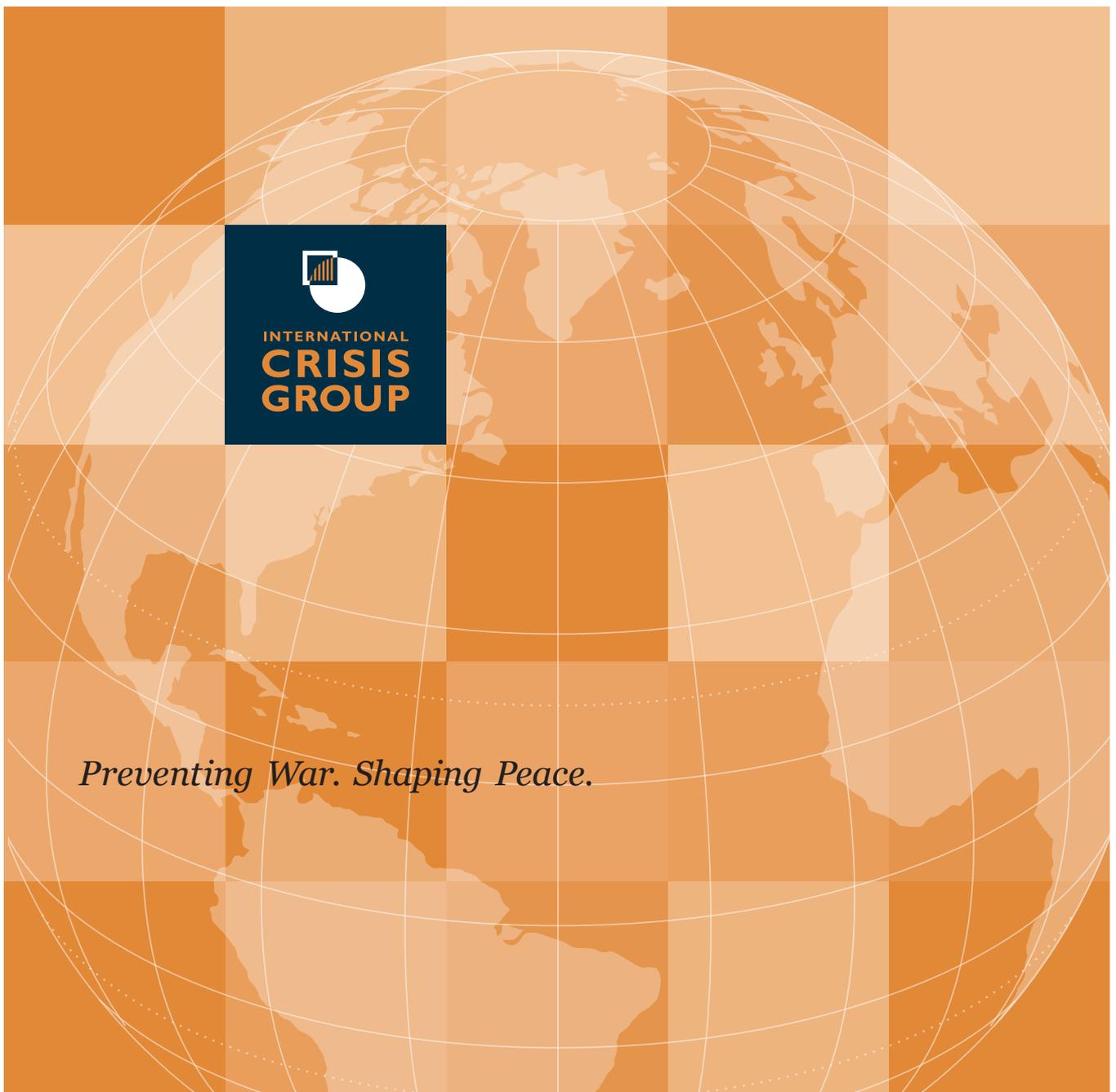


# Watch List 2019

Crisis Group's early-warning Watch List identifies up to ten countries and regions at risk of conflict or escalation of violence. In these situations, early action, driven or supported by the EU and its member states, could generate stronger prospects for peace. The Watch List 2019 includes a global overview, regional overviews, and detailed conflict analyses on Burkina Faso, Central African Republic, Iran, Myanmar, Pakistan, South Sudan, Tunisia, Ukraine, Venezuela and Yemen.







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International Crisis Group | January 2019

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*Preventing War. Shaping Peace.*



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# Global Overview

**T**he world order, or what remains of it, is undergoing a changing of the guard amid another changing of the guard, and Europe is caught in the middle of both. The first makeover is taking place at the international level, a function of the U.S.'s relative decline, China's ascent, Russia's restless resurgence, broad disaffection with global institutions and norms, and the overall fluidity of relations among greater and lesser powers. The second is happening at the national level, where popular estrangement from the ruling elite, fear of the other and a nebulous longing for authoritarian leaders have empowered a generation of politicians adept at railing against an economic system they have no intention of overturning.

Of course, for many across the world, an old order that at best delivered unevenly and at worst not at all, is not something over which to shed tears. But a changeover without handrails, one that unleashes an unconstrained scramble for power and influence and invites all manner of populist or nationalist responses, cannot but be hazardous.

For Europe, and especially the EU, the twin tectonic shifts hit particularly hard. European security depends on an alliance with the U.S. about which the most one can say is that it is still standing, but barely. The catalogue of indignities suffered by the EU grows daily. They range from Washington's renunciation of the Paris climate accord, the Iran nuclear deal, and now the Intermediate Range Nuclear Forces Treaty, to the imposition of punitive tariffs, to President Trump's labeling the EU a "foe". The U.S. president's surprise announcement of the withdrawal of U.S. troops from Syria has become a metaphor for that wobbly relationship. Not so much because of its substance: most Europeans figured that day would come sooner or later. But because of its manner: although both France and the UK sent forces to Syria's north east at Washington's request and suffered casualties while engaged in a common pursuit, they were informed of the decision after President Erdoğan of Turkey. After Prime Minister Netanyahu of Israel. Indeed, after the media itself.

Europeans fret about the next shoe – or, more accurately, next tweet – to drop. Their worried eyes are on NATO in particular. There are many reasons to doubt Trump will go as far as to withdraw from the alliance. He probably won't. Then again: the most reliable predictor of the U.S. president's moves are not his policy pronouncements (often barely intelligible), even less those of his advisors, often only bearing faint connection to the desires of their boss. The

most dependable predictor are the president's instincts, repeatedly expressed in unguarded moments. From those, his longstanding aversion toward NATO comes through loud and blindingly clear.

The revitalisation of great power competition – between the U.S. and China and between the U.S. and Russia – further complicates Europe's challenge. As the alliance with Washington frays, Beijing and Moscow sense opportunity. They target Europe – with sundry forms of meddling to undermine or divide the EU on one hand, thinly veiled entreaties to come to their side on the other. Under normal circumstances, this would be a moment for the U.S. and EU to join forces and push back against Russian interference or unfair Chinese trade practices, but circumstances are anything but normal. Which leaves Europe caught between an ally upon which it cannot rely and two major powers it cannot ignore.

That's only half the story. Developments in individual European countries follow their own specific dynamic but share a common thread. Frustrated with the status quo and its standard bearers, angered by the inequitable concentration of wealth, convinced that the system is rigged against them, people long for answers. Instead, populist leaders offer them scapegoats: minorities, migrants, the courts, the media, the EU itself. Anti-immigrant, anti-globalisation, and Euroscepticism all are consequences, as is the allure of illiberalism and a vague yearning among some for more authoritarian leadership; far-right parties will seek to exploit such sentiments next May in the European Parliament elections. That, in all likelihood, voters will be disappointed tomorrow by what such parties are offering them today is cause for some optimism. But it may take a while, and the damage wrought in the meantime – European divisions; a greater inward focus; and a resulting European inability to pull its weight on global affairs – could be great.

The impact is clear from Brexit to Italy, Hungary and Poland. One sees it, too, in France, the latest such manifestation and, because President Macron aspired to use his voice to defend multilateralism and strike back against nativism, one of the gravest. The phenomenon of the *gilets jaunes* – leaderless, ideologically scattered, unmoored from any party or trade union – is of a piece with so much that has been happening, in Europe and elsewhere. In a sense, the crisis Macron faces is the flip side of what enabled his ascent: having benefited from (and contributed to) the delegitimation of traditional political parties and social mediators, he finds himself confronting the very popular mood that helped him rise to power but bereft of the necessary allies to effectively address it.

The tragedy for the EU, in sum, is to have reached the moment of its greatest utility just as it reached the moment of its grimmest crisis.

And still. Despite its internal challenges, and because of the external ones, there remains much the EU can and ought to do, as the pages that follow illustrate. In an era of growing geopolitical tensions and fading U.S. reliability, Europe can serve as a political mediator of sorts: siding with Ukraine on fundamental questions of sovereignty, but encouraging dialogue between Moscow and Kyiv to avoid a dangerous escalation in the Sea of Azov or Ukraine's east. Striving to preserve the nuclear deal with Iran, while pressing Tehran to de-escalate regional tensions. Being clear about President Maduro's responsibility in his country's current crisis, yet also setting up an inclusive Contact Group

that comprises governments friendly to Caracas. Taking advantage of its ties to all stakeholders in Yemen, Iran and the Huthi rebels included, to fortify the ceasefire around the port city of Hodeida and move toward a more comprehensive deal. And, throughout, resisting the urge to look inwards, by continuing to provide critical humanitarian aid to civilians bearing the brunt of violence or displaced by crisis.

There is recent precedent. Last year, Europe's efforts contributed to halting Rohingya refugees' forced return to Myanmar; coordinated pressure from Europe, the U.S. and Turkey played a part in averting a feared Russian-backed reconquest of Idlib in Syria; and normalisation of relations both between Serbia and Kosovo and among Western Balkans' states continues to be driven by Brussels.

There are no indispensable nations, and the use of that term by Americans to describe their own country was always both unnecessarily pretentious and excessively patronising. But there are times when it is harder to dispense with some countries than at others. When it comes to the EU and its member states, today is one such time. It is a burden that, for all their flaws and faults, we should hope they shoulder.

*Robert Malley*

President & CEO of Crisis Group

January 2019



## Africa

2019 should be a busy year for the EU in Africa. Several countries are struggling with the legacy of previous strongmen or trying hard to show entrenched leaders the door. In others, from Lake Chad to the Sahel and Somalia, Islamist militancy is proving a persistent challenge. Elsewhere – as described in entries below – Burkina Faso’s instability is mounting, the Central African Republic remains in turmoil and South Sudan desperately needs greater international diplomacy to keep alive a recent peace agreement. Especially as U.S. interest and involvement in the continent wanes, Europe’s responsibility grows.

The continent’s most prominent crises of early 2019 involve countries either trying to get rid of autocrats or turn a page on their rule. Angry demonstrations in Sudan and Zimbabwe, for example, initially were sparked by price hikes or subsidy cuts, but protesters’ ire quickly turned on the leaders whose misrule they hold responsible. Sudanese took to the streets to protest rising bread prices but also chanted for President Omar al-Bashir, in power since 1989, to step down. While Bashir has weathered storms in the past, this time things could be different: even some of his allies recognise that he has well overstayed his welcome and that his poor relations with the West mean Sudan cannot secure the debt relief or bailouts it needs to reverse its economic decline. Bashir’s only path to survival – one he appears likely to pursue – lies through repression. In Zimbabwe, too, mass protests have met brutal crackdowns; this is all the more tragic given the hopes shared by many Zimbabweans that former President Robert Mugabe’s departure in 2017 would end such bloodshed. The crackdown suggests that his successor, President Emmerson Mnangagwa, is no more attentive to people’s demands and will struggle to build a sufficiently inclusive governing coalition to undertake needed reforms.

Protesters have not yet taken the streets this year in the Democratic Republic of Congo, but the crisis provoked by what appears to be a brazenly stolen election looks set to linger into 2019. That President Joseph Kabila stood down, after repeated attempts to extend his tenure, is welcome news. But the manipulation of results by authorities loyal to Kabila, which handed victory to Felix Tshisekedi, the opposition candidate over whom the outgoing president almost certainly will exercise considerable behind-the-scenes control, casts a dark shadow over what should have been a historic transition. Unofficial tallies by domestic observers and leaked election commission data suggest that another candidate, Martin Fayulu, won by a landslide. For now, Fayulu’s supporters and those of the powerful opposition leaders that backed him have stayed quiet. But a large constituency that feels its vote stolen hardly bodes well for the country’s future.

Ethiopia, too, is undergoing a transition – one that started with the death of long-serving Prime Minister Meles Zenawi in 2011. But the mood there is more optimistic than in Sudan, Zimbabwe or the DR Congo. At home and abroad,

Prime Minister Abiy Ahmed Ali is seen as a breath of fresh air. He has freed political prisoners, urged previously barred opposition leaders to return home, promised multiparty democracy and economic reform and cemented a peace deal with Ethiopia's old foe Eritrea. That said, he faces enormous challenges, notably mounting ethno-nationalism and intercommunal violence. At some point Abiy also will have to roll out reforms likely to require spending cuts that could also fuel discontent and protests. Europe should be ready to help him as he navigates those dangerous waters.

If strongmen and their legacies are one challenge, Islamist militancy is another. In Lake Chad, Boko Haram has staged a comeback, with a faction calling itself the Islamic State West Africa Province growing in strength – especially worrying as Nigeria faces hotly contested elections this year. While still brutal, it has proven somewhat more attune to local concerns and able to offer its constituency basic public goods, seemingly winning some grassroots backing. Heavy-handed Nigerian counter-insurgency operations have hardly helped. In the Sahel, jihadism is also evolving. Six years after French and Chadian forces ousted militants from towns in Mali's north, their influence has spread from the north into central Mali and beyond, including Burkina Faso and the border areas of Niger. They increasingly are interwoven with rural insurgencies and intercommunal antipathy. Whether the regional G5 Sahel Joint Force, established already two years ago, is the right answer is far from clear, given funding gaps, poor coordination among the countries involved and the lack of clarity over its precise mandate.

In Somalia, Al-Shabaab's jihadist insurgency remains a menace as shown by December's blast in the capital Mogadishu and the 15 January attack in Kenya. While 2019 will be a critical year for Somalia's leaders to carry out long-needed political and security reforms, initial indications are far from encouraging. Tensions between Mogadishu and its federal regions remain high. The Somali government is intensifying its crackdown on dissent. Its arrest of a former Al-Shabaab leader who had renounced violence and was the frontrunner in a regional election sent precisely the wrong signal to insurgents who might want to give up fighting. Making matters worse, the government expelled the UN's envoy for gently rebuking that arrest.

For the EU, while each crisis requires a tailored response, there are common threads. First, the EU should use its diplomatic pressure, combined with aid, to help push governments in the right direction. In Sudan and Zimbabwe, European diplomats should signal that violence against protesters will bring a sudden chill to the gradually warming relations both countries were enjoying with Europe and the financial dividend that might have brought. Behind the scenes they should work to persuade Bashir to stand down or pledge not to contest elections in 2020; European governments on the UN Security Council might encourage the council to defer Bashir's International Criminal Court indictment were he to leave power. In contrast, European leaders might give Ethiopian premier Abiy extra support and breathing room before he is forced to embark on potentially unpopular economic reforms. In Somalia, having invested billions in the country's stability and pledged 100 million euros in direct budgetary support for 2018-2020, the EU and its member should urge Mogadishu to advance reforms and repair relations with federal state politicians and international partners, in particular the UN.

Secondly, 2019 may bring new opportunities to reinforce efforts by African leaders and institutions to manage crises on the continent. The African Union initially took an encouragingly tough position on Kabila's election rigging. It appears to have backtracked. Should Tshisekedi remain in power, Europeans will have to work closely with African leaders and other international partners to ensure his government reaches out to Fayulu and takes other steps to gain domestic and international legitimacy, including addressing continued insecurity in eastern Congo and the dire humanitarian situation in many other parts of the country. In the Sahel, the EU and its member states can push the regional Joint G5 Sahel Force to subordinate military action to a political strategy, potentially including efforts to support dialogue with militant leaders and that does not rely on arming non-state allies to fight jihadists and thus fuels communal conflict.

Finally, in the face of great power competition between China, the U.S. and Russia, as well as among Gulf states, the EU and its member states should look for discreet opportunities to build cooperation with and between these powers to prevent conflicts. The first annual meeting of European and African foreign ministers held in Brussels on 22 January is a welcome step in helping to further build upon and deepen the partnership between the two continents in an ever fragmented global arena and at a time when geopolitical rivalries are upsetting established relationships among states and increasing tensions, particularly in the Horn of Africa but also in Central and West Africa.

## Tackling Burkina Faso's Insurgencies and Unrest

Burkina Faso is caught between escalating insurgent violence and widespread social discontent. An Islamist insurrection led by the militant group Ansarul Islam continues to exact a heavy toll on government forces in the country's north, while in 2018, a second hotspot emerged in the east, which over the latter part of the year suffered a series of attacks whose perpetrators are as yet unknown. Yet another group, the Group for the Support of Islam and Muslims (JNIM), which is active across the Sahel, has perpetrated attacks in the capital Ouagadougou and elsewhere. Parts of the north and east have slipped beyond the state's control. The Burkinabé army has engaged in abuses that fuel local anger. Morale across the security forces is plummeting. On 31 December, President Roch Marc Christian Kaboré's administration declared a state of emergency in fourteen of the country's 45 provinces as a result of insecurity. Meanwhile, dwindling social spending, due in part to counter-insurgency costs and drops in revenue, has prompted protests in the capital. On 21 January, Kaboré appointed a new prime minister, reportedly to reboot his presidency and give time for a course correction ahead of presidential elections in 2020; for now it is too early to say whether the change will allow him to address the many challenges his country faces.

*The EU and its member states should:*

- Encourage the government to better support troops on the battlefield with bonuses and help for families of soldiers killed or wounded in the line of duty; the EU might also consider supporting Burkina Faso's effort to withdraw its

large Badenya battalion, currently deployed with the UN mission in Mali, to deal with growing instability at home – though such a withdrawal should be preconditioned either on the UN finding replacements or the agreed hand-over of that battalion’s positions to Malian forces.

- Allocate a substantial share of its security and justice support for Burkina Faso to help speed up judicial proceedings against over 300 suspected terrorists, already detained for months, with the aim of diminishing their families’ sense of injustice.
- Encourage the disbursement of EU and other donors’ budgetary pledges to the Joint G5 Sahel Force and support a joint Nigerien-Burkinabé operation on their border.
- Prioritise the release of EU development funds allocated to food security, and establish additional programs aimed at subsidising or organising direct delivery of staples to reduce social discontent and enhance Burkinabé households’ spending power.

### *Mounting Insurgent Violence*

Burkina Faso’s security forces are struggling to cope with increasing insurgent attacks, particularly in the country’s north and east. Violence in the north has spread from Soum province, the epicentre of the Ansarul Islam insurgency, to other provinces, particularly Sourou. Ansarul Islam continues to launch attacks, mostly on security forces. The Group for the Support of Islam and Muslims (JNIM), which also operates in central and northern Mali and parts of Niger, has struck in the north, though whether it has ties to Ansarul Islam is uncertain. On 27 December 2018, it claimed responsibility for an ambush in Sourou that killed ten gendarmes. Earlier, in March 2018, it struck the army headquarters and French embassy in Ouagadougou – the third major attack in the capital over recent years. Meanwhile, a new rebellion has appeared in the east, in the vicinity of Fada N’Gourma, Burkina Faso’s third largest city. The insurgents’ identity remains unclear, but they have launched attacks with a ferocity matching that of Ansarul Islam. Overall, the number of attacks in late 2018 grew each month.

For the first time since independence, Burkinabé state authorities have lost control of parts of the country. In some northern and eastern areas, courts have shut down, while police and customs officers no longer leave their posts because patrolling has become too dangerous. Eight hundred schools are closed. Insurgents can openly gather villagers to preach and demonstrate their influence. At the same time, the military’s often brutal and indiscriminate crackdown on people suspected of helping the insurgents further alienates locals. More than three hundred people have been arrested since 2016, mostly in the north, and are kept in jail for months on weak legal grounds. A May 2018 Human Right Watch Report noted that “witnesses implicated Burkina Faso security forces in at least fourteen alleged summary executions” in the Sahel region. It is difficult to gauge either the level of support enjoyed by militants or even which group is responsible for which strikes, given that only about one in ten attacks is claimed. But the insurgents seem to have succeeded in channelling local discontent arising from decades of state neglect.

### *A Beleaguered Security Sector*

Tackling the serious weaknesses in the Burkinabé armed forces will almost certainly require lengthy and difficult security sector reforms. Structural problems, which have been long apparent, include lack of communication among different ranks; rivalry among agencies; poor training; shortages of aircraft and other forms of transport; and an insufficient number of troops. Manpower shortages, inadequate planning and many soldiers' refusal to serve in remote areas mean nearly a third of the country's territory is poorly secured.

Earlier efforts to address some of these problems, prompted by a 2011 mutiny by elements of the military during former President Blaise Compaoré's tenure, abruptly ended only three years later when his government collapsed. Since then, the government's dismantling of some agencies has sowed new divisions within the security apparatus. In October 2015, the government officially disbanded the Presidential Security Regiment, which, although arguably the country's best trained and equipped force, was a symbol of Compaoré's rule and had attempted a coup the preceding month. Most of the regiment was transferred to other units, but a handful deserted and some officials claim – without evidence – that former presidential guards support the insurgents. Intelligence services, once reporting to President Compaoré's chief of staff, are now split into three competing and equally ineffective units. As a result, information about the insurgencies is in short supply; security forces struggle to identify enemies who easily blend in with the civilian population.

If rising insecurity reveals shortcomings in the Burkinabé forces, it also illustrates flaws in the regional Joint G5 Sahel Force. That force, of which Burkina will assume command in 2019, contemplates joint operations involving troops from its five members – Chad, Mali, Mauritania and Niger in addition to Burkina – to secure their borders. Yet, despite the fact that in 2018 many insurgent attacks took place in Burkina Faso's border areas, the G5 force did not carry out a single joint mission that year in these areas. Instead, the national armies mostly operate separately, allowing armed groups to exploit their lack of coordination to move freely across borders.

Although it hopes to hand over its duties to the G5 force as soon as possible, the French army was compelled to intervene twice in October 2018 in northern and eastern Burkina to curtail militant activities. The EU should support the rapid establishment of a G5 joint border monitoring mission at the border between Burkina Faso and Niger, and foster better cross-border cooperation between Burkinabé and Malian armed forces. This can be done with the assistance of the EU Regional Coordination Cell, a team of European security and defence advisors located in Burkina Faso, Chad, Mauritania, Mali and Niger, who work in coordination with those countries' interior and defence ministries to support planning, need assessments and liaison among those countries and the G5 secretariat.

The Burkinabé government's immediate options to improve its security forces' performance are limited. Reconstruction of an effective security apparatus with a competent intelligence branch and elite commandos will take time, as will improving the G5's operational readiness. For now, Kaboré's administration understandably is focused on obtaining more equipment and manpower, although

the root problem is likely related as much to the capacity of existing personnel, their organisation and improved intelligence as it is to the lack of adequate gear.

One quick step the government could take would be to repatriate the Badenya battalion presently engaged in Timbuktu as part of the UN mission (the Burkinabé contingent is the mission's largest, with 1,723 men split between two battalions, one of which is Badenya). The redeployment of these seasoned soldiers to eastern and northern Burkina could help shift the balance of force on the ground in the government's favour. The EU and European governments could support such a bid, pending either the UN's peacekeeping department finding replacements in a mission that is already overstretched and suffering high casualty levels or the handover of that battalion's position to Malian forces.

Declining morale in Burkina Faso's armed forces, whose members are tired of watching comrades die in what seems to be a losing battle against insurgents, is a threat to watch in 2019. Even if rural insurrections are unlikely to threaten the state, they risk heightening disaffection within the army, which in turn could destabilise a country that has experienced six military coups in five decades. The government has taken some steps to address the problem, notably by providing in January 2019 financial aid to civil servants, including soldiers, who are victims of insurgent attacks and by paying bonuses to soldiers deployed in the north. Whether these measures will dispel discontent remains to be seen.

### *Social Unrest*

A final threat stems from broad dissatisfaction among Burkina Faso's 17 million citizens. Economic woes are at its heart: 40 per cent of the population lives below the poverty line, and still more could join them, since the minimum wage is capped at 49 euros per month and the cost of essential goods keeps rising. Almost a fifth of all Burkinabé are food-insecure. The president, facing costly counter-insurgency operations and declining revenue from tourism due to insecurity, is struggling to live up to his December 2015 campaign promise to improve living conditions. In November, the government cited the military effort among its justifications for a 12 per cent increase in fuel prices. The price hike brought thousands of protesters, led by a civil society and trade union movement called the Red Shirts, into Ouagadougou's streets. The government ultimately agreed to lower the price of petrol on 9 January, but it is liable to impose additional taxes in 2019.

President Kaboré has some time to reverse the country's economic slide. Popular pressure forced two of his predecessors to leave office (Maurice Yaméogo in 1966 and Compaoré in 2014), but Kaboré can take advantage of a divided opposition that lacks a charismatic leader and so far has been unable to exploit the government's difficulties. Without a presidential election before late 2020, Kaboré has an opportunity within this window to address protesters' concerns. The EU and its member states could help defuse public anger by supporting Kaboré's government financially but also by facilitating dialogue among it, the opposition and civil society.

## Central African Republic: Getting from Talks to Peace

More than six years after the beginning of the Central African Republic's (CAR) most important crisis since the country's independence and three years after President Faustin Archange Touadéra's election, the country remains in turmoil. 2018 ended with lethal clashes both between armed groups and between them and UN peacekeepers in major towns and rising tensions in the capital Bangui. Former factions of the Seleka, a coalition of rebel groups from the country's north and east which in 2013 overthrew then President François Bozizé and held power for two years before being ousted, the anti-balaka, militias formed to fight the Seleka which then turned into bandits, and a series of other community self-defence militias hold sway across much of the country, controlling many mining sites, transport routes and pastoralists' transmigration corridors. Neither the large UN peacekeeping force, the UN Multidimensional Integrated Stabilization Mission in the Central African Republic (MINUSCA) nor the fledgling national army, which is slowly deploying across the country following years of EU training, can constrain these groups' infighting and predation.

The violence is driving severe displacement, food insecurity and malnutrition. According to the UN Office for the Coordination of Humanitarian Affairs' October 2018 figures, there are currently 642,842 internally displaced and over 573,200, many of them Muslims fleeing persecution by various militias, seeking refuge in neighbouring countries. Some 2.5 million people need humanitarian aid. Most of the Muslims remaining in the capital, concentrated in the PK5 district, still live in fear of cycles of revenge violence among armed gangs that use religious belonging as an identifier and pretext for abuses.

In late January, representatives of the different armed groups and the government are due to talk in the Sudanese capital Khartoum. If this meeting is not disrupted by political turmoil in Sudan, it will represent a welcome opportunity to refocus regional efforts on the African Union (AU)-led mediation, which have recently been in unhelpful competition with a parallel Russian-Sudanese initiative. Some form of agreement appears likely to emerge from the Khartoum talks, though will require compromise from both sides. The challenge for 2019 will be to ensure that such an agreement makes a concrete difference on the ground. It will be important for international actors to present a united front and pressure neighbouring countries, particularly Sudan and Chad, to use their influence over armed groups – notably the largest ex-Seleka factions – to ensure they fulfil any pledges made in Khartoum. They should also support local peace initiatives, during which armed groups' demands can be taken into account alongside the concerns of local communities in which they operate, as a complement to the national-level agreement.

*The EU and its member states should:*

- Follow up its support to the AU's mediation effort with pressure on the government to adhere to its side of the prospective deal and on Sudan and Chad to use their influence to persuade armed groups to demobilise; those governments should also open talks with the CAR government on the repatriation of Chadian and Sudanese fighters in those groups;

- Support the proposed nomination of a high-level AU-UN envoy and encourage that person to focus not only on negotiations between armed groups and the government but on regional diplomacy aimed at encouraging Bangui and neighbouring capitals to find common ground on issues such as the repatriation of foreign fighters and access to pastoral land;
- Alongside the UN, step up support for local peace initiatives that factor in armed groups' local demands and the concerns of local communities, and thus both diminish levels of violence and allow for a finer-grained understanding of armed groups' interests and strengths, and improving prospects for their disarmament.

Since June 2017, the AU, backed by African countries and the UN as well as the EU and its member states, has tried to mediate between the government and fourteen armed groups including ex-Seleka factions, anti-balaka groups and community self-defence militias, which in many cases have competing sets of interests and goals. The AU Mediation Panel of Facilitation, led by Burkina Faso's Moussa Nébié, has met those groups' leaders in preparation for dialogue with the government, resulting in a list of 115 different demands grouped into four thematic areas (politics, socio-economy, security and defence, justice and reconciliation). Key demands likely to be obstacles in negotiations centre around devolution (which the government fears armed groups would use to consolidate their grip on provinces they control, particularly in the case of the large ex-Seleka factions in the north and east of the country ); national-level power sharing; control over natural resources; the armed groups' demands for immunity for crimes committed during the conflict; and the integration of some of their members into the army, including at what rank.

Over the past few months, Nébié's AU-led efforts had been undercut by a parallel Russian-Sudanese initiative. At the end of 2017, President Faustin-Archange Touadéra, frustrated by the perceived inefficiency or slowness of his partners to help deploy the national army and bring armed groups to the negotiating table, had sought Russian help. Moscow provided the national army with training and equipment following that already delivered by the EU Training Mission active in CAR since 2016. Russia also started to provide the president with security advice and personal protection. In mid-2018, it encouraged Sudan, with which Moscow has increasingly close relations, to initiate its own talks in Khartoum with armed groups and government representatives. Until recently, this parallel track had sucked oxygen from the AU's efforts and allowed both armed groups and government representatives to forum-shop. It also provoked tensions between on the one hand the AU, the UN and the EU, which supported the AU track, and on the other Sudan, Russia and President Touadéra.

Recent AU and UN diplomacy has helped unite these parallel tracks. On 9 January, following a visit to Bangui by AU Peace and Security Commissioner Smail Chergui and UN Under-Secretary-General for Peacekeeping Pierre Lacroix, President Touadéra announced that the government would meet with armed groups in Khartoum on 24 January under the aegis of the AU. Giving Sudan the opportunity to host is a neat solution to bridge the gap between the two initiatives and mend international divisions.

Talks may still be tricky, however. The government has agreed to integrate some armed group members into the armed forces, while adhering to the age and education requirements already in place. But government negotiators are likely to resist ceding more ground on power sharing and immunity, given popular anger at the armed groups' predation and violence and the fact that the concessions those groups have won in the past have not led them to change their behaviour. Unless they face pressure from their allies, armed groups' leaders may camp on their maximalist demands. Probably the best that can reasonably be expected from Khartoum is a broad agreement on the ranks at which a limited number of armed group members could enter the army and for some rebels who disarm to be granted mid-level public offices, in exchange for a ceasefire and an agreement from armed groups that they will demobilise.

The main risk is less that the Khartoum talks fail to reach an accord along these lines than that its provisions are not enforced. Many previous deals between government and armed groups have not brought concrete changes on the ground. Throughout 2018, some smaller armed groups expressed a willingness to disarm, but stalled doing so in anticipation of better terms emerging from an agreement in Khartoum. Following this round of talks, President Touadéra's government and international partners, especially the UN, need to seize the opportunity of whatever is agreed to advance efforts to demobilise armed groups as much as possible.

CAR's neighbours ought to lend their support to ensure that armed groups fulfil any commitments made in Khartoum. Some ex-Seleka factions in particular have close links to neighbouring governments, notably those of Chad and Sudan; indeed many combatants and armed herders that seek pastoral land hail from those countries. N'Djamena and Khartoum have an interest in their southern neighbour's stability. But they balance that against the interests of their pastoralist and trading communities or allied armed groups in border areas. Talks are needed between Bangui and both Khartoum and N'Djamena aimed at reaching agreement on security guarantees for all sides and on modalities for repatriating Chadians and Sudanese currently fighting with armed groups in CAR. African and EU governments, as well as Russia, should offer support to such talks.

Also important is that local mediation efforts complement those at national level. The armed groups in CAR vary significantly in strength, geographical reach, motivations and relations with their communities. Of the fourteen represented in Khartoum only three, all ex-Seleka groups, have significant national and cross-border reach. The anti-balaka groups in particular are fragmented and some have ties to the government with which they are in principle negotiating. Most groups' main concerns are local, often revolving around control of resources in areas they control. Moreover, a patchwork of other groups were not represented in Khartoum, but still need to be demobilised.

Local mediation efforts initiated by religious organisations, civil society leaders and CAR politicians already have had some success, allowing temporary truces between armed groups fighting each other and calming intercommunal tensions. Unlike the broader negotiations of which Khartoum is the latest iteration, these initiatives address local disputes among armed groups rather than their grievances toward the government or national-level demands. Resulting

local agreements are precarious, however, and can scale up from small local gains to become part of a more durable and countryside solution with sustained support, including from international actors and alongside a national-level agreement that enjoys regional backing. UN backing for such initiatives could be supplemented by the AU panel in-country, building on contacts it already has with armed groups.

## Bolstering South Sudan's Peace Deal

Five years into a brutal civil war, South Sudan enters 2019 with fragile hopes for peace. A September 2018 agreement between the main belligerents, President Salva Kiir and rebel leader Riek Machar, brokered by Sudanese President Omar al-Bashir and Ugandan President Yoweri Museveni, has succeeded in curbing the fighting. That is reason enough to embrace the accord. But the deal is far more armistice than final settlement: it calls for negotiations between the warring parties that will lead to a unity government and, later, elections. An agreement along the same lines in 2016 proved short-lived, as the unity government collapsed barely two months after its formation. Moreover, the new accord appears at a time when Horn of Africa politics are in flux and leaders in the Inter-Governmental Authority on Development (IGAD), the regional bloc overseeing the peace process, are increasingly distracted by problems at home. International actors will need to push IGAD to see its mandate through. The U.S. – long the West's diplomatic lead on South Sudan – has pulled back, leaving no immediate replacement to conduct this critical diplomacy.

*The EU and its member states should:*

- Assume greater diplomatic leadership on South Sudan, building upon the extensive humanitarian aid Europe gives to the world's newest state. The EU appears unlikely to appoint an additional envoy focused solely on South Sudan, but European diplomats could coordinate and step up their own shuttle diplomacy between regional capitals to keep implementation of the peace deal moving forward, while also exploring what a longer-term settlement might entail.
- Condition any additional support for the Reconstituted Joint Monitoring and Evaluation Commission, the regional body that oversees the peace deal's implementation, upon appointment of a strong commission chair; the EU's continued support for ceasefire monitoring should be conditional on the timely release of ceasefire violation reports.

### *Stepping up European Diplomacy*

South Sudan's truce follows years of on-and-off mediation by IGAD, the Horn of African body that includes Sudan, South Sudan, Ethiopia, Kenya, Uganda, Somalia, and Djibouti. For years regional diplomacy was led by Ethiopia, supported by the EU and other partners. In June, however, new Ethiopian Prime

Minister Abiy Ahmed relinquished his country's grip over the deadlocked peace process to Sudanese President Omar al-Bashir. Bashir has greater leverage over both Kiir's government and Machar's rebels: the former depends on Khartoum to facilitate South Sudan's oil exports; the latter have long relied on Khartoum for arms and financing. Bashir quickly struck a series of deals with Kiir to boost oil production, then enlisted Museveni to press his ally, Kiir, to grant Machar a return to the first vice presidency. Machar had held this office under the earlier version of the peace deal, from April to July 2016, and Bashir pressured him to accept the new terms.

While a deal exists on paper, and indeed has led to significant reductions in violence across much of South Sudan, many of its provisions appear unlikely to be implemented any time soon. Indeed, even its core elements remain contested. Perhaps the biggest obstacle and danger lies in still-to-be-determined transitional security arrangements – chiefly, how the parties will share security duties in a unity government and who would provide security to Machar were he to return to the capital Juba. In 2016, the U.S. and others urged Machar to go back to Juba before any such understandings were in place. His forces then clashed in the city streets with those of Kiir, ushering in a wider war as violence spread. The September 2018 deal specifies that the parties will assemble, train, and unify a force to deploy to Juba and form the core of a new national army; privately, however, Kiir's representatives indicate they will not allow any of Machar's forces back into the capital. Machar is unlikely to return until there is a clear understanding of the security arrangements, nor should he be pressured to do so.

Even leaving aside the difficulty of fleshing out the agreement's details, a wider challenge lies at its core. The deal is still predicated on power sharing between Kiir and Machar and a transition period of three years culminating in a presidential election, which both men are certain to want to contest. This same dynamic – the competition between the two men for the presidency – has been the principal driver of South Sudan's war over the past five years. While it continues, it is unlikely that any agreement can offer a basis for a durable settlement. It also undercuts prospects of the two parties reaching agreement on other critical issues (such as security arrangements), given that they view those issues largely through the prism of how they impact the future presidential contest. There is no easy answer to this challenge in light of both men's outsized influence. Indeed, efforts over the past two years to sideline Machar have failed, because he still commands authority over a large constituency in South Sudan. One remaining option, which a growing number of South Sudanese and some in the region support, is returning power to South Sudan's three greater regions, which would decrease the stakes of the presidency by sharing power more broadly.

Yet another challenge to the deal is the absence of an active international diplomatic lead. From the early 2000s to 2017, the U.S. special envoy to Sudan (and, later, South Sudan) played this role, as de facto head of the so-called Troika – the U.S., the UK and Norway. Since Donald Trump's election, however, the special envoy's office has been vacant. True, even with an envoy, the track

record of U.S. diplomacy on South Sudan was hardly a success. But without it, no diplomat from outside the region can maintain the attention of regional leaders, for whom ending South Sudan's conflict is rarely a top-tier concern, on South Sudan's peace process. The absence is particularly keenly felt now, given turmoil in Sudan and Abiy's long list of other priorities. The U.S. may still appoint a new envoy, but even were it to do so there are strong signs the White House is tiring of its involvement in South Sudan; when announcing the administration's new Africa strategy in December 2018, for example, National Security Advisor John Bolton singled out the country as an example of how U.S. assistance had failed.

Europe should consider how best it can fill this gap. In principle, the EU is well positioned to take on a larger diplomatic role, given Europe's heavy investment in South Sudan's stability and the generous humanitarian relief it provides to its people. That said, the EU appears unlikely to appoint an additional envoy dedicated solely to South Sudan. Another option might be for the EU to formalise a stronger partnership with the Troika to help shore up the deficit created by the U.S.'s diminished engagement. This coordinated diplomacy would not only seek to advance the existing peace process, particularly by seeking an agreement on security arrangements, but also test the waters on what a more durable settlement might look like.

Beyond this diplomatic role, the EU and its member states should continue to support the Reconstituted Joint Monitoring and Evaluation Commission, the African-led body responsible for overseeing the peace deal's implementation. It should also continue to fund the monitors, who are deployed under the auspices of another mechanism, the Ceasefire and Transitional Security Monitoring and Verification Mechanism, which reports to both the joint monitoring commission and directly to IGAD, to investigate ceasefire violations. However, support to both mechanisms should be conditional. First, the EU should demand that the ceasefire monitoring mechanism publicly report all ceasefire violations; in the past, the failure to publish the monitors' findings meant that violating parties were spared any scrutiny or public and diplomatic pressure. Secondly, it should seek rapid appointment of a heavyweight joint commission chair, for example an influential former head of state, to ensure the body is effective. The previous chair, former Botswana President Festus Mogae, stood down in September 2018; that at this critical phase of the new peace deal the chair remains empty is a major concern.

South Sudan's peace deal remains contested and incomplete; whether it provides a sustainable basis for ending the war is at best uncertain. Western donors supported a similar deal less than three years ago only to see it collapse, widening the war across the country and sparking a new phase of the civil war that forced hundreds of thousands more to flee the country. But it is worth the EU expending additional diplomatic capital to try and keep this agreement from suffering a similar, bloody fate. Its collapse could precipitate another round of fighting and further suffering for yet another generation of South Sudanese.

## Asia

The contradiction between the U.S.'s formal policy emphasis on its great power rivalry with China and its broad assertion of national security interests throughout the continent, on the one hand, and the U.S.'s actual retrenchment on its security commitments and political engagement, on the other, is producing uncertainty in many parts of Asia. Unpredictability as to whether, when and how these incongruities will be resolved will make it difficult for the EU and European governments to influence developments in areas where the U.S. is a more dominant actor. This unpredictability also will pose challenges for governments that prefer to align with the U.S. to mutually reinforce their influence rather than charting independent courses.

Of particular interest to the EU and European governments should be how the U.S. promotes its “Indo-Pacific” concept and whether the concept evolves from its current rhetoric-heavy, substance-light character to a more meaningful – and potentially more confrontational – counter-weight to Chinese influence. For the time being, the U.S. does not appear prepared to devote the resources or diplomatic muscle required to compete against growing Chinese influence in South East Asia and parts of South Asia. Despite criticism of how China executes its Belt and Road Initiative, especially concerning the debt burden imposed on some countries, participation will likely remain irresistibly attractive given the absence of alternative sources of large-scale investment. Nor does India, at least in the near term, seem ready to play the regional balancing role against China that the U.S. has hoped. So long as these questions remain open, incentives will remain relatively low for Europeans to embrace the Indo-Pacific concept.

The ways in which American unpredictability plays out will be deeply felt in Afghanistan, with consequences for the durability of development gains achieved in part thanks to European funding, pay-off for costly European security investments, and sustainability of ongoing major EU assistance commitments. Although in recent months Washington has energised diplomatic efforts to reach a negotiated settlement to the conflict with the Taliban, a major or wholesale reduction in the U.S. – and therefore, necessarily, NATO – military presence independent of developments at the negotiating table remains a live prospect. As in the case of the U.S. withdrawal from Syria, there is little sign that European equities will be factored into the equation.

A precipitous withdrawal could well lead to intensified violence and a wider civil war. This scenario is especially worrisome for Pakistan. Not only would it be the main destination for a fresh wave of refugees, but, already saddled with varied forms of internal instability, Pakistan would be ill-prepared to manage the implications of an American “abandonment” of Afghanistan against which it has long warned. Furthermore, the already-eroded rough consensus among key regional actors – China, India, Iran, Pakistan and Russia – in favour of

promoting Afghan stability under the present governance arrangements would probably wither altogether in the aftermath of such a withdrawal.

On the Korean Peninsula, prospects for a deal to resolve the crisis related to the North's nuclear program are highly uncertain despite President Trump's summit diplomacy. Trump thankfully walked back from a crisis largely of his creation, and his current embrace of diplomacy is welcome. But if the administration is going to capitalise on the diplomatic opening it has created then it needs to set realistic objectives for the upcoming summit. Insisting on quick denuclearisation would create the potential for another dramatic pendulum swing from the lovefest with Kim Jong-un back to belligerence and threats of war, rather than stopping in-between and settling for a pragmatic interim deal. This would leave Europe unable to either predict or prepare for such a perilous alternative scenario. Meanwhile, American questioning of its alliance commitments to South Korea and Japan has both unsettled other necessary partners and signalled the possibility of the U.S. bargaining away some of its leverage with North Korea cheaply.

Standing mostly apart from broader regional trends, the multi-dimensional conflict in Myanmar continues to exact a heavy price from civilians within the country and the Rohingya refugees displaced to Bangladesh. Although engagement with Myanmar is fraught with tension between divergent humanitarian and policy imperatives, as discussed below, the EU is positioned to leverage its support in ways that possibly could shift the status quo in more favourable directions.

## Myanmar: Humanitarian Crisis and Armed Escalation

The Rohingya crisis continues to take a heavy toll on the nearly one million Rohingya refugees in Bangladesh, Rohingya remaining in Myanmar, and Myanmar's international reputation, and remains a significant barrier to peace. No durable solution is on the horizon for the refugees, most of whom are in crowded camps exposed to health and natural disaster risks. Muslims remaining in Rakhine State suffer increasingly entrenched conditions of apartheid, with limited access to essential services and livelihoods. The human catastrophe on both sides of the border represents a major threat to peace and security. The ethnic Rakhine are also on a collision course with Naypyitaw, particularly over the detention and potential high treason conviction of a key Rakhine leader. This has undermined the Rakhine population's confidence in politics and is driving broad support for the Arakan Army insurgency, which has sharply escalated attacks and threatens to tip the state into prolonged armed conflict. Elsewhere, in the north east, armed conflict has eased due to the unexpected declaration by the military on 21 December of a unilateral ceasefire in Shan and Kachin States. However, clashes between ethnic armed groups continue, the peace process remains moribund, and insecurity is exacerbated by increasingly lucrative opportunities for armed groups in drug production, human trafficking, and a range of other illicit activities.

*The EU and its member states can help to address this complex set of challenges by:*

- Continuing to fund the humanitarian appeal for Rohingya camps in Bangladesh and stepping up development aid to host communities. This is the best way to give greater dignity to refugees and limit space for actors with other agendas, potentially including those promoting violence.
- Providing humanitarian and development support that takes into account the differentiated needs of men, women, girls, and boys from all ethnic and religious groups in Rakhine State. Delivery of this support should avoid entrenching segregation or reinforcing apartheid policies, and should be sensitive to past human rights abuses some have suffered, including sexual and gender-based violence.
- Remaining engaged with Myanmar while continuing to support international accountability measures. Disengagement and isolation will not bring positive change and will likely exacerbate the structural factors underlying Myanmar's multiple crises.
- Establishing sectoral exemptions if it decides to revoke Myanmar's access to the Everything But Arms trade preferences scheme, which provides Least Developed Countries with tariff- and quota-free access to EU markets. Revoking the scheme in its entirety would harm hundreds of thousands of low-income garment industry workers, mostly young women who would lose their jobs, potentially further impoverishing their families and leaving these women at heightened risk of trafficking and exploitation.
- Diversifying its support to peacebuilding initiatives aimed at ending Myanmar's ethnic conflicts. This support should aim to protect civilians, assist conflict-affected communities and de-escalate rising levels of violence, including in Rakhine State.

#### *Deadlock in the Peace Process and a New Escalation in Rakhine State*

While international condemnation helped avert Bangladesh's planned forcible repatriation of some Rohingya refugees back to Myanmar in November 2018, the risk remains that Dhaka could revive the process or force refugees to relocate to a remote island. Uncertainty about their future is feeding fear and desperation among the refugees, creating fertile ground for potential militancy. No long-term solution is in sight. Safe, dignified and voluntary repatriation is a distant prospect, third-country resettlement is extremely unlikely for all but a tiny proportion of refugees (and currently blocked even for small numbers), and the Bangladeshi government continues to resist local integration.

In Rakhine State, living conditions for the Rohingya that were already dire are worsening. Myanmar's government is making no concerted effort to implement the recommendations of the Advisory Commission on Rakhine State – it has taken some steps on health, education and development, but made no progress on guaranteeing freedom of movement, citizenship and other fundamental rights. Nor has it made progress on holding accountable those responsible for crimes

committed during the Myanmar army's expulsion of the Rohingya following militant attacks in October 2016 and August 2017, which a UN report has said merits investigation for genocide. The government is moving forward tentatively with closing camps for displaced Muslims but without granting the freedom of movement necessary to access services and livelihood opportunities, thereby reinforcing a situation of apartheid and leaving the population indefinitely reliant on humanitarian assistance. Repression and poverty are fuelling a new wave of dangerous boat journeys from Rakhine State across the Bay of Bengal to Malaysia and Indonesia; desperation in the Bangladesh camps is prompting Rohingya refugees to attempt the same route.

At the same time, deadly coordinated attacks by the Arakan Army, an ethnic Rakhine insurgent group, on four police posts in northern Rakhine on 4 January – Myanmar's Independence Day – will have a major impact in Rakhine State and the country as a whole. Beyond the immediate escalation in clashes this will bring, and the added complications for addressing the plight of the Rohingya, the attacks portend something significant and dangerous for the longer term: a shift in Rakhine popular sentiment away from politics toward armed insurgency as the means of addressing their grievances. This shift threatens to plunge the state into serious and sustained armed conflict for the first time in decades. The popular perception that politics has failed comes in part from the fact that, although a Rakhine political party won a large majority of elected seats in 2015, Naypyitaw imposed a minority National League for Democracy government; subsequently the top Rakhine political leader was arrested for high treason and remains on trial facing a possible death sentence.

In the restive north of the country, even with the military's unilateral ceasefire, State Counsellor Aung San Suu Kyi's government will likely struggle to reinvigorate the moribund peace process for ending Myanmar's multiple internal ethnic armed conflicts. This is due to a loss of trust on all sides, resistance from the military and government to meaningful concessions on minority rights and greater devolution of power, and the fact that political dynamics ahead of the 2020 elections further narrow the administration's room for manoeuvre. Armed conflict in Shan State has eased as a result of the unilateral ceasefire, although clashes between competing Shan factions continue; this will enable the military to focus more attention and firepower on the escalating conflict in Rakhine State.

Myanmar's patchwork of local conflicts and grievances of ethnic minorities against the central state now have a dangerous accelerant through the illicit economy [insert link to our report]. Revenues from illegal businesses (including drug production, gem and wildlife smuggling, gambling, money laundering and racketeering) now contribute to funding and sustaining the civil war. A toxic political economy based on organised crime and corruption fosters local resentment and enormous disincentives against ending conflicts.

### *Moving Beyond the Status Quo*

The EU should take steps in three areas. First, it should re-evaluate its approach to the Rohingya crisis. More than six years on from the initial segregation of Muslim communities in Rakhine State, the government has shown no sign of

reintegrating them – rather, it has opted for an ever more entrenched system of segregation. The EU and others providing humanitarian assistance in such a context are an important lifeline for these communities, but must ensure that they take a principled approach and keep the parameters of assistance under close review to ensure they are not inadvertently reinforcing the government’s discriminatory practices. For example, the Rohingya camps in central Rakhine are not classic internally displaced persons camps but, rather, internment camps, and policy approaches must start from a recognition of this. This dynamic presents a dilemma to which there is no easy answer: withdrawing humanitarian support from this population would negatively impact on vulnerable people; continuing support as camps transition to semi-permanent confinement sites could amount to complicity in longer-term ghettoisation. The only way forward for the EU and other humanitarian actors is to continuously assess their approach and the evolving context to ensure they are minimising harm.

The EU should continue its vital support to the camps in Bangladesh while also continuing to push for accountability for those responsible for violence against the Rohingya. Domestic processes such as the government-appointed Commission of Enquiry are not credible; this leaves international mechanisms such as the International Criminal Court, and the UN-established body charged with preparing case files for future criminal proceedings, as the most likely route through which perpetrators could be held to account.

Second, the EU should avoid a blanket revocation of Myanmar’s access to the Everything But Arms trade preferences scheme. Such a move would have a catastrophic impact on many workers, particularly girls in the garment industry, without doing anything to punish the perpetrators of crimes in Rakhine State and elsewhere, who should be the focus of the EU’s actions in this regard. Hurting vulnerable workers would damage the EU’s reputation in Myanmar and beyond, and hamper its ability to engage with the government and other actors for no positive gain.

Last, the EU has a leading role on Myanmar’s peace process, having been a key donor since its inception. While the EU should continue to support the stalled negotiations, it should also make a realistic assessment of prospects for success, particularly as the country heads to elections in 2020. Redirecting EU funds to local initiatives could have a greater impact than support to the formal process at national level. Recognising that no imminent end to the armed conflicts is in sight, funds should go toward de-escalation efforts, peacebuilding and protecting civilians. The EU should also extend support to the Anti-Corruption Commission and related initiatives. Such support could strengthen government efforts toward combating organised crime, including drug production and human trafficking, which are rampant in conflict-affected areas and help fuel those conflicts.

## Pakistan: Challenges of a Weak Democracy

On 30 October 2018, after Pakistan’s Supreme Court overturned the death sentence of a Christian woman, Aasia Masih (also known as Aasia Bibi) on blasphemy charges, a hardline Islamist party, Tehreek-i-Labaik Ya Rasool Allah,

launched violent demonstrations countrywide demanding the verdict's reversal. The protests ended after Imran Khan's Pakistan Tehreek-e-Insaf (PTI) government offered immunity to Labaik's leadership and violent activists and permitted the movement to submit a review petition calling on the court to reinstate Bibi's death penalty. The government's actions appeared to relent to a group that propagates sectarian hatred and threatens the lives of religious and other minorities. Meanwhile, the military-sponsored "mainstreaming" of anti-India jihadists (notably the Laskhar-e-Tayyaba/Jamaat-ud-Dawa), which permits such groups to rebrand and enter politics without renouncing militancy, risks further fuelling intolerance and sectarianism. Mainstreaming could also entail international sanction, given that it contravenes Pakistan's counter-terrorism commitments. Yet another challenge lies in persistent political tensions: having come to power after contested elections in July 2018, Khan's government thus far has done little to bridge divisions between it and opposition parties. The government has targeted opposition leaders in politicised corruption trials, while security forces' have cracked down on dissenting voices within civil society and the media.

*The EU and its member states should:*

- Leverage Pakistan's sensitivity to its international standing and aversion to isolation, urge Pakistan to prosecute Labaik leaders and activists, through fair trials and with due process, for threatening judges and public officials, attacking police and citizens, and destroying public and private properties during the November 2018 protests; at the same time, call for parliament to enact legislation to prevent the misuse of the blasphemy laws that threaten the security of marginalised communities;
- Also call on the government to implement existing and enact additional laws that meet international human rights standards to ban jihadists from fundraising, recruiting, and conducting attacks within the country and in the region;
- Continue to support democratic governance and the rule of law in Pakistan, including calling for due process in prosecution of cases against the opposition and press the government to protect individual freedoms. Warn Islamabad that its failure to respect freedoms of expression, association, religion and belief could adversely affect the preferential trading status it receives under the GSP+ scheme.

*Rising Religious Intolerance and Violence*

On 31 October 2018, the Supreme Court acquitted and ordered the release of Aasia Bibi, a Christian woman sentenced to death on blasphemy charges in November 2010. In response, religious groups, spearheaded by Tehreek-i-Labaik Pakistan, the political front of the Sunni Barelvi Tehreek-i-Labaik Ya Rasool Allah, launched violent protests countrywide, attacking police officers and citizens and destroying public and private property. By invoking highly-provocative claims of blasphemy, the several thousand Labaik protesters gained the support

of many conservative Muslims. Holding “Hang Aasia Bibi” rallies, Labaik leaders accused Supreme Court judges of blasphemy, called for their assassination, and urged soldiers to mutiny against army chief Qamar Javed Bajwa, whose religious faith they questioned. On 2 November, Imran Khan’s government struck a deal with Labaik. Arguing that to do otherwise would lead to more violence, the government agreed not to take any action against Labaik leaders and supporters, releasing those responsible for inciting sectarian hatred and resorting to violence during the protests. It also agreed not to oppose a review petition to reinstate Bibi’s death sentence, to bar her from leaving the country until the Supreme Court has reached a decision on that petition, and to release those responsible for violence during the protests. Though the government may have faced a short-term dilemma in looking for a way to defuse the protests and avoid provoking wider unrest, the tensions provoked by intolerant and sectarian groups like Labaik is a problem of Pakistani authorities’ own making over decades, one that is reinforced, not lessened, by a pattern of capitulation to such groups.

Emboldened by the government’s backing down, Labaik threatened another protest on 24 November. The government, fearing more violence, quickly placed the group’s leaders and hundreds of activists under preventive detention. Although cases have been filed, including in anti-terrorism courts against Labaik’s top leadership, those men are still awaiting prosecution. The outcome of these cases is uncertain, but in similar instances in the past, the filing of charges has not led to prosecution, once immediate pressures are relieved and public attention wanes. Bibi, though freed by the courts, remains in hiding. Her case has fuelled the fears of religious minorities that the state cannot protect them if those responsible for inciting and using violence against their communities operate with impunity. Mere accusations of blasphemy can lead to death, and those defending the innocent, such as Punjab Governor Salman Taseer, killed by his guard in 2011 for supporting Aasia Bibi, have often been silenced.

Labaik’s emergence and growing influence is closely tied to Pakistan’s military and intelligence services’ longstanding use of Islamists to challenge civilian rivals by supporting their forays into political life. Reportedly backed by the military to destabilise the Pakistan Muslim League-Nawaz (PML-N) government in November 2017, Labaik at that time accused the law minister of blasphemy and besieged Islamabad, attacking police officers and civilians. The siege ended after the military concluded a deal whereby the law minister resigned and the state gave Labaik leaders and activists immunity from criminal prosecution. In another bid to undermine the PML-N by cutting into its support base in the July 2018 election, Labaik created a political front to contest the vote even as it continued to encourage and deploy violence. Exploiting popular sentiment about blasphemy, Labaik won 2.2 million votes and emerged as the third-largest party in parliament after the PTI and PML-N. It now uses its newfound political legitimacy to raise funds, recruit and propagate a hardline sectarian agenda.

### *Militants Deepen their Political Clout*

In addition to using Islamists to weaken other parties, Pakistan's military and intelligence services have also encouraged anti-India jihadists, including some designated by the UN Security Council as terrorist organisations, to enter politics. Most prominent is the now-rebranded Jamaat-ud-Dawa (JD) – previously Lashkar-e-Tayyaba (LeT), which was responsible for the 2008 Mumbai terror attacks – and its charity front, the Falah-e-Insaniyat Foundation. LeT/JD is included in the UN Security Council's 1267 sanctions list. In June 2018, the Financial Action Task Force (FATF), the Organization for Economic Cooperation and Development (OECD) body that works to combat money laundering and terrorism financing, placed Pakistan on its "grey list" due to lax counter-terrorism financing laws and enforcement. Partly to avert FATF pressure, a presidential ordinance nominally banned LeT/JD and its charity front in February 2018. But the banned group was allowed to take part in the 2018 vote through yet another front, the Allah-o-Akbar Tehreek, though it failed to gain even a single seat. The presidential ordinance banning LeT/JD and its charity front has since lapsed.

In principle, encouraging militants to enter politics could help moderate them. In these circumstances, however, little suggests that will happen, given that the political participation of groups allied to the military is not conditioned on their abandoning violence or related recruitment and proselytising. Indeed, their rebranding and entry into politics appears to be a deliberate strategy to keep alive groups regarded as useful foreign policy proxies in the face of international pressure. The mainstreaming strategy, particularly as it pertains to groups on the 1267 list, poses risks for Pakistan at home and abroad. The failure to ban those groups and reform financing laws could see Pakistan listed on the FATF's "blacklist" of "non-cooperative countries" next fall, with serious implications for the country's reputation and economy. That failure also hinders any rapprochement with India: New Delhi refuses to resume bilateral dialogue with Islamabad, frozen since a 2016 attack attributed to Pakistan-based militants, until Pakistan takes decisive action against jihadists. For the region, the security risks inherent in the failure to demobilise such groups are grave: another major attack on India by Pakistan-based groups could bring the two nuclear-armed neighbours to the brink of war.

### *Crackdowns Heighten Political Turmoil*

The military's backing of the PTI and its alleged support for Khan's government as it targets opponents fuel the political acrimony that already marked the July 2018 election. The two main opposition parties, Nawaz Sharif's PML-N and former President Asif Zardari's Pakistan Peoples Party (PPP), were denied an equal playing field amid reports, as noted in the EU election observation mission's October report, "of interference in the electoral process by the military-led establishment and the active role of the judiciary in political affairs".

Reportedly with military and judicial backing, the government is now pursuing the PML-N and PPP leadership through a legal process that is deeply partisan. Former Prime Minister Nawaz Sharif and his brother Shahbaz, now

opposition leader in the federal legislature, have been indicted and imprisoned on corruption charges without due process; the government is also lodging corruption cases against the PPP leadership. Unless the government changes course, political turmoil could increase at a time when militant threats are still acute – over 200 people died in terror attacks during the election. The government would be better served by working with the parliamentary opposition to ban and prosecute groups that refuse to shun violence and that propagate sectarian hatred.

### *Engaging with Pakistan*

The EU should push Pakistani authorities to take steps to ease political acrimony, protect minorities and stop militants entering politics without first renouncing violence. First, in line with its traditional emphasis on the rule of law, the EU should leverage Pakistan's concerns about its international standing to urge the government to ensure due process in prosecuting cases against opposition leaders and thus help defuse political tensions. It should warn Islamabad that failure to meet its human rights obligations, particularly in respecting freedoms of expression, association, religion and belief, could adversely affect the preferential trading status it receives under the GSP+ scheme.

Second, the EU should press the Pakistan parliament to amend blasphemy laws to prevent their misuse. Aasia Bibi's case is one of scores in which false accusations of blasphemy have placed innocent people, particularly from religious and ethnic minorities, on death row. The EU Council has repeatedly voiced concerns about the abuse of these laws, including in their most recent conclusions on Pakistan. Updating the legislation is even more important now as Labaik is exploiting the blasphemy issue to foment sectarian hatred among parts of Pakistani society.

Lastly, though the EU has called on Pakistan to work with the FATF to strengthen its counter-terrorism financial oversight regime, it should also highlight the importance of implementing existing or drafting new laws to prevent jihadists and other militants that refuse to abjure violence from operating under changed names. In its October report, the EU Election Observation Mission rightly expressed concern about the “the emergence of extremist parties with affiliations either to terrorist groups, or individuals linked to organisations that have used, incited or advocated violence”. So long as the state fails to take action against such groups, they will continue to fuel religious sectarianism and intolerance at home and threaten the security of Pakistan's neighbours.

## Europe and Central Asia

One of Europe's greatest challenges in 2019 will lie in shaping and defining relations between EU member states and their partners, on the one hand, and the Russian Federation on the other. As Russia acts to promote its interests throughout a changing world, its shared neighbourhood with Europe is a focal point for these efforts. In defining responses, the EU and its members face difficult policy choices as they seek ways to secure and stabilise the region.

The war in Ukraine, about to enter its sixth year, is both catalyst and example. Europe's responses to Russia's annexation of Crimea in 2014 and its military actions and support to separatists in eastern Ukraine since then have sent Moscow clear signals that such aggression will not be cost-free. Yet, to date, Moscow has been willing to accept those and other costs, including a deteriorating relationship with the U.S. and most EU member states that has brought increasingly biting sanctions, an end to various channels of dialogue, and ever-harsher rhetoric from Western leaders. Russia's late 2018 actions in the Sea of Azov, described below, marked a worrying willingness to up the ante, and suggested that further escalation could still be on the cards.

Meanwhile, Russian actions throughout Europe and elsewhere demonstrate that it will flex its muscles in non-military spheres as well. From Moscow's perspective, extending its influence into Western European politics is only replicating what it perceives as the West's meddling in its own affairs. But disinformation campaigns, the attempted poisoning of a Russian exile in the UK (which killed a British citizen instead), and stepped up efforts to gain influence are clear indicators that Moscow will continue to push forward where it feels it has interests to advance and defend, and that it has few qualms about the means of doing so.

This dynamic is further complicated by the U.S., whose own evolving geostrategic vision puts it at odds not only with Moscow but also – to European leaders' dismay – with Brussels. America's decision to leave the Intermediate-Range Nuclear Forces (INF) treaty is unlikely to be forestalled by Russian declarations of its innocence of violating the pact. In turn, the end of INF risks spelling a broader crisis in arms control. With it gone, what was once a constellation of interdependent agreements constraining nuclear and conventional capabilities will be reduced to only the New START treaty, which limits strategic offensive systems and is due to expire in 2021 unless Russia and the U.S. agree to extend it. The repercussions may well include a destabilising arms race, of which Europe is likely to feel the brunt. This is all the more alarming for Europeans given President Trump's uncertain commitment to the alliances and partnerships upon which the continent's security has depended on for decades.

In this dynamic environment, Europe must build and maintain dialogue with Moscow on a full range of issues, even as it pushes back on Russian actions that risk destabilising the region. This is a difficult balance to strike. But concrete steps are possible in the next year. For example, in the wake of the likely U.S.

withdrawal from INF, European states can pledge not to deploy or allow the deployment of intermediate-range systems in Europe as long as Russia also refrains from such deployments. While remaining firm on Ukraine, and playing a critical mediating role in that conflict, the EU can also begin discussions with Moscow regarding regional security that could, in time, lead to new agreed limits on conventional forces. Over time, actions like these can help lay the groundwork for a less fraught relationship with Moscow, one that recognises Russian interests and its security without compromising EU values.

## Reducing the Human Cost of Ukraine's War

The war in the eastern Ukrainian region of Donbas between Kyiv and Moscow-backed separatists will soon begin its sixth year. Its resolution seems ever further away. While death counts and civilian casualties in Donbas are down, a new flashpoint in the Sea of Azov adds another potentially explosive layer to hostilities between Ukraine and Russia. The Minsk II agreement that sets forth a way out of the conflict and which both sides signed in 2015 remains unfulfilled, with Moscow unwilling to withdraw its troops and material from separatist-held areas of Donbas, and Kyiv seemingly uninterested in devolving power to those areas or taking other steps that could prepare for the reintegration of the territory it has been battling for.

The standoff presents numerous risks. Russian authorities continue to restrict Ukrainian access to shared waters off of Crimea, and the parties have taken no measure to prevent a repeat of a November 2018 incident in which Russian security forces opened fire on a Ukrainian naval boat and took 24 of its sailors, who remain captive. Any further confrontation in these waters could prove deadly, open up another front in the war and increase pressure on NATO to respond. Even absent further incidents, the Azov crisis distracts from Donbas, where despite reduced casualties, military action regularly exposes civilians to the threats of death, injury and property loss. The Moscow-backed armed groups have worsened the situation by drastically reducing humanitarian access, but some of the blame lies with Kyiv, which has been dragging its feet on measures to soften the humanitarian impact of hostilities.

After Russia's November 2018 attack in the Azov Sea, Ukraine's Western allies may understandably be hesitant to press the Ukrainian government on adhering to the ceasefire, which has been violated by both sides, and proactively addressing humanitarian concerns. While Ukraine is indeed the victim of Russia's aggression, Kyiv should take these steps, which are critical for the future reintegration of areas of Donbas outside the government's control and Ukraine's overall stability.

*The EU and its member states should:*

- Call for an internationally-chaired bilateral commission to investigate the 25 November events and reiterate the offer to mediate between Russia and Ukraine in maritime disputes; it appears unlikely that either side for now would accept such a commission, but calling for it would send a strong signal on the need for de-escalation and transparency.

- Appoint a special envoy for Ukraine, as recommended in the European Parliament resolutions of 25 October and 12 December 2018, to spearhead mediation efforts on both Donbas and the Azov Sea and serve as point person for that bilateral commission if one is established;
- Continue to urge Russia, Ukraine and the Organization for Security and Co-operation in Europe, as parties to the Trilateral Contact Group for the implementation of the Minsk agreements, to observe and, when necessary, renew the Donbas ceasefire; the Contact Group's work has proven valuable in reducing violence, despite the lack of progress toward resolving the conflict;
- Maintain pressure on Kyiv to reduce the Donbas conflict's human costs and take steps that could help address the anger many Ukrainians along front lines and in separatist-held areas feel toward Kyiv by: first, restoring pensions for those residing in those areas; secondly, compensating residents for property losses caused by fighting; and, thirdly, guaranteeing financial support to civilians injured in hostilities.

### *Azov Sea Militarisation*

A confrontation on 25 November 2018 in waters off Crimea marked Russia's first acknowledged use of force against Ukraine since the peninsula's annexation. As three Ukrainian naval boats headed through the Kerch Strait to the Sea of Azov, Russian security services rammed one boat, then opened fire on another before seizing all three and their 24 crew members. The attack, which violated a 2003 agreement between the two countries, marked the culmination of a months-long Russian effort to assert ownership of these shared waters, involving regular, costly detentions of Ukrainian commercial boats as well as foreign vessels corresponding with Ukrainian ports. It signalled Moscow's resolve to consolidate its control of Crimea. It was also met with calls from Kyiv among others for some form of NATO response in support of Ukraine. Further incidents remain a real possibility, as neither side has shown any inclination to seek ways to prevent a repeat – or worse – of November's spat, and would likely increase the volume of such calls.

If the clash illustrates Moscow's increasing assertiveness and belligerence in the Azov Sea, Ukrainian President Petro Poroshenko's response hardly helped. No evidence supports Moscow's assertion that Poroshenko engineered the incident to bolster his ratings ahead of March's coming elections and prevent his opponents from campaigning by declaring martial law. But Poroshenko has attempted to harness events to his advantage – most blatantly by proposing 60 days of martial law, which would have undermined his opponents' ability to campaign for the March 2019 presidential elections. (Martial law was only imposed for 30 days, thanks in part to EU pressure). The prospect of his seeking to capitalise on another confrontation cannot be ruled out.

### *The Impact of Grey Zone Incursions*

While Kyiv and Moscow are unlikely to make progress toward resolving the Donbas conflict this year, 2018 offers lessons as to how parties can reduce harm to civilians and lay the groundwork for Ukraine's future reintegration – or at least avoid further undermining it. Civilian casualties in Donbas more than halved in 2018 compared with the previous year. The steepest month-to-month reduction in casualties occurred between June and July with the start of the “harvest ceasefire” agreed upon by the Trilateral Contact Group, showing that Contact Group negotiations can have a real impact even when the larger peace process has stalled.

Despite the overall decrease in casualties, the occasional flare-ups that still occur entail high costs for civilians. These clashes are mainly linked to advances by the Ukrainian army and National Guard in the so-called grey zone between the two sides' front lines – and the responses by rebels and their allies to those advances. The government describes its actions as means to lift troop morale and “liberate” the civilian population. Military analysts mostly dismiss the moves as public relations ploy with negligible on-the-ground effects. Both interpretations are misleading: the military dividends from the operations may be minimal but their effects are real enough, given the resulting civilian casualties. Injuries and deaths peaked between April and June 2018, coinciding with Ukrainian troops' moves into the Horlivka suburb of Chyhari (Pivdenne), as well as Zolote-4 (Partizanske), a settlement that is part of greater Zolote, near the disengagement zone of the same name.

Apart from increased exposure to shelling and live fire, civilians in these areas, who are disproportionately elderly and female, often suffer destruction or military appropriation of their homes. The financial costs of these losses, as well as those of any serious injuries, may be severe. While local authorities have made efforts to house families evacuated from Chyhari, the state still has no legal mechanism for restitution for property damaged as a result of hostilities, nor has it followed through on February 2018 legislation that provides for regular financial assistance for civilians injured. The overall impact of grey-zone incursions is to harm civilians and their trust in the Ukrainian state.

### *Moving Forward*

For Europe, the priority should be to reduce risks of further incidents in the shared Russian and Ukrainian waters of the Azov Sea and Kerch Strait while signalling to Moscow that it should not use its de facto control of Crimea to hinder Ukrainian or international shipping or strangle Ukraine's economy. European governments and Western powers more broadly are caught between, on one hand, needing to hold the line as Moscow (having illegally seized Crimea and backed Donbas separatists) again appears to be probing to see how far it can push and, on the other, avoiding further militarising the crisis or incentivising Kyiv to engage in risky behaviour in response to Russia's aggression.

The EU should continue to offer mediation to help prevent another incident; it should also follow through on recommendations to appoint a special envoy

for Ukraine. This envoy would spearhead EU efforts and stand ready to oversee some form of investigative commission comprising representatives of both Russia and Ukraine. Prospects of either side agreeing to such a commission for now appear slim, particularly during the Ukrainian election season: Kyiv will be loath to appear conciliatory toward Moscow, while Moscow may wish to hold out for what it hopes will be a friendlier president and/or parliament. Calling for a commission would signal that Moscow cannot indefinitely deny its actions, whether in the Azov or Donbas. At the same time, it would remind Kyiv that its own behaviour is also open to scrutiny.

The EU should also ensure member states stay focused on the search for medium-term solutions to the humanitarian crisis in Donbas. Even before the 25 November events, any progress on negotiations during Ukraine's 2019 election season was highly unlikely. Talks over a potential peacekeeping mission for Donbas, which proceeded sporadically throughout 2018, have largely petered out with little progress made. After the Azov Sea incident, any further implementation of the Minsk deal appears even less likely. Ukraine's partners therefore need to keep up pressure on the sides to agree, through the Trilateral Contact Group, to observe the ceasefire, renew it when necessary, and cease grey zone incursions. They should also encourage Kyiv to lay the possible groundwork for the future reintegration of separatist-held areas by cushioning the humanitarian impact of continued violence and signalling to people in areas affected by the conflict along both sides of the front lines that it prioritises their well-being – even if they are unlikely to vote for those in power. On these topics, too, a European envoy could help deliver messages to Kyiv.

## Latin America and Caribbean

Latin America has much to worry about in 2019. Many in the region are disillusioned with their democracies and angry at political elites they view as incapable of checking economic decline and chronic levels of violence. Two new presidents in the region's largest countries, Brazil and Mexico, though holding radically different political worldviews, owe their landslides at the ballot box largely to this sentiment. Whether they can tackle its causes, however, is far from clear, most notably in the case of new Brazilian President Jair Bolsonaro, whose draconian policy prescriptions have dismal track records. Regional organisations, meanwhile, are under strain. The polarisation in the region that has partly rendered them ineffective in the face of political crises in Venezuela and Nicaragua looks set to deepen, at a time when Venezuela's crisis in particular risks taking an even deadlier turn and needs strong regional consensus behind a negotiated settlement. Despite encouraging signs of burden-sharing when it comes to displacement and migration, leaders also are responding to the lawlessness that drives many people to leave homes with "iron fist" policies that are likely to make matters worse. The EU and European governments can help: by reinvigorating diplomatic efforts to find ways out of the Venezuelan and Nicaraguan crises; with humanitarian aid to support those fleeing insecurity or hopelessness; and by warning allies in the region away from security crackdowns that over time are more likely to aggravate violence and crime than mitigate them.

The politics of Latin America's two newest presidents, in Brazil and Mexico, contrast starkly but their victories at the ballot box share the same roots: deep public discontent with the status quo. Brazil's far-right president, and Mexico's left-leaning nationalist leader Andrés Manuel López Obrador, both harnessed public fury at economic malaise, high-level corruption and extreme insecurity during their campaigns. Among their supporters, hope is high that they can improve security, turn around the Brazilian and Mexican economies and stamp out graft. But both countries' fractious and fragmented democratic systems could well dash those expectations: deals with the 30 parties in Brazil's Congress and the 27 state governors (out of 32) in Mexico from parties opposed to López Obrador will doubtless dilute both presidents' ambitions to pass far-reaching reforms.

More broadly, for the region as a whole, risks are high that a fixation on domestic concerns in both these powerhouses, alongside what are likely to be marked differences between the two men's foreign policies, will create a leadership vacuum and deepen polarisation within already debilitated regional institutions at a time when Latin America's peace and security challenges are worsening and authoritarian leaders are testing its conflict management mechanisms.

While many governments in the region are acutely concerned by Venezuela's crisis and the resultant migration exodus – some three million have fled the country, most of them since 2015 – they have collectively proven unable to find a peaceful, negotiated solution. Divisions in the region, volatile U.S. engagement and China's and Russia's growing influence have hindered an effective and unit-

ed response. As the crisis takes its latest twist – with the opposition refusing to recognise Nicolás Maduro as president, National Assembly chairman Juan Guaidó’s proclaiming himself interim president and a number of governments, including those of U.S., Colombia and Brazil, recognising Guaidó’s claim – the risk of some form of military confrontation has arguably never been higher.

In Nicaragua, the government’s brutal crackdown against protesters last year so far has triggered a similarly ineffective regional response. Despite condemnation by a majority of Latin American governments, as well as the EU and U.S., President Ortega has only intensified his offensive against the opposition. Waning support for democracy across the region, now standing at only 48 per cent – lower than any time since 2001 according to Latinobarómetro, a widely respected polling organisation – suggests rulers elsewhere may find receptive audiences should they aim to concentrate power and claim to offer swift solutions to public woes.

As regards collective action to cope with the increasing volume of migration, some signs are positive and others less so. Latin American governments and the UN have stepped in to stem Venezuela’s refugee and migrant crisis and support its neighbours Colombia and Brazil, as well as other countries hosting large numbers of Venezuelans, while the Mexican government plans to spur job creation in northern Central America to dampen emigration. But Venezuelans also encounter rising xenophobia and toughening border controls. López Obrador’s fragile entente with the Trump administration – with Washington saying it would join efforts to fund Central American development so long as Mexico houses those seeking asylum in the U.S. – is vulnerable to sudden shifts in mood in the White House, while a fair, long-term policy to address the causes behind emigration could be undermined by Mexico’s fiscal constraints.

Meanwhile, draconian iron fist responses to deteriorating law and order in a number of countries could make things worse. The El Salvador and Honduras governments are reacting to the rampant criminal violence that drives much of the outflow of people with tough law enforcement approaches that have reduced murder rates, but not diminished the power of gangs over people’s lives. Bolsonaro’s moves to make it far easier to own guns could generate much worse violence in a country that saw over 60,000 murders in 2017. In Mexico, López Obrador has vowed to end the “war on drugs”, which produces record murder rates in the country, but plans to continue relying on the military to tackle cartels, a strategy that could perpetuate terrible levels of bloodshed. Colombia’s coca boom has brought growing domestic and U.S. pressure on the government to prioritise forced eradication and killing or capturing criminal leaders. This would risk undermining the 2016 peace accord with the Revolutionary Armed Forces of Colombia (FARC) insurgency at a time when the guerrilla National Liberation Army (ELN) appears to be set on violent expansion, highlighted by a bomb attack in Bogotá that killed 21 on 17 January and ended peace talks with the government. One of the region’s rare success stories in curbing judicial impunity and violent crime, the UN Commission Against Impunity in Guatemala, faces dismantlement by its host government.

Faced with so many worrying trends, the EU should redouble its support to negotiated settlements to the region's crises, continue to provide critical humanitarian aid and warn against political polarisation and counterproductive security policies. The risks of intensifying conflict in Venezuela and Nicaragua and concerns about the foreign policy of the region's heavyweight, Brazil, should spur enhanced diplomatic support to regional efforts to help both countries reach peaceful settlements. Establishing a contact group of foreign states backing negotiations in Venezuela, as the EU has proposed, would be a welcome step and could generate broader consensus behind a settlement by including neutral states and supporters of the incumbent Maduro government. In Nicaragua, the EU, which enjoys credibility and a long-term relationship with the government, should press President Ortega to release political prisoners and renew its commitment to electoral reform, which could help cool tensions between the government and its opponents. The EU's humanitarian aid is critical too: additional EU funds will likely be needed if the humanitarian emergency in Venezuela worsens, which appears probable; the EU should be ready to mobilise financial support for UN agencies and NGOs responding to humanitarian needs of Central Americans in transit to the U.S. or those deported back to their homelands. European diplomats should also use their influence over and financial support to security forces and judiciaries across the region to provide alternatives to the tough law enforcement policies that appear to be gaining currency.

## Venezuela – A Rough Road Ahead

Venezuela enters 2019 amid profound political turmoil, enormous uncertainty and risks that its crisis could turn into a dangerous military confrontation. A collapsed economy, hyperinflation and the government's intransigence and repression have already led more than three million Venezuelans to leave the country, creating one of the region's gravest migration crises in recent history. On 10 January, President Nicolás Maduro began his second six-year term of office, even as many Latin American and Western governments, as well as the EU, refused to recognise the 2018 presidential election as democratic. Then, on 23 January, as mass protests once again rocked the country, opposition politician and chairman of the National Assembly Juan Guaidó, supported by much of the Venezuelan opposition, announced he was assuming an interim presidency. The U.S. and many Latin American governments – though not the EU – immediately recognised Guaidó as Venezuela's legitimate leader. Guaidó's and his backers' move represents a considerable gamble; its success hinges on whether it can provoke splits in the Venezuelan military and win support within the security forces. Thus far, it has not done so; indeed, Venezuela's top brass declared its loyalty to Maduro. The opposition appears to have no backup plan and now faces a serious threat of violent reprisals by the government. Maduro announced that he was breaking diplomatic relations with the U.S. and would expel its diplomats; the U.S. thus far has refused to withdraw them. A serious crackdown by security forces on the opposition and any threats to U.S. officials could dramatically raise prospects of a potentially highly dangerous foreign mil-

itary intervention. Meanwhile, Russia, China, Turkey and others have reiterated their support for Maduro.

*The EU and its member states should:*

- Take urgent steps to find a negotiated outcome to the crisis; such efforts are all the more important now given the uncertainties generated by the recognition of Guaidó's interim presidency, the danger of crackdowns by the government and potentially even the risk of foreign military intervention. The EU should push for a negotiated solution that would start by defusing tensions between the two presidents (or whichever new power blocs emerge in coming weeks), lead to the immediate release of all political prisoners, and restore the powers of the National Assembly; establish a roadmap for talks that would include urgent political and economic reforms, and be facilitated by international guarantors; and end in free elections;
- Seek to quickly establish a Contact Group on Venezuela, as proposed last year and discussed at the EU foreign ministers' meeting of 21 January, comprised of countries with influence over both sides of the conflict. This group optimally would include allies of President Maduro such as China, Russia and Turkey, but if that proves impossible at the outset, it should at a minimum involve participation of governments perceived as neutral, such as Mexico and Uruguay, which have not recognised Guaidó and have proposed fresh negotiations after the crisis's recent escalation. The Contact Group's purpose would be to foster conditions for negotiations and bring the two sides to the table;
- Warn the Venezuelan government that additional, targeted sanctions on other top officials (the EU and some European countries already maintain sanctions that include travel bans on individual government members and bans of exports to Venezuela of arms and other sensitive items) immediately will follow if it embarks upon crackdowns of protests or if the government dissolves the National Assembly or arrests Guaidó; at the same time, establish a clear roadmap for lifting all sanctions were the government to move toward a negotiated transition;
- Increase aid to alleviate the humanitarian emergency both inside Venezuela and among refugees.

*The Brewing Crisis*

Having won a deeply flawed election last year, President Maduro assumed his second term as president showing little sign of being able to resolve Venezuela's major economic, humanitarian and political crises. Last year's vote saw the authorities bar some of the most popular opposition candidates, while experienced national election observer bodies reported blatant coercion and vote-buying, widespread use of state resources in Maduro's favour and his campaign's dominance of state-run and most independent media. Since then, Maduro had been pursuing potential dialogue with the opposition through his main negotiator,

Information Minister Jorge Rodríguez, who continued to maintain sporadic contact with some opposition leaders. Rodríguez, say opposition sources, had offered fresh general elections in exchange for the opposition agreeing to back some (ostensibly minor, but unspecified) changes to the Constitution. This would in theory have allowed the National Constituent Assembly – a body installed in 2017 supposedly in order to reform the constitution but that is stacked with Maduro loyalists and in effect dilutes the power of the National Assembly – to be wound up. The National Assembly, which remains the only Venezuelan institution with undisputed democratic legitimacy, derived from the last free national election in 2015, would – again, in theory – then retake the legislative reins.

However, the government had apparently ruled out reforming the electoral authority, which is currently heavily pro-government, and did not contemplate an early presidential election, except potentially after three years under the constitution's recall referendum provisions. In 2016 it used its control of the Supreme Court and the electoral authority to block a recall referendum, and would have been in a position to repeat this tactic in 2022. Moreover, government negotiators (and Rodríguez in particular) have a history of reneging on commitments made during talks and of using "dialogue" to divide and demoralise the opposition. As a result, only substantive, unilateral confidence-building measures, such as moving to restore the powers of parliament or releasing all political prisoners, would be likely to bring the opposition back to the table.

If Maduro's stranglehold over state and judicial powers remained the most important obstacle to meaningful talks, the opposition faced its own divisions and weaknesses. Hardliners, who broke away from the main opposition coalition in September 2017 to form the Soy Venezuela group, rejected talks with the government or participation in elections, arguing Maduro must first be ousted. Soy Venezuela leaders, many of whom are based outside the country, for months had been pushing for a parallel government, and even foreign military intervention, to topple Maduro. Their calls for an alternative government had been supported by Organization of American States (OAS) Secretary General Luis Almagro and a handful of very vocal commentators on social media.

Most opposition parties had, however, until recently charted a less confrontational course, sticking to the terms of a resolution the National Assembly overwhelmingly adopted in November 2018 that stressed the need for a peaceful, negotiated transition. Under new parliamentary leadership, opposition leaders in the country were attempting to regroup, strengthen their position with the electorate and fracture the ruling coalition by stressing the contested status of Maduro's presidency and offering amnesty to those willing to abandon him.

Over recent weeks, their reinvigorated campaign mobilised large crowds at opposition rallies across the country, and sparked dozens of small-scale protests in formerly loyal chavista neighbourhoods in downtown Caracas, where residents voiced their anger at sky-rocketing prices and deteriorating living conditions. Several dozen National Guard troops in Caracas seized a barracks after stealing some weapons, but were arrested soon after.

Buoyed by these displays of public despair and shows of support for the new opposition strategy, moderates and radicals aligned behind the declaration of

Guaidó as president. However, if this move fails to provoke splits in the military, it is uncertain what the opposition will do next. At that point, the ball could well be in Guaidó's foreign backers' court.

### *Tense International Politics*

The international politics of Venezuela's crisis have also become ever more fraught over the past year. The exodus of millions of Venezuelans has strained neighbours' budgets, added to social tensions in those countries and angered their leaders. As diplomatic efforts to find a solution floundered, influential regional voices insisted that no option, including military force, could be ruled out. These have included not only Almagro but, on occasions, U.S. President Donald Trump and the influential Florida Senator Marco Rubio. Brazil's new far-right president Jair Bolsonaro's hard-line statements during his election campaign and since assuming office, combined with calls from exiled opposition leaders for a "humanitarian intervention", have ratcheted up rhetoric around the crisis. The Maduro government has responded in kind, with belligerent statements and accusations that neighbours are plotting the president's assassination and an all-out invasion.

Existing border squabbles, particularly with Colombia and Guyana (two-thirds of whose territory is claimed by Venezuela) have added fuel to the fire. Guyana's 2017 discovery of substantial oil deposits in offshore waters claimed by Venezuela, and its decision to refer the case to the International Court of Justice in The Hague, have resulted in an escalation of a long-dormant crisis. For Colombia, the growing presence in Venezuela of guerrillas from the ELN, the country's only remaining significant insurgent group and the perpetrators of a car bombing in Bogotá that killed 21 people at a police training centre on 17 January, is a major concern. Peace talks with the ELN have collapsed, and both the guerrillas and remnants of the Revolutionary Armed Forces of Colombia—People's Army (FARC) – formerly Colombia's largest guerrilla group, which demobilised as a result of a peace deal under Colombia's previous government of Juan Manuel Santos – have been drawn to the gold mining zones of southern Venezuela, allegedly with the approval of senior Venezuelan officials.

Nor are western hemisphere actors the only ones involved. In December, Russia's deployment of a small fleet of military aircraft, including two Tu-160 strategic bombers on what Moscow called a "training exercise" to Venezuela, added to geopolitical tensions. Defence Minister Vladimir Padrino López said Russia and Venezuela were both prepared to defend Venezuelan territory.

The inability of the region's traditional conflict-resolution actors to find an exit to Venezuela's crisis partly explains why it has boiled over. The OAS has failed to muster the necessary votes among its members for a more productive role, due largely to the lingering loyalty to Venezuela of Caribbean states that have received its energy assistance in recent years. Mercosur, the South American trading bloc to which Venezuela was admitted in 2012 primarily for political reasons, because it was then seen as an ally of leftist governments in Brazil and Argentina in particular, suspended Caracas's membership indefinitely in 2017; it has contributed little to resolving the crisis.

In 2017 a dozen Latin American and Caribbean nations created the ad hoc Lima Group specifically dedicated to that end, but its credibility is now at stake after most of its members opted to recognise Guaidó. Colombia, Brazil, Canada and other countries in the Lima Group – though not Mexico – joined the U.S. in backing Guaidó's interim presidency. Should no major rupture in Maduro's military support base transpire, this move risks severing all ties between Caracas and most countries in the Americas, and generating reprisals against the opposition. If there is a military rupture, these countries will have to handle a potentially chaotic collapse of the government that could, in the best-case scenario, enable a transitional administration to take power and create the conditions for elections in the short term.

There are other risks. Maduro has announced that diplomatic ties with the U.S. will be cut. However, the U.S. does not recognise his authority to expel the embassy officials. Should this stand-off lead to intimidation of embassy staff, or should Maduro move to arrest Guaidó or crack down on the opposition, Washington may feel the need to introduce tougher sanctions, possibly including an oil embargo, while calls for a foreign military intervention are likely to become more insistent. For its part, the EU has applauded the National Assembly's efforts to restore democracy in Venezuela but refrained from recognising Guaidó as president. Meanwhile, Russia, China, Turkey, Iran, Cuba, Bolivia and Nicaragua have all expressed their support for Maduro's presidency.

### *A Way Out of the Minefield*

In light of deepening internal tensions and the breakdown of diplomatic ties, the EU and member states should redouble efforts to create conditions – in what is now a far more challenging context – for the resumption of credible talks between the sitting government and opposition. Immediate moves to defuse the tension between the two presidents, or whichever new power blocs emerge in coming weeks, should include the restoration of the National Assembly's powers, release of all political prisoners, and dissolution or curbing the powers of the National Constituent Assembly.

Should a temporary settlement be reached between the two (or more) sides along these lines, the EU should then proceed to pursue a roadmap for wide-ranging negotiations on political and economic reform, facilitated by international guarantors. Optimally, such talks would give rise to an interim cross-party government composed of elements of chavismo and current opposition leaders, before free presidential and parliamentary elections observed by international monitors are conducted.

The EU should gather as broad a coalition of foreign states as possible on the basis of their shared concern over the regional destabilisation caused by Venezuela's turmoil and their wish to see a peaceful and sustainable outcome to the crisis. All states involved should be willing to apply diplomatic and other forms of pressure to push for substantive negotiations and support a future transition, including with funding for economic reconstruction. The EU's proposed Contact Group is likely the best option for achieving this, though its success will depend on the inclusion not only of the U.S. and the Lima Group, but also of countries the

Maduro government regards as allies, such as Russia, China, Turkey or Bolivia. If that proves impossible, the EU should at least invite neutral countries, such as Mexico or Uruguay, to join, in the hope that their participation could spur that of Venezuela's allies. Mexico has indicated its interest in joining.

The EU and its member states should also discourage others from adopting policies that risk deepening the crisis or blocking possible exit ramps. These include an oil embargo, which would likely worsen the country's economic miseries or, worse still, any kind of military intervention. At the same time, the EU should keep up stiff pressure on the government. Already it and some European governments have imposed sanctions on senior Venezuelan officials; they could make clear the possibility of further sanctions on government officials involved in crackdowns against protesters or the harassment of the National Assembly or its members. They simultaneously should set clear conditions for gradually lifting such sanctions based on the government moving toward genuine negotiations.

The EU should also maintain its current support to the National Assembly as an indispensable part of any transition. It might, for example, offer to approve fresh credits for economic reconstruction or greenlight the lifting of sanctions against government figures if so requested by National Assembly leaders. Finally, the EU ought to increase development aid and support to countries responding to the refugee crisis, both for humanitarian reasons and to shore up the region's stability by reducing the economic and social impact of large-scale immigration.

## Middle East and North Africa

Although the Middle East and North Africa experienced another chaotic year, with most countries still locked in various stages of political turmoil and economic crisis, Europe has an opportunity to build on recent developments that offer fragile hopes of progress. While in the past it might well have felt like a relative bystander to much of the region's turbulence, that distance paradoxically could make it a more effective mediator today at a time when uncertainty reigns in Washington.

In Yemen, after almost four years of war, destruction and immense human suffering, the principal players in the conflict are again moving toward talks. Whether the cautious momentum toward a political settlement in late 2018 will last is uncertain, but the EU – which enjoys ties to virtually all parties involved in the conflict – could help sustain it. The UN could benefit from full European support to monitor the Hodeida ceasefire and keep humanitarian channels open, bring the warring parties to the table for sustained peace talks, and even narrow the gap in perceptions on the Yemen war between Iran and Saudi Arabia.

In Syria, a brutal eight-year war is starting to draw to a close, and President Assad is not going anywhere. But for the EU, the Assad regime's survival presents challenges for its policies of stabilisation, reconstruction and refugee return. The Syrian government has addressed none of the grievances that drove protesters in 2011; arguably, the war has only entrenched discontent. Although European leaders will have to find a way to deal with the Syria that exists rather than the one it would like to see, and while it has a strong interest in Syria stabilising, it also will want to use whatever leverage it retains to push the regime on issues of concern – eg, to avoid retribution against opposition supporters in areas it has retaken from rebels, or against returning refugees, and begin to implement political reforms. Threading this needle will be difficult, but by using the prospect of reconstruction assistance and engaging with Russia and Iran in talks about some kind of political transition in Syria, it might be able to achieve modest progress.

Beyond the priority task of helping bring to a close two horrifically costly wars are other regional challenges that Europe, which enjoys broad ties with competing actors, should help manage through diplomatic engagement and the leverage of potential economic support. Tunisia heads for elections that could endanger the democratic gains it has made since 2012. Talks to establish a unity government in Libya are yet to make headway. Economic stagnation in Egypt and Algeria is sowing the seeds of future unrest. Iraq and Lebanon struggle with fragile governments. Saudi Arabia's erratic foreign policy is doing little to stabilise the region. And the conflict between Israel and the Palestinians – without any expectation of progress – could reignite violently at any time, more likely in Gaza, but eventually in the West Bank as well.

The main threat to the region's stability remains the struggle between Iran and the U.S. Iran has used the vacuum created by Arab state failures in the wake of the 2011 uprisings to extend its regional influence, setting off alarm bells in

Tel Aviv, Riyadh and Abu Dhabi. The Trump administration has responded with bellicosity where it could – and should – have built on the thin relationship with Tehran forged during President Obama’s tenure to discuss potential steps toward regional de-escalation. Europe has cards no one else does, and ought to continue using them: a measure of goodwill from Tehran due to its efforts to maintain the nuclear deal alive; a dialogue with Iran on regional issues; and close ties with Saudi Arabia and its Gulf allies. All those are assets that will be critically needed as the region enters into yet another year of high tensions.

## Iran: Preserving the Nuclear Deal

The Trump administration’s decision to exit the 2015 Joint Comprehensive Plan of Action (JCPOA) and unilaterally reimpose sanctions on Iran as part of a “maximum pressure” campaign has put the agreement in significant jeopardy and set the U.S. and Iran on a possible collision course. The remaining signatories to the deal, including the EU and three member states (France, Germany and the UK, collectively known as the E3), are striving to preserve it and Iran has continued to adhere to it. But as sanctions take a severe toll on the Iranian economy, the urge to retaliate against the U.S. withdrawal is building up in Tehran. The accord’s collapse would lead to a renewed and perilous nuclear crisis at a time when tensions across the Middle East are already high, including between Iran and regional powers such as Saudi Arabia and Israel.

### *The EU and its Member States Should:*

- Uphold the JCPOA so long as Iran remains in compliance with its nuclear obligations and implement mechanisms such as the Special Purpose Vehicle (SPV) to ensure the accord delivers at least some of its anticipated economic dividends.
- Undertake more effective public diplomacy, particularly toward Iran and the European private sector, to clarify its policies and explain the complexity of European efforts in adopting such mechanisms.
- Continue discussions with the U.S. regarding member state exemptions on secondary sanctions, particularly with regards to humanitarian trade with Iran.
- Separate efforts to save the JCPOA from their response to other security concerns, including purported plots against Iranian dissidents on European soil and Iran’s ballistic missile tests and transfers.
- Encourage Iran to deepen and widen ongoing EU-Iran discussions on Yemen to include other regional issues as well as Iran’s ballistic missile program and human rights.

### *Threats to Diplomacy and Regional Stability*

In May 2018, President Donald Trump announced that the U.S. would terminate its participation in the JCPOA and reimpose sanctions lifted in 2016 as part of the nuclear agreement. Washington's repudiation of the JCPOA is part of a wider "maximum pressure" campaign against Iran seeking to not only coerce Iran into renegotiating the terms of a concluded and functioning multilateral accord, enshrined in a UN Security Council resolution, but capitulating to a longer list of U.S. demands on Iran's regional policies and ballistic missile program. The risks in the coming year are threefold: that Iran, seeing dwindling benefits from its continued adherence to the JCPOA, decides to curb or terminate its participation in the accord, sparking a renewed nuclear crisis; that the U.S. and Iran will keep edging toward a direct conflict; and that regional frictions between U.S. and Iranian allies could escalate and draw in other parties.

If Iran's dividends from the nuclear deal keep shrinking, hardliners in Tehran who call for abrogating the JCPOA and assuming a more confrontational posture in the nuclear realm and the region could gain ground. Sanctions have already weakened Iran's economy, driving a significant devaluation of the rial, pushing up inflation, curbing the country's oil revenue (some limited oil waivers notwithstanding) and sinking the economy into a recession. With a parliamentary election in 2020 and a presidential vote in 2021, pragmatic politicians associated with an increasingly fruitless diplomatic approach could lose ground to more hard-line forces critical of international engagement.

At the same time, tensions over Iran's regional role and a U.S.-led drive to curb it could leave Washington and Tehran jostling for the upper hand across a string of regional flashpoints, from Afghanistan and the Gulf to Iraq, Syria and Lebanon. Tensions between Iran and Israel are of particular concern, with Israel acting more frequently to counter what it perceives as Tehran's rising influence across the Levant. A confrontation between Hizbollah and Israel, for example, could rapidly escalate in Lebanon and Syria, drawing in Iran and the U.S. in support of their respective allies.

### *Bolstering the Deal and Broadening Dialogue*

As core participants in the nuclear deal, the EU and three of its member states have thus far delivered a consistent and unified message against Washington's JCPOA withdrawal and sanctions. High-level European participation in the upcoming ministerial meeting on the Middle East in Warsaw, which will likely see significant U.S. emphasis on criticising Iran, could erode this message and European credibility in Tehran. EU measures to protect the deal, such as the blocking statute introduced in August 2018 and the SPV expected in early 2019, backed by the E3 and designed to facilitate European trade with Iran in a way that bypasses U.S. sanctions, are critical to forestalling the accord's collapse, and should be fully implemented. Such efforts would be more effective alongside more robust political signalling and public diplomacy campaign underscoring the extent of the EU's work to preserve the JCPOA, both to the European private sector and Iran itself. Visits by high-level EU officials to Iran, outreach to

Persian-language media platforms explaining EU decisions and policy, and the production of readily-accessible information in Persian of relevant EU statements and announcements could each serve to increase the visibility and explain the importance of EU decisions on Iran. Brussels should also intensify its consultations with the Islamic Republic to allow the establishment of an EU delegation in Tehran.

In parallel with these efforts, the EU should encourage the U.S. to issue extended and ideally expanded sanctions waivers for member states, and press for clarity on nuclear and humanitarian exemptions. It can also maintain its dialogues with Tehran on Yemen (there were four rounds of discussions that France, the EU, UK, Germany and Italy held with Iran in 2018) while exploring wider avenues of engagement on both regional and domestic issues. Such conversations may be crucial for eventual talks on building on the nuclear agreement, not least if the U.S. chooses to re-engage diplomatically in due course.

Preserving the JCPOA does not preclude the EU from pressing Tehran on other security issues, particularly alleged assassination attempts against Iranian dissidents on European soil, renewed ballistic missile testing, and potential Iranian weapons transfers to local allies in the Middle East. The JCPOA does not constitute a *carte blanche* for Iran to behave in ways that damage European interests. Still, should the EU and its member states eventually place targeted sanctions on Iran, it should make it clear that these measures do not prejudice continued cooperation on the nuclear front.

## Tunisia in 2019: a Pivotal Year?

Tunisia's political transition is in trouble. Hopes that the country's post-uprising leadership would successfully tackle its myriad political and socio-economic challenges have started to dim. The economy is in the doldrums and the political leadership is increasingly split between Islamists and non-Islamists, both competing for control of state resources. This confluence of problems is stirring a general crisis of confidence in the political elite, and there is reason to fear that the country may backslide from its post-2011 democratic opening ahead of presidential and parliamentary polls at the end of the year.

*As Tunisia's main trading partner, and in the context of its European Neighbourhood Policy, the EU should:*

- Continue its macro-financial assistance despite the government's slow pace in implementing necessary reforms (eg, pension reform, reducing the public-sector payroll, improving the business climate and greater fiscal transparency, among others);
- Encourage the government to prioritise public-administration reforms, introduce greater transparency in public-sector appointments and transfers, and establish clear rules governing relations with senior administrative officials – all steps that can help prevent further polarisation between Islamists and anti-Islamists;

- Encourage parliament to reach agreement on creating a politically diverse Constitutional Court to ensure its independence;
- Resist attempts to restore an authoritarian regime by, for example, conditioning continued financial support to Tunisia on the legislative and executive branches' respect for the constitution.

### *An Ailing Economy and Polarisation at the Top*

The economy is faring poorly. The Tunisian dinar has depreciated by more than 40 per cent in relation to the euro since 2016, reducing purchasing power, while inflation stands at 8 per cent annually. As a result, the cost of living has increased by more than 30 per cent since 2016, driving households into debt. Regional disparities are growing, and unemployment remains dire. These factors combined have accelerated both a brain drain and capital flight.

These economic troubles occur at a time of severe tensions between President Béji Caïd Essebsi and Prime Minister Youssef Chahed, which have grown over the past two years. Their rivalry has laid bare an old rift between Islamists (mainly the An-Nahda party) and anti-Islamists (represented by Nida Tounes, the president's party), with Chahed, who originally hails from Nida Tounes relying on the Islamist bloc's parliamentary dominance to remain in office.

An-Nahda has been in coalition governments since 2011, but from 2016 onward, when Chahed became head of a national unity government, the party has worked hard to strengthen its power by placing a growing number of its supporters in senior posts in the public administration, state-owned companies and government offices and agencies in the capital and provinces. In doing so, it is changing in its favour the composition of patronage networks controlling state resources and access to credit, private monopolies and oligopolies. Over time, this inevitably will reduce the economic predominance of coastal northern Tunisia over the southern hinterland.

In May 2018, An-Nahda made headway in local elections. It won 28 per cent of municipal council seats (against 20 per cent for Nida Tounes), including in all the main cities. The next month, it took charge of the administration in 36 per cent of all municipalities (compared with 22 per cent for Nida Tounes). This partial victory boosted the party's political weight, altered the balance of power vis-à-vis its principal opponent, and raised a question mark over the tacit agreement between Islamists and anti-Islamists in place since the 2014 parliamentary and presidential elections. By this unwritten agreement, An-Nahda had accepted less power than its electoral weight would suggest it should have, with just three ministries, none a major one; it had also agreed not to interfere with the established patronage networks, for example by placing its backers in senior executive positions.

Its electoral show of strength triggered a response from an inchoate coalition of senior figures in government, business and professional associations and trade unions, as well as far-left activists and Arab nationalists. They started to pressure the interior and justice ministries to classify the Islamist party as a terrorist organisation, and on the military courts to dissolve it and imprison

some of its leaders. They also began reaching out to Saudi Arabia and the United Arab Emirates (UAE) in hopes of soliciting these two countries' support against An-Nahda, whose leader, Rached Ghannouchi, is a leading intellectual figure among the regionwide Muslim Brotherhood, their staunch enemy. The resurfacing of this rift invites a return to Tunisian politics of political competition that has dominated the Middle East and North Africa region since 2013 – between Turkey and Qatar, representing the Islamist bloc, on one side, and Egypt, Saudi Arabia and the UAE, on the other.

An intensifying struggle over resources would further deepen the rift between Islamists and anti-Islamists. It also would significantly heighten political and social tensions ahead of parliamentary and presidential elections later this year, which could well prove decisive in shaping the country's political and economic complexion for the next decade. Because of a split in the secularist camp, An-Nahda's enduring popularity among large sectors of the population and its dominance of governing institutions, the party remains the favourite to win at least the parliamentary elections. Even were this scenario to pass, the Islamists' power could be circumscribed. It will need to cobble together a governing coalition, and optimally will be willing once again to forgo key ministries and maintain its tacit agreement with the anti-Islamists. An-Nahda's influence would be further curbed were it to put up a presidential candidate and loose.

However, other scenarios are possible. If tensions come to a head before the elections, violence could get in the way of the electoral process. This could prompt the president to declare a state of emergency, as provided for under the constitution, but without additional constitutional checks, this could put Tunisia back on the path of autocratic rule. For this reason, it is critical that the parliament establish a Constitutional Court, which would adjudicate whether the state of emergency can be extended thirty days after its entry into force. The court should have a politically diverse composition that might help to prevent it from endorsing such a move. Indeed, under this scenario, the absence of a Constitutional Court could plunge Tunisia into dangerous waters.

#### An EU Role in Preventing a Dangerous Backsliding

The EU is Tunisia's main trading partner and has provided important financial support to the country (between 2011 and 2017, EU assistance to Tunisia amounted to € 2.4 billion in grants and macro-financial assistance). It has a clear interest in protecting Tunisia's stability, to fortify one of the only – if not the only – success story to emanate from the Arab uprisings, dampen the appeal of jihadism to Tunisians, and limit illegal migration to Europe. It follows that, despite the disappointing pace of economic and political reforms (pension reform, reducing the public-sector payroll, improving the business climate, greater fiscal transparency, advancing negotiations about the Deep and Comprehensive Free Trade Agreement, creating the Constitutional Court and replacing four members of the Independent High Authority for Elections so that this body can move forward with organising the legislative and presidential elections of late 2019), the EU should continue to provide macro-economic support to prevent the situation from deteriorating even further.

In addition, it should encourage the government to prioritise public-administration reform, render public-sector appointments and transfers more transparent, and introduce clear rules governing its relations with senior administrative officials – all steps that, by reducing the role of partisan patronage would help prevent further polarisation between Islamists and anti-Islamists. It should also encourage political parties to reach agreement in parliament about the composition of the Constitutional Court, thus enabling its establishment. And it should use its influence to counterbalance any domestic or externally-inspired effort to restore an authoritarian regime by making continued financial support to Tunisia conditional on the legislative and executive branches' respect for the constitution.

## Yemen at an Inflection Point

Yemen enters 2019 with two paths open to it: a tentative road to peace, or a new phase of war that could plunge the country into the worst humanitarian crisis of a generation. A UN-brokered deal between the internationally recognised Yemeni government and Huthi rebels in Sweden last December – known as the Stockholm Agreement – gave rise to rare optimism about prospects for peace. But the UN is struggling to implement its terms, and backsliding by either party – already evident – could hamper discussions on larger issues, especially finding a framework for negotiations to end the war. If combat, particularly around Hodeida, re-erupts in earnest, it could take political negotiations off the table for a long time to come. All sides should ensure that small setbacks do not escalate and unravel attempts to prevent famine and end the war.

*In this context, the EU and its member states should consider the following steps:*

- Help maintain the momentum of political talks. Incoming UN Security Council members Germany and Belgium can take the lead in drafting presidential statements to keep parties focused on the negotiations;
- Reaffirm opposition to a Saudi-led coalition military assault on Hodeida while maintaining pressure on the Huthis to implement the Stockholm Agreement, both directly and through their interactions with Iran and Oman;
- Support the UN special envoy with technical assistance and expertise, for example in implementing or monitoring confidence-building measures. Many of the early steps for de-escalation involve complex logistical operations, for which European militaries and other government institutions can provide help;
- Step up humanitarian relief efforts and press the coalition, government of Yemen and Huthis to improve access to all parts of the country to help still-vulnerable civilians;
- Press for a more inclusive peace process, particularly with respect to women, civil society and groups from the south of Yemen.

### *Hodeida in the Balance*

The momentum of Yemen's conflict shifted toward the Red Sea coast in 2018, with United Arab Emirates (UAE)-backed Yemeni forces pushing up from the south. By June, those forces were nearing the outskirts of Hodeida, the entry point for 70 per cent of all goods shipped into Yemen. The UAE saw capturing the port as a way to force the Huthis to a compromise: only by depriving the rebels of sea access and customs revenue would the Huthis show any genuine willingness to budge, they argued. But humanitarian groups and other organisations, including Crisis Group, already reporting famine-like conditions across the country, warned that a battle for the port would cut off the crucial flow of supplies to Yemen's densely populated north. An international outcry over these concerns, helped halt the initial UAE-led offensive, offering the new UN envoy, Martin Griffiths, a first opportunity to broker a way out of the impasse.

Griffiths' intensive shuttle diplomacy did not end the contest over Hodeida. After the Huthis failed to attend planned peace consultations in Geneva in September, UAE-backed forces began a second push toward the port, partly encircling the city. But the October murder of Jamal Khashoggi, a Saudi Arabian journalist, at the kingdom's consulate in Istanbul, prompted a wider backlash against Riyadh's policies. Members of the U.S. Congress increasingly linked Khashoggi's assassination with the Yemen war's catastrophic humanitarian toll, and redoubled efforts to legislate an end to U.S. military support for the coalition. On 30 October, U.S. Secretary of Defense James Mattis and Secretary of State Mike Pompeo separately called for a de-escalation of hostilities and a resumption of political talks. Griffiths leveraged this momentum to reorganise consultations, which finally took place in Stockholm in early December.

These efforts culminated with the so-called Stockholm Agreement, which included a commitment to a prisoner exchange and to demilitarise the Red Sea trade corridor (Hodeida city along with Hodeida, Ras Issa and Salif ports). The parties agreed to continue discussions on the contested city of Taiz and meet again in January 2019 to discuss a framework for peace talks. Of particular note, under the deal the Huthis are to transfer Hodeida port, Yemen's largest, to UN management and reopen a humanitarian corridor to the north. But the parties failed to agree to reopen Sanaa's airport or unify the Central Bank, the latter being a vital step toward addressing Yemen's economic and humanitarian woes.

### *Peace at Peril*

Spoilers abound on all sides. Four years into the conflict, the Huthi movement is internally divided and fearful of making a move that would leave its forces exposed. Its field commanders retain a high degree of autonomy and may be less inclined to compromise than political leaders. The Yemeni government, meanwhile, has created its own obstacles to progress, making maximalist demands and unwilling to consider future power-sharing agreements. Both sides are reluctant to relinquish the authority they have attained through fighting and via the war economy. The Saudi-led coalition, for its part, could seize on a setback as a reason to escalate their military campaign. UAE-backed Yemeni

forces remain poised to advance toward Hodeida. Even in the best case scenario, a battle for the port would starve hundreds of thousands of Yemenis within weeks; a prolonged fight could kill up to a million, with many more pushed further into destitution and hunger.

Despite cautious optimism after the Sweden talks, the months ahead are fraught with risk. Both sides have used the agreement's overly broad and imprecise language to interpret it according to their views and cast doubt on each other's good faith. In the weeks since the ceasefire came into effect, the Huthis and coalition have exchanged recriminations, accusing each other of hundreds of ceasefire violations in Hodeida, while the Huthis have launched a series of attacks on the government of Yemen and coalition positions outside of Hodeida using ballistic missiles and drones. The Huthis accused the coalition of launching more than 130 air strikes in the same period before a wave of aerial attacks on Sanaa on 19 January.

It is also unclear whether the U.S. will be as active as it was in the run-up to and during the Stockholm talks: Defense Secretary James Mattis played an important part in preventing an assault on Hodeida throughout 2018 and in securing tentative agreements in Sweden; his departure in early January raises questions about future U.S. policy and whether his successor will be as effective at wielding influence with increasingly frustrated Gulf allies, who feel they are being asked to give up a great deal in order to mollify a Huthi movement they believe to be uninterested in compromise. To prevent backsliding, the UN-chaired Redeployment Coordination Committee tasked with implementing the ceasefire and demilitarising Hodeida will need to clarify the terms of the ceasefire, get the parties to agree to a mechanism for verifying redeployments, and ensure the Huthis withdraw from the Red Sea ports.

Even assuming the agreement holds, the UN special envoy will still have a huge task before him. He will need to halt fighting in the battleground of Taiz, an important step toward freezing the overall conflict. Secessionists in Yemen's south credibly argue that a genuine political settlement requires their input while women's groups say that their participation in talks thus far has been symbolic at best. Meanwhile, little has been done to dampen tensions among various anti-Huthi groups on the ground. The envoy's office, the coalition and outside powers urgently need to address this issue to prevent battles between rival groups in Taiz and Aden.

### *Supporting De-escalation and Talks*

With uncertainty in Washington and a complex, high-stakes political process ahead, the EU's role will be more critical than ever. Member states and EU diplomats enjoy the advantage of having maintained contact with all sides – members of the coalition, the Yemeni government, the Huthis and Iran – throughout the conflict. The EU as well as its member states should use these contacts to exert pressure on all parties: on the Huthis, to show flexibility and carry out their Stockholm commitments; on Iran, to press the rebel movement in that direction; and to the Saudi-led coalition, to genuinely end its military campaign and work toward a political settlement. The UN Security Council has proven to be a useful

instrument of pressure, and the EU should coordinate among member states on future Security Council action. Finally, EU member states should extend technical support to the envoy and his team, particularly with respect to port management and local security.

The EU should maintain current humanitarian programs, or even expand them. Its current focus on providing food, water and medicine, along with treatment for malnutrition and cholera, is critical. But the EU may need to increase its assistance rapidly in the event of a battle for Hodeida, and in any event should engage with the government, Huthi leadership and coalition to improve humanitarian access to vulnerable populations. Actors have a tight timetable to make progress, not least because of the threat of famine. That 20 million Yemenis are facing severe food insecurity should focus minds, help prioritise de-escalation and build on the Stockholm deal as a foundation for a political settlement.

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