructive, the government later cooperated with aid agencies in an unprecedented way. A new constitution, designed to institutionalise the military's role in government, was endorsed in a "managed" referendum. Thailand had a tumultuous year, as the elected People Power Party-led government was forced from office by mass demonstrations, the occupation of key facilities and court rulings. Enhanced security operations in the Muslim south led to fewer militant attacks but more human rights abuses. At year end the new Democrat Party-led government was attempting to reassert civilian control over southern policy.

Indonesia again avoided terrorist attacks or large-scale communal violence. Former conflict zones in Aceh, Poso and Maluku remained fairly calm, though tensions in Aceh increased ahead of 2009 elections. Draconian sentences were imposed on non-violent pro-independence demonstrators in Papua and Maluku. The government again failed to stand up to hardline Muslim demands, taking action against the heterodox Ahmadiyah sect and enacting a controversial pornography law. Timor-Leste's president was severely injured in a shoot-out with rebels in February. Despite subsequent improvements in the security situation, serious problems remain within the Timorese army and police. The conflict in the southern Philippines worsened after the courts declared an agreement between the government and MILF rebels unconstitutional.

Crisis Group impact

Many policymakers frustrated by the failures of current international policy towards **Burma/Myanmar** welcomed Crisis Group's *After Nargis: Time to Normalise Aid Relations* (October), and there were notable shifts, particularly in statements by the new U.S. administration, early in 2009. We consolidated our reputation for incisive analysis on the conflict in Southern **Thailand** with August's *Political Turmoil*

and the Southern Insurgency, which built on an October 2007 report that, according to a senior Thai army officer, had prompted better training of paramilitaries. Our first briefing on Thai national politics, Calming the Political Turmoil, issued just days after Prime Minister Samak Sundaravej was forced from office, helped shape international interpretations of that event.

Crisis Group produced two reports on Timor-Leste, Security Sector Reform (January) and Timor-Leste's Displacement Crisis (March), both cited as "required reading" by Member of the European Parliament Ana Gomes and a senior UN official. The former was extensively used by the UN Secretariat in a report to the Security Council on the security sector in Timor. The Philippines: Counterinsurgency vs Counter-terrorism in Mindanao (May) generated much interest in U.S. military circles, while The Collapse of Peace in Mindanao (October) focused attention on a conflict too often ignored.

Crisis Group continued to provide the most widely respected analysis of Islamist movements in **Indonesia**. February's *Jemaah Islamiyah's Publishing Industry* led to the creation of

PHILIPPINES Members of the rebel group Moro Islamic Liberation Front (MILF) in Mindanao, March 2008. – Burma/Myanmar Myanmar military soldiers unload boxes off a Thai military plane which flew in with food and aid for victims of cyclone Nargis, May 2008.

a designated police unit to monitor publishing. We also continued to draw needed attention to new challenges in former conflict zones in *Tackling Radicalism in Poso* (January) and *Pre-election Anxieties in Aceh* (September) and rising tensions elsewhere in *Communal Tensions in Papua* (June). *Implications of the Ahmadiyah Decree* (July) was welcomed by moderate and secular groups for its analysis of hardline Muslim groups' influence.

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

Dr. Susilo Bambang Yudhoyono, President of

the Republic of Indonesia, August 2007

SOUTH EAST ASIA: KEY ISSUES IN 2009

INDONESIA Aceh: Crisis Group will continue to monitor the deteriorating political and security situation in Aceh, with a particular focus on the impact of national elections.

Status of JI: Crisis Group will look at the current status of mainstream Jemaah Islamiyah and also at the recent proliferation of splinter groups.

TIMOR Youth and gangs: Most of Timor-Leste's population is classified as "youth", many of whom join martial arts groups and gangs. Crisis Group will assess what can be done to provide youth with opportunities in order to improve security for the rest of the population.

PHILIPPINES Mindanao: Crisis Group will continue to monitor the situation in the southern Philippines following the breakdown of the negotiations between the government and the MILF.

THAILAND Militant recruitment in schools:

Crisis Group will look at how Muslim insurgents have infiltrated Islamic boarding schools in Thailand and use them systematically for indoctrination and recruitment; what inspires young Muslims to join the movement; and the network of radical *ustadz* (religious teachers).

BURMA/MYANMAR Towards the elections:

The 2010 elections, and the new constitution, will re-shape the political landscape. Crisis Group will analyse how, despite deep flaws, they will create opportunities to promote change.

MYANMAR-CHINA Crisis Group's North East and South East Asia projects will collaborate to report on how China formulates policy on Myanmar and how much influence it really has on the regime in Naypyidaw.

Europe in 2008 was largely defined by the outbreak of war between Georgia and Russia in August, which transformed geopolitics well beyond the Caucasus. Kosovo's February declaration of independence was followed by a slow handover from the UN to the EU rule-of-law mission. Greece blocked Macedonia's bid for NATO membership over the re-ignited name issue. Although Turkey usefully mediated regional tensions, it neglected its own reform process. And in Cyprus comprehensive negotiations for a final settlement between Greek and Turkish Cypriots began.

Crisis Group Europe

Balkans

Kosovo declared independence in February 2008 and committed to implementing the supervised independence plan of former UN envoy Martti Ahtisaari (Crisis Group chairman emeritus and 2008 Nobel Peace Prize laureate). Serbia opposed the move and in October took the issue to the International Court of Justice. Without UN Security Council backing of the Ahtisaari plan and with international divisions over recognising Kosovo, handover from the UN to the European Union was slow. Not until December was the EU rule-of-law mission, EULEX, deployed countrywide.

Pro-European parties won **Serbia's** parliamentary elections in May. Yet failure to deliver war-time commander Ratko Mladic to the International Criminal Tribunal for the former Yugoslavia, despite the July arrest of former Bosnian Serb leader Radovan Karadzic, held up Stabilisation and Association Agreement (SAA) implementation and progress towards EU candidacy. The political atmosphere in **Bosnia and Herzegovina** was poisoned by leading Serb and Bosniak politicians' sharp nationalist rhetoric, threatening to upset the Dayton Peace Agreement and the foundations of the state.

Macedonia's bid for NATO membership was blocked in April, as Athens insisted that its dispute with Skopje over the country's name be resolved first. Despite efforts by the UN's mediator to find a solution, the two countries appeared further than ever from a solution to a dispute that could also slow down Macedonia's EU membership aspirations.

Crisis Group impact

Crisis Group engaged in intense and sustained advocacy for **Kosovo** conditional independence. We built on efforts from December 2007, when we urged EU heads of state and ministers of foreign affairs to agree on deployment of an EU mission. Key insiders cited our efforts as an important factor in the decision and subsequent advances. Throughout 2008, our Europe program staff met with various officials, including EULEX head Yves de



KOSOVO A Serb protester and French NATO peacekeeping troops during clashes in the ethnically divided city of Mitrovica on 17 March 2008. REUTERS/OLEG POPOV

Kermabon and EU Special Representative (EUSR) Peter Feith, and in European capitals we consistently pressed the need to rapidly deploy EULEX. We also took our advocacy directly to Moscow, including a visit by Crisis Group President Gareth Evans in October when he met with Foreign Minister Sergei Lavrov among others.

Our regular reporting guided these efforts. Kosovo's First Month (March) laid out the next steps and potential risks for the new state, while Kosovo's Fragile Transition (September) warned of the dangers of international indecision and pushed for full EU deployment by December, including in the north under a UN umbrella. We also monitored developments in Serbia, publishing Will the Real Serbia Please Stand Up? (April).

THE BALKANS: KEY ISSUES IN 2009

KOSOVO Governance and institution build-

ing: Crisis Group will continue to track implementation of the Kosovo constitution, institution building, anti-corruption efforts and domestic political rivalries. We will report on the challenges that lie ahead for the consolidation of what will be, inevitably, a weak and divided new state.

International presences: In 2009 the UN should hand over almost all its authority and tasks to the Kosovo government and the EU. The EU will operate under the UN umbrella and be largely "status neutral", to appease Russia, Serbia and other non-recognising countries. Crisis Group will examine how and where the international presences will operate in practice.

BOSNIA AND HERZEGOVINA Reforms:

To ensure stability and continue moving forward with EU integration, Bosnia and Herzegovina urgently needs to undertake fundamental and wide-ranging security, political and economic reforms. Crisis Group will advance recommendations for strengthening institutions and for the EU to define a reinforced presence.

MACEDONIA The name issue: Since it became independent from the former Yugoslavia, Macedonia has been embroiled in conflict with Greece over its name. Crisis Group published a briefing on the issue in early 2009 setting out steps to rebuild trust and finally resolve the dispute.

Crisis Group engaged in extensive highlevel advocacy, including exclusive briefings to EU officials and ambassadors, to influence the debate on the future of the Office of the High Representative (OHR) in **Bosnia and Herzegovina**. We warned that the international community's presence and strategy was in disarray and required a significant shift in policy and support.



Caucasus

The region saw by far its most serious crisis in years as Georgia and Russia went to war over the breakaway region of South Ossetia. The situation had been deteriorating since the beginning of the year as security incidents increased in South Ossetia and Abkhazia and negotiations ground to a halt. On 7 August, large-scale hostilities broke out, which both Russia and Georgia accused the other of instigating. Russia then dramatically escalated the crisis, sending troops deep into Georgia. An EU presidency-brokered ceasefire eventually resulted in a Russian pullback, but not before several hundred people had been killed and tens of thousands displaced. EU monitors were deployed in October, but were not allowed access to South Ossetia or Abkhazia.

In Armenia, a controversial presidential election in February saw sustained protests by the opposition, led by former president and candidate Levon Ter-Petrosian. A March government crackdown on the protesters turned violent, with at least ten killed and many more arrested, leaving the legitimacy of incoming President Serzh Sarkisyan severely undermined. In Azerbaijan, President Ilkham Aliyev won a second five-year term in October. There was no serious competition, as major opposition candidates refused to run alleging fair elections were impossible. With attention focused on domestic politics, there was no significant progress on the Nagorno-Karabakh conflict.

Crisis Group impact

Having warned in June of the new, dangerously confrontational phase in Georgia-Russia relations in Georgia and Russia: Clashing over Abkhazia, Crisis Group moved quickly to

GEORGIA Georgian soldiers run past a building hit by Russian bombardment in Gori, 9 August 2008. - CYPRUS A UN soldier in Nicosia stands on the barricaded Ledra Street, which has symbolised Cyprus's ethnic partition for decades and was opened in April 2008.

respond to the August war, issuing immediate conflict alerts and publishing a full report, Russia vs Georgia: The Fallout, on 22 August. That report and Crisis Group commentary throughout, followed by a December briefing The Risks of Winter, constituted the authoritative account of the crisis as policymakers and the media struggled to understand events that transformed geopolitics.

In high-level meetings with UN mission officials in New York, ambassadors to the EU and U.S. officials, we urged a sensible U.S. response to Moscow and a robust reaction by the EU. Our repeated calls for full withdrawal from the "buffer zones" helped bolster the EU's position before it eventually secured Russia's

agreement to withdraw forces. We also provided input for the planning of the EU mission in briefings to High Representative Javier Solana's adviser on the Caucasus and the newly appointed EUSR for the Caucasus Pierre Morel, and regularly met with members of the Georgian government to discuss our recommendations and the pace of promised reforms.

President Gareth Evans's high-level visit to Moscow in October marked our commitment to play a greater role in shaping the debate in Russia over the Caucasus and other issues. Our June report on Russia's Dagestan: Conflict Causes was our first analysing dynamics in the North Caucasus.

Our October report Azerbaijan: Defence Sector Management and Reform received considerable attention in the country's press and political establishment. Some government officials, who had displayed reluctance in dealing with Crisis Group in the past, approached us

THE CAUCASUS: KEY ISSUES IN 2009

GEORGIA Georgia's conflicts: Crisis Group will continue to report on Abkhazia and South Ossetia, especially as the situation is continually evolving on the ground. A report is planned on Abkhazia, and we will try to gain access to South Ossetia to report on the humanitarian and economic situation, and socio-political developments in the entity.

International presences in Georgia: The mandate of the UN Mission to Georgia will be up for renewal in 2009; the EU will have been working for nearly six months in the country; and the OSCE, whose mandate is likely to be questioned by Russia, is sure to still be facing obstacles accessing South Ossetia. Crisis Group plans to carefully monitor the work of international organisations in Georgia, and make concrete suggestions to improve their impact.

Georgia-Russia relations: Crisis Group will continue reporting on Georgia-Russia relations, and look for opportunities to improve them around common interests.

ARMENIA AND AZERBAIJAN Nagorno-Kara-

bakh: Crisis Group plans to produce a report on Nagorno-Karabakh, focusing on what the EU could do in the region to prevent a further deterioration of the conflict, encourage dialogue and experience sharing between Azerbaijanis and Armenians, and support the implementation of an agreement on basic principles in the event the sides agree to sign it.



RELITERS/YIORGOS KARAHALIS

about re-starting a dialogue. Recommendations to the **Armenian** government in Crisis Group's April report *Picking up the Pieces* – to release political prisoners, authorise an independent investigation into the March violence and revoke restrictions on freedom of assembly adopted during the emergency rule – were taken up by the Council of Europe, which warned Armenia its membership could be suspended unless it implemented them.

Turkey/Cyprus

Turkey's EU convergence stalled in 2008, with progress on long-overdue reforms minimal due to domestic political polarisation and France and Cyprus freezing negotiation chapters. Still, 2009 is likely to be a decisive year for its EU ambition. Turkey increased its regional role last year, winning a seat on the UN Security Council, hosting indirect talks between Israel and Syria, normalising relations with the Iraqi Kurds, recommending a new dialogue platform for the South Caucasus and engaging in top-level contacts with Armenia.

In Cyprus, presidential elections were held in February, won by the moderate Demetris Christofias. In September, fully-fledged talks started between Greek and Turkish Cypriots to seal a federal settlement and avoid a messy, expensive slide to partition. There is some optimism that they may lead to a deal before a new round of elections in 2010.

Crisis Group impact

In 2008 Crisis Group was the first to argue that a real possibility to resolve the Cyprus conflict was at hand, and remained the only organisation writing reports directly supporting the settlement talks: Cyprus: Reversing the Drift to Partition (January) and Reunifying Cyprus:

"International Crisis Group is a full-service conflict prevention organisation. It combines essential and objective analysis, promotion of constructive dialogue and presentation of innovative ideas. Its hands-on approach, reflected in a wide network of relationships in the Balkans, the Middle East and beyond, is essential to keep policymakers focused on securing and consolidating peace."

Madeleine K. Albright, U.S. Secretary of State (1997-2001), April 2008

TURKEY/CYPRUS: KEY ISSUES IN 2009

Turkey and Armenia: Crisis Group's Turkey project, together with its Caucasus project, will explore ongoing reconciliation efforts between Turkey and Armenia including talks to establish diplomatic relations, re-open the border and set up an intergovernmental commission on historical issues.

Turkey's role in the Middle East: Again with staff collaborating across regions, Crisis Group will analyse the content and impact of Ankara's efforts to improve its relations with Syria and Iran, and

serve as a mediator between Lebanese factions and in the Israeli-Palestinian conflict.

Cyprus update and endgame: If the fully-fledged talks make progress, Crisis Group will report on the negotiation themes, including demilitarisation and security guarantees; property and settlers; power sharing and governance; and EU integration for the Turk-majority north of Cyprus.

The Best Chance Yet (June). We published a number of op-eds and briefed a range of officials, including UK Prime Minister Gordon Brown and new UN Special Adviser Alexander Downer. Crisis Group also advised a delegation of The Elders (Jimmy Carter, Lakhdar Brahimi and Desmond Tutu) on their visit to Nicosia in early October to provide support and encouragement to both Greek-Cypriot and Turkish-Cypriot leaders and increase the momentum towards a peaceful settlement.

Turkey and Europe: The Decisive Year Ahead (December) triggered a major debate within Turkey. Main television channels gave it top billing, Turkish newspapers ran the report on their front pages and major foreign affairs commentators devoted entire columns to the report. Within four weeks, the Turkish government had implemented four out of five of our main recommendations.

www.crisisgroup.org INTERNATIONAL CRISIS GROUP 2008/2009 17 Latin America and the Caribbean saw mixed developments in 2008. The Colombian government's military advances against the insurgent FARC were offset by severely deteriorated relations with Ecuador and Venezuela and failing counter-drug and transitional justice policies. While Bolivia saw violent confrontation over its new constitution and regional autonomy, Ecuador successfully managed constitutional change. A series of tropical storms devastated Haiti, months after violent food riots led to the ousting of the prime minister.

Crisis Group Latin America

Colombia/Andes

In Colombia, gains in the military struggle of Alvaro Uribe's government against the Revolutionary Armed Forces of Colombia (FARC) fell short of a breakthrough in 2008. In July government forces successfully liberated fifteen hostages, including Colombian-French citizen Ingrid Betancourt, after the FARC's earlier release of six others. The insurgents lost three top commanders, among them their historic leader Manuel Marulanda, and defections continued as millions of citizens took to the streets in peaceful marches against violence and kidnapping. However, Colombia's bombing of a FARC camp inside Ecuador in March prompted the worst diplomatic crisis in the region in years, while evidence of grave human rights violations by government security forces, including extrajudicial killings of civilians, mounted. Drug trafficking continued despite sustained eradication, interdiction and law enforcement efforts, and new illegal armed groups formed alliances with the FARC and

the smaller National Liberation Army (ELN). The extradition of more than a dozen former paramilitary leaders to the U.S. undermined the effectiveness of Colombia's transitional justice process.

Polarisation between the government of Evo Morales and his Movement Towards Socialism (MAS) and the eastern lowlands opposition over Bolivia's new constitution and regional autonomy intensified in 2008. A September clash between government supporters and autonomists in Pando department left two dozen dead, and further bloodshed was avoided only by a last-minute political compromise in Congress. Following strong U.S.-Colombian pressure in the first half of the year regarding his alleged dealings with the FARC, President Hugo Chávez and his newly created United Socialist Party of Venezuela (PSUV) weathered an initial test in the November regional and municipal elections, in which the opposition achieved relatively small but significant gains. Ecuador's President Rafael Correa severed diplomatic relations with Bogotá after Colombia's attack on a FARC camp inside Ecuador, and a new constitution for the country was approved and ratified at the end of the year.

Crisis Group impact

The Uribe and Bush administrations' adoption of an integrated strategy to reduce coca crops and combat drug trafficking, including more emphasis on rural and social development and voluntary eradication, reflects the recommendations in our twin reports *Latin American Drugs I* and *II* (March) and broad, highlevel advocacy in Bogotá, Washington DC and Brussels. The state-of-play of the armed conflict with the insurgent FARC and the hostages-for-prisoners swap issue was the focus of April's *Colombia: Making Military Progress Pay Off*, which provided policymakers with timely strategic thinking on how new head-

COLOMBIA Demonstrators in the central square in Bogotá protesting FARC kidnappings, November 2008.







DELITEDO (DAVID MEDOAD)

HAITI UN anti-riot police during food distribution in the

flooded city of Gonaïves, September 2008. – **BOLIVIA** A Bolivian indigenous supporter of President Evo Morales in La Paz, September 2008.

way can be made in ending Colombia's armed conflict. Wide media coverage of the briefing and concerted advocacy contributed to the improvement of severely deteriorated relations between Colombia and Ecuador/Venezuela. An October report on the armed conflict, victims and transitional justice, Correcting Course: Victims and the Justice and Peace Law in Colombia, analysed the relationship between the ongoing conflict in Colombia's regions and the difficulties of and opportunities for victims' participation in Colombia's transitional justice process. The report provided key insights for Colombian lawmakers debating a new "victims law" in Congress as well as the attorney general's office and Justice and Peace Unit attorneys, who requested five dozen additional Spanish copies.

Reports on **Bolivia** and **Venezuela**, *Bolivia*: *Rescuing the New Constitution and Democratic Stability* (June) and *Venezuela*: *Political Reform or Regime Demise*? (July), were among the program's most popular in 2008, totalling more than 26,000 downloads between the two from our website. High-level advocacy in capitals helped defuse severe tensions between Bolivia's central government and the lowland opposition, and contributed to efforts to ensure free and fair regional and municipal elections in Venezuela in November 2008.

Haiti

Food riots in **Haiti** killed six in April and triggered a successful vote of no-confidence against Prime Minister Jacques-Edouard Alexis. Until Michèle Pierre-Louis was sworn in as his successor in early September, the government of President Réné Préval was stalled. A succession of hurricanes and tropical storms produced great devastation in August and September, while drug trafficking and kidnapping continued to be of serious concern.

Crisis Group impact

The widely read September report *Reforming Haiti's Security Sector* has been instrumental in continuing to underline to both the Haitian authorities and the international donor community the importance of building up the Haitian National Police (HNP), going for-

ward with judicial and penitentiary reform and investing in community development and security. Extensive advocacy in Washington DC aimed to increase the level of attention to the post-hurricane crisis and political instability.

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

Miguel Ángel Moratinos, Spanish Minister of Foreign Affairs and Cooperation, June 2007

COLOMBIA/ANDES AND HAITI: KEY ISSUES IN 2009

COLOMBIA The FARC: Following the death of Manuel Marulanda and the killing of the insurgent group's second-in-command, Raúl Reyes, Crisis Group will analyse recent changes within the organisation and assess their significance for future peace negotiations with the Colombian government.

Presidential politics and peace prospects revisited: Crisis Group will closely follow Colombia's political evolution as the country nears the 2010 general elections. The possibility of a second re-election of President Uribe and the potential repercussions for conflict resolution and democratic governance will be of particular focus.

VENEZUELA Exporting the Bolivarian revolution?: In view of President Hugo Chávez's increasing political and economic trouble at home, Crisis Group will analyse linkages between Venezuela's domestic and foreign policies, and assess the potential for destabilising the region in the short to medium term.

ECUADOR AND BOLIVIA Ending Andean instability: Crisis Group will continue to monitor both countries' political evolution. In Bolivia, the focus will be on implementation of the new constitution approved in a January 2009 referendum.

In Ecuador, Crisis Group will report on political developments and institutional change following the adoption of the new constitution, as well as the April 2009 general elections.

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. Crisis Group will analyse the factors contributing to the risk of state failure.

HAITI The politics of stabilisation and development: The April 2008 protests in Haiti revealed that social discontent due to pervasive poverty, precarious living conditions and natural disasters is being used by domestic political forces to exert pressure on the Préval administration. Crisis Group will identify the domestic political obstacles to stabilisation and development.

The international community in Haiti: The UN mission (MINUSTAH) has been in Haiti for four years now and it is time to assess the international community's contribution to stability and development in the country. Crisis Group will assess the impact of the work of international actors and how to improve their contribution.

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The Middle East entered 2008 hoping Washington's cautious turn toward mediation would produce a final push toward Israeli-Palestinian negotiations and tamp down regional tensions emanating from the U.S.-Iranian struggle over influence. Instead the year ended with a devastating war in Gaza. Meanwile, Iran continued to expand its nuclear program in the face of a divided international community, and in Iraq, meaningful political compromise remained elusive, despite genuine progress on the ground and a planned U.S. withdrawal. North Africa saw a resurgence of Islamist terrorism.

Crisis Group Middle East & North Africa



Arab-Israeli Conflict

Israeli-Palestinian peacemaking in 2008 was characterised by the contradiction between hopeful tones sounded by official negotiators on both sides and mostly disheartening realities on the ground. Israeli Prime Minister Ehud Olmert and Palestinian President Mahmoud Abbas failed to meet their year-end goal of reaching an agreement, but the real, more disturbing, political story lay elsewhere: in the deepening split between the West Bank and the Gaza Strip and between Fatah and Hamas; in continued settlement expansion in the West Bank; and in growing popular disillusionment with the two-state solution.

In the West Bank, there were marked improvements in security and, to a lesser extent, economic conditions. These were largely welcomed by the Palestinian public. Still, in the absence of a political settlement with Israel and of genuine steps to allow freedom of movement, such progress inevitably encountered a low ceiling. In Gaza, despite the continued siege, Hamas consolidated its control in the security, economic and bureaucratic realms, aided by an imperfect but largely successful six-month ceasefire with Israel. Its collapse in December was triggered by Hamas's anger at the continued closure of Gaza's crossings, an Israeli attack on Hamas leaders, the ensuing launching of rockets, Israel's determination to

GAZA STRIP A Palestinian fire fighter in Gaza following an Israeli air strike on 28 December 2008.

end weapons smuggling and the absence of any effective third party mediation.

Israel and **Syria** began indirect negotiations mediated by Turkey in 2008. These ground to a halt due to Israeli elections and the war in Gaza. But U.S. President Barack Obama's oft-repeated commitment to a policy of engagement could lead to a potential breakthrough, beginning with the start of direct talks.

Crisis Group impact

Crisis Group reporting on the **Arab-Israeli** conflict has for years been a leading source of analysis of developments in the region and the measures required to resolve the interlocking crises. In 2008 Crisis Group President Gareth Evans held discussions with policymakers and academics in Israel while, throughout the year, Crisis Group staff used every opportunity to advocate on behalf of a different approach toward Gaza and Hamas, as well as toward the peace process, in the U.S., Europe and the Middle East.

Crisis Group's uniquely detailed reports evaluating the deepening split between the West Bank and Gaza, based on its field presence in both locations, generated significant interest among policymakers and were widely

ARAB-ISRAELI CONFLICT: KEY ISSUES IN 2009

Peace process: The negotiations launched at Annapolis in November 2007 did not yield an agreement in 2008, but they are likely to continue in 2009. Crisis Group's analysis will focus, inter alia, on the options for resolving permanent status issues (Jerusalem and the Holy Sites, refugees, borders) and on alternatives should negotiations fail.

Palestine: Crisis Group will devote significant attention to the Hamas-Fatah split, looking at both political rivalry and competition on the ground between these movements, internal divisions that threaten their coherence and recommendations for reuniting the national movement.

Israel: Crisis Group will look at the internal challenges that peacemaking faces in the Jewish state, by examining the obstacles posed by settlers, the charged situation in cities with mixed Jewish and Palestinian populations and the implications of the closely contested Israeli elections for the peace process.

reported in the international media. *Ruling Palestine I: Gaza Under Hamas* (March) and *Ruling Palestine II: The West Bank Model?* (July) demonstrated that two distinct modes of governance were being consolidated in Palestine, the former predicated on internal security and a refusal to compromise on fundamental principles, the latter on economic progress, security rebuilding and cooperation with Israel and the international community. These reports were followed by *Round Two in Gaza* (September) and *Palestine Divided* (December).

A variety of international and especially European officials suggested privately that our reporting helped spark a debate about the wisdom of isolating Gaza and boycotting Hamas – too late, however, to prevent the descent into war at the end of 2008. Crisis Group responded quickly, publishing *Ending the War in Gaza* within days of the start of Israel's ground offensive in early January 2009.

Iraq/Lebanon/Syria

Iraq enjoyed a year of relative and welcome stability in 2008. While violence was down and life resumed a semblance of normalcy in most parts of the country, politics remained highly dysfunctional. Conflicts over power (how to divide it), territory (how to allocate disputed territories) and resources (how to manage them and share oil income) continued without prospect of early resolution. Prime Minister Nouri al-Maliki surprised friend and foe alike by emerging as a national statesman seeking to restore an Iraqi, rather than an ethnic or sectarian, identity, but in so doing he alienated one of his main allies, the Kurds. Thus, sectarianism was increasingly replaced by a political struggle between Kurdish and Arab nationalism that has the potential to turn violent. This will present a serious challenge to the Obama administration as it designs an exit strategy that seeks to leave behind a stable and peaceful Iraq.

Lebanon broke out of an increasingly volatile stalemate with a violent confrontation between Hizbollah and the government. Fearing a spiralling conflict, local and regional parties helped reach a compromise solution in Doha in May 2008 that saw the election of President Michel Suleiman and ushered in a new era focused on upcoming parliamentary elections. Lebanon's relations with Syria also improved as a result, enabling the exchange of embassies.

Syria sought to end its relative isolation in 2008 by holding indirect peace talks with Israel, helping to achieve the Doha accord and beginning to normalise relations with Lebanon. Western engagement ensued, first and foremost by the French, who had promised normalisation in the event a solution were found to the Lebanese presidential crisis. Although relations with Washington did not follow suit, the stage is set for the Obama administration to engage, however prudently and cautiously.

Crisis Group impact

Crisis Group has consolidated and expanded its access to central players in Iraq, thereby enhancing the quality of its analysis. Consistent with our recommendations, the UN Assistance Mission in Iraq (UNAMI) adopted the Kirkuk conflict as its top priority, and has worked closely with Crisis Group on this issue. In October, our report Oil for Soil proposed a "grand bargain", involving a trade of territory for resources, to solve the interlinked conflicts over Kirkuk and federal oil legislation. Crisis Group reports earlier in the year included *Iraq's* Civil War, the Sadrists and the Surge (February), which argued for a new policy to address the Sadrist movement's deep transformations, and Iraq after the Surge I and II (April), which explained the dynamics of a shifting Sunni landscape, and served as a guidebook to the often opaque negotiations in the Green Zone. Failed Responsibility: Iraqi Refugees in Syria, Jordan and Lebanon (July) drew attention to one of the world's worst refugee crises, highlighting the responsibility of international donors and the Iraqi government to assist host countries, while Turkey and the Iraqi Kurds: Conflict or Cooperation? (November) set out in detail and scope as nowhere else the real and positive impact of Turkey's new zero-problem policy in the neighbourhood.

At the peak of **Lebanon's** crisis, as Hizbollah fighters descended on central Beirut, Crisis Group's briefing *Hizbollah's Weapons Turn Inward* (May) outlined the solution that was eventually achieved in Doha. *The New Lebanese Equation: The Christians' Central Role* followed in July with an in-depth analysis of the transformations in the Lebanese political scene, highlighting the importance of the Christian constituency in the upcoming parliamentary elections.

Syria remains a key regional actor with major interests in three critical arenas: Iraq,

IRAQ/LEBANON/SYRIA: KEY ISSUES IN 2009

IRAQ 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.

Designing a workable U.S. exit strategy:
President Obama has signalled that he intends
to withdraw most U.S. troops by August 2010.
Such a withdrawal will require a strategy that
is consultative, ensures the safety of U.S.
soldiers and Iraqi civilians alike and leaves

behind a sustainably stable Iraq.

LEBANON The Sunni scene: Crisis Group plans to study the various branches of the Sunni community in the aftermath of the 2005 assassination of former Prime Minister Rafiq Hariri, including the growing phenomenon of Salafism and its violent offshoots.

SYRIA Relations with Lebanon: Syria's relations with Lebanon emerged deeply transformed by the crisis of 2004-2005: not only has Damascus withdrawn militarily, but the two countries have redefined their economic ties and are moving toward formal diplomatic recognition. Crisis Group will look into the dynamics of a complex and shifting relationship.

Lebanon and Palestine. Privileged and unique access to Syrian officials allows Crisis Group to make better sense of policies and encourage their positive evolution. The initiation of indirect Syrian-Israeli talks revived consider-

IRAQ A U.S soldier kicks a gate during a mission in Baquba, in Diyala province north east of Baghdad, November 2008.







REUTERS/OMAR IBRAHIM

LEBANON Lebanese soldiers patrol a street in Tripoli hit by clashes between Sunni supporters of the government and Alawite gunmen close to the Hizbollah-led opposition, June 2008. — GAZA STRIP/EGYPT A Hamas security guard stands in front of Egyptian riot police near the closed Egyptian border with the Gaza Strip in February 2008.

able interest in a 2007 report, *Restarting Israeli-Syrian Negotiations*, illustrating our ability to produce crucial reference material for policymakers. Crisis Group kept in close contact with French and Syrian officials involved in the deepening bilateral dialogue, providing suggestions to both sides and drawing lessons for possible engagement with the U.S.

Iran/Gulf

Iran continued to pursue its nuclear program, as an EU-backed proposal for a freeze on sanctions for a freeze on enrichment activity failed to take hold, while continuing to insist that its enrichment of uranium was only for peaceful purposes. The Iranian economy was buoyed by high oil prices in the first half of the year, but as prices plummeted after July, economic and social problems started to accumulate. While there have been no signs of overt social unrest, the regime has taken pre-emptive steps to suppress expressions of discontent, also with a view toward presidential elections in June 2009, in which President Mahmoud Ahmadi-Nejad is seeking re-election. In Yemen, the intermittent fighting between the government and a group seeking to revive Zaydi rule continued to have devastating consequences for the local population, though a ceasefire was agreed in July by President Ali Abdullah Saleh and the rebels' leader.

Crisis Group impact

After several years of limited access and operations, Crisis Group returned to **Iran** in early 2009 with a senior analyst. President Gareth Evans has maintained high-level contact with Iranian, European, U.S. and other international officials and continued to explore with all sides the possibility of an acceptable dip-

"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

lomatic resolution of the nuclear issue. Crisis Group did not have an active program in the Gulf in 2008, but we started research on the armed conflict in **Yemen** that has been raging intermittently since 2004.

Egypt/North Africa

Egypt came under increased criticism for the closure of its border with Gaza and failed attempt to mediate between Palestinian factions, while its domestic politics continued to backslide in the context of fraudulent elections, the regime's conflict with the Muslim Brothers and continued uncertainty over presidential succession. In Algeria, as President Abdelaziz Bouteflika secured a constitutional amendment enabling a third term, al-Qaeda in the Islamic Maghreb carried out the deadliest attacks since the end of the civil war. Morocco saw a relatively smaller increase in Islamist militant attacks, responding with a major religious reform initiative. Despite a series of talks in Manhasset, New York, the Western Sahara conflict saw no progress in resolving the impasse between Morocco's regional autonomy proposal and the Polisario movement's adherence to a self-determination referendum. A coup overthrew the elected government of **Mauritania** in August, endangering the country's aid-dependent economy as the African Union, European Union and U.S. demanded a return to constitutional rule.

Crisis Group impact

Crisis Group's coverage of North Africa in 2008 focused on political Islam in **Egypt**. Our June report *Egypt's Muslim Brothers: Confrontation or Integration?* was widely covered in the media and sparked the interest of members of the group and the government.

IRAN/GULF AND EGYPT/NORTH AFRICA: KEY ISSUES IN 2009

IRAN Breaking the American taboo: Crisis Group will study prospects for improved relations between Iran and the U.S., clarifying the Iranian leadership's views on rapprochement with Washington while formulating recommendations to pave the way for peaceful resolution of the nuclear issue and positive regional engagement.

Presidential elections: Crisis Group will take a close look at the June presidential campaign, which will illustrate the balance of power between political factions, and focus on the role played by institutions such as the various leadership councils.

YEMEN Huthi-led rebellion: Crisis Group will examine past mediation efforts to determine how a lasting peace can be achieved involving local mechanisms buttressed by regional and international guarantees and aid.

MOROCCO Political Islam: Crisis Group will analyse whether the integration of Islamist parties into Morocco's diverse but tightly controlled political arena can continue without any tangible benefits from political participation, as well as the future for Islamist movements that refuse to enter the monarchical consensus.

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Latin America and the Caribbean

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Colombia, Latin America Report N°29, 30 October 2008 (also available in Spanish).

HAITI Reforming Haiti's Security Sector, Latin America/ Caribbean Report N°28, 18 September 2008.

Middle East and North Africa

13

ARAB-ISRAELI CONFLICT Ruling Palestine I: Gaza Under Hamas, Middle East Report N°73, 19 March 2008 (also available in Arabic) — Ruling Palestine II: The West Bank Model?, Middle East Report N°79, 17 July 2008 (also available in Arabic) — Round Two in Gaza, Middle East Briefing N°24, 11 September 2008 (also available in Arabic) — Palestine Divided, Middle East Briefing N°25, 17 December 2008 (also available in Arabic)

IRAQ/LEBANON/SYRIA Iraq's Civil War, the Sadrists and the Surge, Middle East Report N°72, 7 February 2008 (also available in Arabic) - Iraq after the Surge I: The New Sunni Landscape, Middle East Report N°74, 30 April 2008 (also available in Arabic) - Iraq after the Surge II: The Need for a New Political Strategy, Middle East Report N°75, 30 April 2008 (also available in Arabic) - Lebanon: Hizbollah's Weapons Turn Inward, Middle East Briefing N°23, 15 May 2008 (also available in Arabic) - Failed Responsibility: Iragi Refugees in Syria, Jordan and Lebanon, Middle East Report N°77, 10 July 2008 (also available in Arabic) - The New Lebanese Equation: The Christians' Central Role, Middle East Report N°78, 15 July 2008 (also available in French) - Oil for Soil: Toward a Grand Bargain on Iraq and the Kurds, Middle East Report N°80, 28 October 2008 (also available in Arabic and Kurdish) - Turkey and Iraqi Kurds: Conflict or Cooperation?, Middle East Report N°81, 13 November 2008 (also available in Arabic and Kurdish).

NORTH AFRICA Egypt's Muslim Brothers: Confrontation or Integration?, Middle East/North Africa Report N°76, 18 June 2008 (also available in Arabic).

Translations in 2008

Albanian (1), Arabic (14), Azeri (1), Chinese (2), French (6), Greek (2), Indonesian (4), Kurdish (2), Nepali (3), Russian (7), Serbian (1), Spanish (6), Tetum (1), Thai (2), Turkish (2). **Total: 54**.

"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 CRISISWATCH AND THEMATIC ISSUES

CRISISWATCH is a monthly bulletin designed to provide busy readers in the policy community, media and business world, and the interested general public, with a regular update on the state of play in current and potential conflict situations around the world. It is available as a twelve-page document and as a database on our website that allows readers to track monthly developments by country or conflict situation since 2003.

Many politicians, diplomats and their advisers regard *CrisisWatch* as an indispensable resource for its succinct and timely reporting. Published at the beginning of every month, it summarises developments during

"Crisis Group was a brilliant idea, and it was beautifully implemented ...

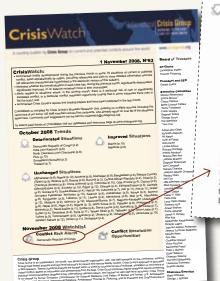
It produces some extraordinary reports like *CrisisWatch*. These reports are better than anything I saw in the government in early warnings of crises to come, problems to come, pressing for action."

Richard Holbrooke, U.S. Special Representative

for Afghanistan and Pakistan, April 2008

the previous month in some 70 situations of current or potential conflict, assessing for each whether the overall situation has significantly deteriorated, 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 escalated conflict, or a conflict res-

olution opportunity, for example highlighting in April the possible openings presented by constituent assembly elections in Nepal and by steps taken by the Greek-Cypriot and Turkish-Cypriot leaders; and warning in May of risks of rising tensions between Russia and Georgia over the breakaway region Abkhazia.



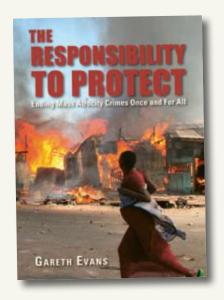
Democratic Republic of Congo Violence escalated in east as army and MONUC forces failed to contain major advances by Lurent Nkunda's CNDP rebels, while tensions mounted over Rwandan support for Congolese Tuts Nkunda. As Crisis/Witch went to press, fragile ceasefire holding but risks still high. After heavy assaults on N Kivu military bases, CNDP from 26 Oct took Rutshuru and moved to limits of regional capital Goma, declaring ceasefire 29 Oct. Tens of thousands fled as army abandoned positions southwards toward Bukaru, looting and raping civilians in and around Goma. IDP camps in Rutshuru reported razed 31 Oct. Hundreds railied 27 Oct calling for stronger UN action, stoning UN vehicles. Kinshasa accused Kigali of incursions in support of CNDP, Kigali denied; UN confirmed FDLR and other Rwandan militia fighting alongside DRC troops (see Rwanda). U.S. diplomats, UK and French FMs arrived 30 Oct.1 Nov for talks with Kinshasa and Kigali; EU Commissioner Michel 31 Oct announced Presidents Kabila and Kagame agreed to participate in planned AU regional summit. UN SRSG Alan Doss 28 Oct called for reinforcements; UNSC 29 Oct urged end to attacks, deferred decision on increasing troop strength. In separate fighting in Ituri, suspected Ugandan LRA rebels continued attacks on north east villages, clashing

Excerpt from the *CrisisWatch* entry on the Democratic Republic of Congo, 1 November 2008.

THEMATIC ISSUES In addition to country- or region-specific reporting, Crisis Group periodically engages in advocacy and reporting on thematic issues related to preventing or containing deadly conflict, often combining the resources of our field staff and capital-based research teams. The following are thematic areas that received particular attention in 2008.

The Responsibility to Protect In its efforts to help prevent conflict worldwide, Crisis Group has consistently drawn upon and promoted the doctrine of the Responsibility to Protect (R2P), the principle that sovereign states and, when they fail, 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. A significant advance in efforts to promote acceptance of R2P as an international norm was the September 2008 publication of his book, The Responsibility to Protect: Ending Mass Atrocity Crimes Once And For All, by Brookings Institution Press. Crisis Group was also instrumental in launching the Global Centre for the Responsibility to Protect, based at the Ralph Bunch Institute at the City University of New York, in February 2008. The concept of R2P received

new attention throughout the year as officials around the world sought to apply it, often inappropriately, to various situations. Events in Burma/Myanmar, Kenya, Darfur, the Congo, Sri Lanka and the Russia-Georgia conflict provided Crisis Group with opportunities to delineate the parameters of R2P's application more accurately, through reports, opinion pieces and speeches.



Gender In 2008 Crisis Group highlighted the essential role that women must play in peace negotiations and post-conflict reconstruction through analysis and recommendations in our reports, including on Pakistan, Nepal, Afghanistan, Haiti and Sudan, and through high-level advocacy. Efforts, including testimony before the U.S. Congress, also helped contribute to the passage of the groundbreaking UN Security Council Resolution 1820 on sexual violence in conflict, demanding concrete measures to prevent and respond to these crimes, which when used as a tactic of war to deliberately target civilians can significantly exacerbate situations of armed conflict.

Islamism Crisis Group has for many years reported on Islamist movements in Muslim societies and the relationship between Islamism, violence and pressure for political reform – challenging the tendency of some Western commentators and policymakers to lump all forms of Islamism together and brand them as radical. In 2008, Crisis Group addressed this issue in reports on the changing Sunni landscape in Iraq, Egypt's Muslim Brothers, Hizbollah's temporary takeover of West Beirut and the breaking of Lebanon's political deadlock, and Hamas's consolidation of control over the Gaza Strip. In our reporting on Indonesia, we looked at radicalism in Sulawesi and the Jemaah Islamiyah publishing industry.

CRISIS GROUP COMMUNICATIONS

In January 2009, the Think Tanks and Civil Societies Program at the International Relations Program of the University of Pennsylvania published its annual list of leading think tanks in the world, in which Crisis Group again featured strongly. The Global *Go-To Think Tanks* 2008 survey ranked Crisis Group first under "Best Use of the Media (Print or Electronic) to Communicate Programs and Research".

MEDIA MENTIONS The number of Crisis Group mentions in significant print and electronic media worldwide went from fewer than 2,000 mentions in 2002 to over 5,000 in 2006. That level was sustained in 2007 and last year reached a record 5,648. We have developed long-term relationships with the editorial boards and commentators at many influential outlets, and we have thus helped to guide their own editorials on a significant number of occasions. Although we try to avoid instantly falsifiable punditry not directly related to our reports, our staff and Board members appeared frequently in broadcast interviews last year with all major international and national broadcasters, TV and radio.

OP-EDS AND COMMENTARY Crisis Group staff and Board members published 158 op-ed and commentary articles in major newspapers and online outlets in 2008, more than any other NGO of our size and more than most larger ones. Our commentary has appeared in, among many others, all Africa, Al Hayat, Asharq Al Awsat, The Boston Globe, The Christian Science Monitor, Le Figaro, Financial Times, Foreign Policy, The Guardian, International Herald Tribune, Los Angeles Times, Le Monde, El Mundo, The Nation (Kenya), The New York Review of Books, The New York Times, openDemocracy.net, Süddeutsche Zeitung, Vremya Novostei, The Wall Street Journal and The Washington Post.

CRISISGROUP.ORG Crisis Group's website is one of our most important advocacy tools, and its usage continued to grow with more than 2.2 million visits and 3.1 million full-length reports downloaded in 2008. Apart from Crisis Group's publications, our priority advocacy pages are among the website's most popular features, highlighting long-standing conflicts, as well as our response to breaking events like the Georgia-Russia conflict. Our Zimbabwe and Darfur pages have become among the highest-ranked sites on most major search engines' indexes for information on these conflicts.

OTHER ONLINE RESOURCES Other key features our online users are accessing frequently include conflict history pages and the database of *Crisis-Watch* entries, which provides a month-by-month run-down of developments in each conflict zone back



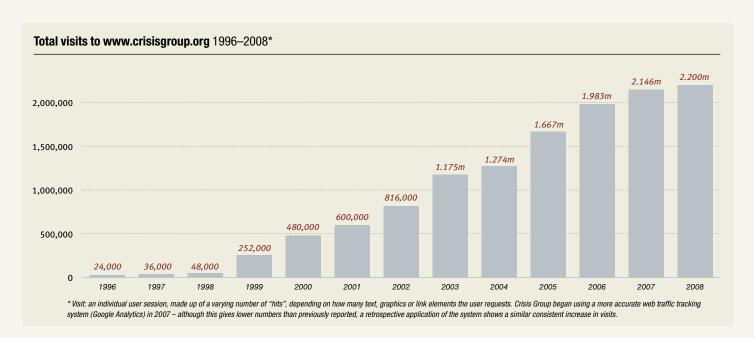
Crisis Group Middle East and North Africa Program Director Rob Malley speaking on CNN International about the Gaza crisis, 5 January 2009.

to September 2003. During 2008 Crisis Group's communications team also started producing multimedia content for the website, featuring interviews with Crisis Group staff, as well as interactive multimedia presentations on breaking conflicts. For example, the online video presentation accompanying our June report *Reunifying Cyprus: The Best Chance Yet,* included interviews with both Crisis Group staff and local Greek- and Turkish-Cypriot decision-makers, and our November multimedia presentation on the new outbreak of violence in eastern DR Congo featured a timeline and interactive maps charting IDP movements and troop positions.

"The main value with the Crisis Group is that they have rightly put the emphasis on prevention, put the emphasis on responsibility to protect and that is absolutely vital."

Mary Robinson, Former President of Ireland and UN High Commissioner for Human Rights, April 2008

"Crisis 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



WWW.Crisisgroup.org

CRISIS GROUP 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 2008?

Operations

Crisis Group consolidated and deepened its coverage in 2008, with 65 situations monitored by our fieldbased staff. In Africa, we began covering Kenya, Cameroon and Guinea-Bissau, and increased our coverage of eastern Congo. In Asia, we appointed a China analyst, and our Central Asia project director took on the additional role of Russia adviser. We moved our Belgrade field presence to Sarajevo (continuing to cover the entire region), published our first report on Russia's North Caucasus and started monitoring Ukraine. Coverage in Latin America included Guatemala and in the Middle East included Yemen, although overall resources for the Andes and North Africa were reduced. Crisis Group staff positions, as at 1 March 2009, total 129, 77 of whom are based in the field, with 46 nationalities and 54 different languages represented.

Output

Crisis Group published 82 reports and briefing papers in 2008. We also published 54 translations of reports into relevant languages, including Albanian, Arabic, Azeri, Chinese, French, Greek, Indonesian, Kurdish, Nepali, Russian, Serbian, Spanish, Tetum, Thai and Turkish. Briefing papers, generally 8–16 pages in length, and reports, generally 16–36 pages, were

being sent at the end of 2008 by email notification to some 25,000 specifically targeted recipients, and 120,000 subscribers signed up directly through our website, bringing the total number of regular recipients to well over 140,000 (as compared to 120,000 in 2007). All Crisis Group publications and other materials such as opinion pieces and speeches are posted on our website, www.crisisgroup.org. In 2008, it received 2.2 million visits, and 3.1 million copies of our reports and briefing papers were downloaded.

Media exposure

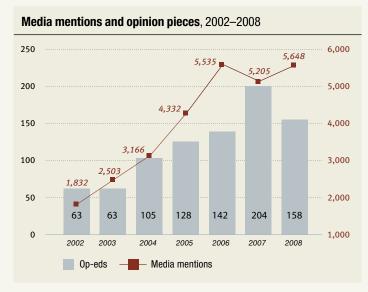
Crisis Group's reports and analysts are widely used as sources of information and comment by major national and international media outlets. The number of comments, interviews and other original Crisis Group media citations was a record 5,648 in 2008 (compared with 5,205 in 2007, 5,535 in 2006, 4,501 in 2005, 3,166 in 2004, 2,503 in 2003 and 1,832 in 2002) and 14,194 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 for major media outlets — 158 were published

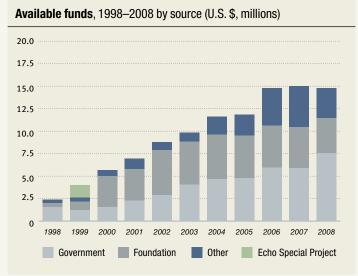
in national and international newspapers and influential online outlets in 2008 (from 204 in 2007, but 142 in 2006, 128 in 2005, 105 in 2004 and 63 in 2003).

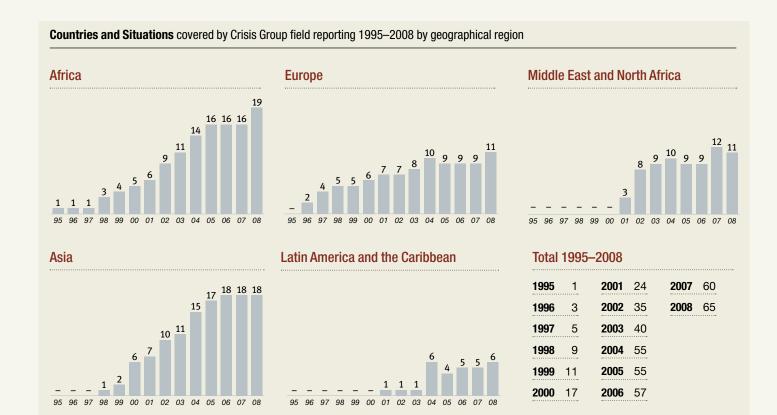
Support

Crisis Group's income in 2008 included contributions to annual operations as well as to a newly established capital fund. Not surprisingly in the current global financial climate, income for annual operations decreased slightly in 2008 to US\$14.77 million, compared with \$14.88 million in 2007. At the same time expenditure rose from \$14.45 million in 2007 to \$15.72 million in 2008 due to a number of factors including a weaker dollar and efforts to improve staff conditions. The resulting shortfall of nearly \$1 million was covered by funds drawn from Crisis Group's operating reserve.

Consistent with a strong record on fundraising for annual operations, Crisis Group was able to rely on longstanding support from donor governments, 21 of which provided funding in 2008, collectively providing \$7.56 million or 51 per cent of available funds (compared to \$5.78 million or 38.9 per cent in the previous year). Institutional foundations contributed \$3.9 million or 26.5 per cent in 2008 (down from \$4.63 million in 2007) while others – private individ-







uals, family foundations and corporations – contributed \$3.3 million or 22.5 per cent (down from \$4.47 million in 2007). Matching the proportions of previous years, nearly 73 per cent of all available income was unrestricted, while only 27 per cent was earmarked for specific projects or purposes.

Reflecting Crisis Group's continued efforts to build balanced and diversified income streams to strengthen the financial foundations of the organisation, the new *Securing the Future* fund – a capital fund to complement regular income and boost long-term security – was launched in April 2008. By the end of the year, some \$22 million had been received or pledged towards the fund's \$50 million target.

Outcomes and judgements

Crisis Group 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 geographical sections of this report. But causality is obviously a matter of judgement in each case, and we of course acknowledge that Crisis Group's voice is often only one among others.

To evaluate how well we do our job, Crisis Group also relies heavily on feedback from the policymakers at whom our publications are targeted. Anecdotal evi-

dence abounds – some of it reflected in the quotations throughout this report – that our reporting is highly regarded by policymakers, the media and other analysts. We were 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, and 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.

Online survey

In January 2009, Crisis Group conducted an online survey of our targeted contacts and website subscribers, providing us with hugely valuable feedback about how our output is judged by those who use it most frequently. Over 11,000 people completed the survey, spending on average about fifteen minutes in doing so - a response that in itself shows how highly regarded Crisis Group is among our key advocacy targets in government, international organisations, NGOs and the military, who together made up over a third of respondents. More than 20 per cent said our reports were "the best available in the public domain" and 67 per cent said they were "superior to most others". The most commonly chosen words used to describe our policy recommendations were: "useful" (28 per cent), "pertinent" (21 per cent) and "worth implementing" (14 per cent). Most importantly, over 50 per cent said our reports had an effect on their opinions and policy decisions "very often", "often" or "partially".

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 addressing: the fit between Crisis Group activities and conflict prevention goals; the relevance and utility of our reports for different actors; the impact of our advocacy of specific recommendations on policy; and the impact of policy changes we achieve on conflict prevention and 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.

"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

CRISIS GROUP FUNDING

Maintaining a strong and diverse donor base has always been critical to preserving Crisis Group's independence and credibility, but it has never been more important than in the current economic environment. Although Crisis Group – like many other NGOs – found it challenging raising funds in 2008, we were able to rely on a wide range of longstanding public and private partners to sustain the organisation's operational capacity.

Crisis Group is deeply indebted to the 21 governments, thirteen institutional foundations and the generous individuals, private foundations and companies listed below (and others who wish to remain anonymous), many of which have been involved in the organisation's work for years. Thanks to their continued trust and support in 2008, Crisis Group was able to pursue its vital conflict prevention and resolution work with unprecedented geographic reach and political impact. We were also able to respond swiftly to the effects of the global economic crisis - drawing on reserves to cover an operational funding shortfall of nearly \$1 million in 2008; reducing budgeted expenditure for upcoming years; and increasing efforts to raise new funding for our operations in 2009. We extend our most heartfelt thanks for our donors' unwavering commitment to Crisis Group's cause, especially in these challenging financial times.

Crisis Group also launched, on 30 April 2008, its Securing the Future campaign, aiming to build a \$50 million capital fund to complement regular income and provide long-term financial security. Crisis Group has been provided with the opportunity to invest the proceeds of its new endowment campaign in a private investment fund associated with George Soros. In an extraordinary gesture, Mr Soros, a Crisis Group trustee, has agreed to personally guarantee against any loss of principal up to an aggregate investment

of \$50 million for a period of five years. The initiative received tremendous start-up support from four long-term supporters and now stands at over \$22 million received or pledged. We gratefully acknowledge the truly outstanding cornerstone contributions of the John D. and Catherine T. MacArthur Foundation, George Soros, Frank Giustra and Victor Pinchuk, as well as the early support of Crisis Group Council members Frank Holmes and Seth Ginns.

Despite the many challenges ahead, Crisis Group is confident of maintaining and strengthening existing partnerships while continuing to broaden and deepen its funding base. Such support is crucial to Crisis Group's ability to reinforce its financial and political independence and further improve its organisational and emergency response capacity. Moreover, the global recession may increase the risk of conflict in weak and fragile states around the world, which will mean there will be even greater demand for Crisis Group's analysis and advice. In order to effectively meet that need, Crisis Group will make every effort — together with its partners — to strengthen its financial and operational capacity in 2009 and beyond.

Crisis Group Trustee Carla Hills and Stuart Brooks of Chevron at the November 2008 Board meeting.

ASSISTANCE OF THE PROPERTY OF

Governments

Australia (Agency for International Development; Department of Foreign Affairs and Trade) Austria (Austrian Development Agency)

Belgium (Ministry of Foreign Affairs)

Canada (Canadian International Development Agency; Foreign Affairs and International Trade Canada; International Development Research Centre)

Czech Republic (Ministry of Foreign Affairs)

Denmark (Ministry of Foreign Affairs)

Finland (Ministry of Foreign Affairs)

France (Ministry of Foreign Affairs)

Germany (Federal Foreign Office)

Ireland (Irish Aid)

Liechtenstein

Luxembourg (Ministry of Foreign Affairs)

The Netherlands (Ministry of Foreign Affairs)

New Zealand (Agency for International Development)

Norway (Ministry of Foreign Affairs)

Sweden (Ministry of Foreign Affairs)

Switzerland (Federal Department of Foreign Affairs)

Turkey (Ministry of Foreign Affairs)

United Arab Emirates

United Kingdom (Department for International Development; Economic and Social Research Council)

United States (U.S. Agency for International Development)

Institutional Foundations

Better World Fund

Carnegie Corporation of New York

Charles Stewart Mott Foundation

Hunt Alternatives Fund

John D. and Catherine T. MacArthur Foundation

Jewish World Watch

Korea Foundation

Open Society Institute

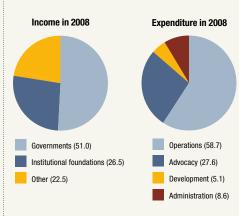
Ploughshares Fund

Rockefeller Brothers Fund

Sigrid Rausing Trust

VIVA Trust

William and Flora Hewlett Foundation



Total income for annual operations in 2008 was US\$14.77 million, of which 73 per cent was in unrestricted core contributions. This does not include contributions to the endowment fund. Total expenditure in 2008 was US\$15.72 million.



member Alam ummus.

CRISIS GROUP/MELISSA HAW CRISIS GROUP/STEPHANIE KLEINE-AHLBRANDT CRISIS GROUP/ROMIT JAIN

Individual and corporate benefactors

Corporate and individual donors play a key role in providing Crisis Group with much needed financial stability and flexibility – the broader our support base the better able we are to ensure independence and excellence in our reporting, advocacy and research. Crisis Group has therefore built an increasingly fruitful working relationship with the private sector through our Council – made up jointly by a President's Council and an International Advisory Council. Member companies and individuals regularly use our analysis and field-based research in their geopolitical risk assessments and meet with our extraordinarily distinguished Board of Trustees.

Depending on the level of support committed, members are offered opportunities to attend Board meetings and gain access to Crisis Group senior staff and experts in the field. Council members also receive "I read research reports all the time for my job. Crisis Group is as good as research gets: the reports are rich in relevant facts, they lay out different perspectives in a thoughtfully balanced way and they articulate conclusions that are supported tightly by the analysis."

Jean Manas, Investment banker, New York 2008

priority invitations to Crisis Group private events and can participate in briefings with senior policymakers and high-level officials.

In 2008, Crisis Group supporters had the opportunity to participate in special events in New York, London, Brussels and elsewhere. Crisis Group held its Annual Award luncheon honouring Ellen Johnson-Sirleaf, president of Liberia; Martti Ahtisaari, former president of Finland, Crisis Group Chairman Emeritus and the 2008 Nobel Peace Prize laureate; and Samina

Ahmed, Crisis Group's South Asia project director. Other events included a Policy Day at the UN for our President's Council members, including meetings with several ambassadors and high-level UN staff; private dinners hosted by Board and Council members exploring issues such as China's energy policy and Russia and the changing geopolitical landscape, as well as private phone briefings on issues such as priorities for the next U.S. administration and the conflict in Gaza.

www.crisisgroup.org International Crisis Group 2008/2009 29



SUDAN Women from Darfur react to the sentencing to death of rebels by a court in Khartoum for involvement in the May attack on the capital, August 2008.

President's Council in 2008

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

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George Landegger Ford Nicholson Royal Bank of Scotland Ian Telfer Guy Ullens de Schooten StatoilHydro ASA

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International Advisory Council in 2008

Supporters who contribute between US\$25,000 and \$99,999 per annum are invited to join the International Advisory Council:

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\$50,000 and above

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Ernesto Zedillo

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

Support

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

For further information:

In the U.S. please contact Blair Blackwell, Director, Private Sector Initiatives in the New York office bblackwell@crisisgroup.org +1 212 813 0820

Outside the U.S. please contact Romit Jain, Director, Private Sector Initiatives in the London office rjain@crisisgroup.org +44 207 831 1436

All donations to Crisis Group are fully tax-deductible to the extent allowed by law.

CRISIS GROUP STATEMENT OF ACTIVITIES

For financial years ended 30 June 2008 and 30 June 2007 (in U.S. dollars). Full audited financial statements are available on request, and accessible on Crisis Group's website: www.crisisgroup.org.

Revenue Year ended	30 June 2008	30 June 2007
Contributions		
Operating income	14,863,653	13,765,441
Securing the Future fund	10,000,000	
Total	24,863,653	13,765,441
Investment income	486,731	484,624
Total	25,350,384	14,250,065
Expenses		
Africa Program		
Central Africa	701,129	840,688
Horn of Africa	1,029,119	1,160,467
Southern Africa	177,688	229,209
West Africa	619,960	499,206
Total	2,527,896	2,729,570
Asia Program		
Central Asia	458,141	387,869
North East Asia	297,935	333,573
Nepal	284,868	259,941
Pakistan/Afghanistan	752,044	672,318
Sri Lanka	278,206	250,114
South East Asia	646,992	514,730
Total	2,718,186	2,418,545
Europe Program	_,,,,	_, ,
Caucasus	398,334	365,696
Kosovo	397,688	358,291
Serbia	222,626	224,177
	243,441	
Turkey/Cyprus Total	1,262,089	49,664 997,828
	1,202,003	337,020
Middle East/North Africa Program	000.004	1 007 040
Arab-Israeli Conflict	988,934	1,007,943
Iran/Iraq/Gulf	996,636	646,900
North Africa	105,549	238,826
Total	2,091,119	1,893,669
Latin America Program Colombia	452,047	405,256
Haiti	279,716	229,118
Total	731,763	634,374
Partner Share of Income	_	217,670
Total Program Expenses	9,331,053	8,891,656
Advocacy	4,002,080	3,309,410
Administration		
Fundraising	1,083,374	767,028
Administration	2,501,411	1,719,217
Total Administration Expenses	3,584,785	2,486,245
Total expenses	16,917,918	14,687,311
Change in net assets	8,432,466	(437,246)
Currency exchange gain	516,693	690,077
	17,237,173	16,984,342
Net assets at beginning of year	17,237,173	10,504,042

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