A monthly bulletin by **Crisis Group** on current and potential conflicts around the world

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#### CrisisWatch:

- summarises briefly developments during the previous month in some 70 situations of current or potential conflict, listed alphabetically by region, providing references and links to more detailed information sources (all references mentioned are hyperlinked in the electronic version of this bulletin);
- assesses whether the overall situation in each case has, during the previous month, significantly deteriorated, significantly improved, or on balance remained more or less unchanged;
- alerts readers to situations where, in the coming month, there is a particular risk of new or significantly escalated conflict, or a particular conflict resolution opportunity (noting that in some instances there may in fact be both); and
- summarises Crisis Group's reports and briefing papers that have been published in the last month.

CrisisWatch is compiled by Crisis Group's Brussels Research Unit, drawing on multiple sources including the resources of our nearly 120 staff members across five continents, who already report on some 50 of the situations listed here. Comments and suggestions can be sent to crisiswatch@crisisgroup.org.

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Crisis Group is an independent, non-profit, non-governmental organisation, with over 110 staff members on five continents, working through field-based analysis and high-level advocacy to prevent and resolve deadly conflict. Crisis Group's approach is grounded in field research. Teams of political analysts are located within or close by countries at risk of outbreak, escalation or recurrence of violent conflict. Based on information and assessments from the field, Crisis Group produces regular analytical reports containing practical recommendations targeted at key international decision-takers, and backed up with high level advocacy. Crisis Group is co-chaired by former European Commissioner for External Relations Christopher Pattern and former U.S. Ambassador and Boeing Vice President, International Relations, Thomas Pickering, and its President and Chief Executive is former Australian Foreign Minister Gareth Evans.

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#### **CENTRAL AFRICA**



Burundi Peace talks between government and FNL rebels failed to meet 1 July agreement deadline; later extended following regional pressure. Progress limited as FNL seeks comprehensive agreement; government only wants ceasefire. Both continued to violate cessation of hostilities signed 18 June: FNL continued attacks in Buiumbura and Bubanza provinces; government forces pursued rebels, capturing 2 leading military commanders.

- "Rebels attack civilians as ceasefire talks continue", IRIN, 19
- "Burundi peace talks remain stalled", Mail & Guardian, 13 July 2006.
- For most recent report, see Crisis Group Africa Briefing N°31, Elections in Burundi: A Radical Shake-Up of the Political Landscape, 25 Aug. 2005.



Central African Republic Security situation remained tense along borders with Chad and Sudan. France offered military personnel and logistics support to help deal with continued rebel threats in north.

• "France provides military help to restore security in the north", IRIN, 13 July 2006.



Democratic Republic of Congo General elections 30 July – first free polls in 40 years – reported generally peaceful; full results expected end August. Concerns remain of challenges then igniting unrest. Questions raised over electoral irregularities, including excess 5 million ballots, but Catholic Church and some presidential candidates lifted calls for boycott days before poll. Violence spiked in pre-election rallies in Kinshasa and Kivus, killing 11; High Media Authority offices plundered and 1 journalist murdered amidst fears of media intimidation. Worst fighting in recent months between army and militias in parts of Ituri; UN/DRC forces suffered setback after rebels retook town of Tchei following UN withdrawal end June. In positive move, MRC rebels in Ituri accepted amnesty and agreed to integrate into national army; government claimed 4,000 surrendered arms by end of 2-month voluntary disarmament. North Kivu militia leader Laurent Nkunda pledged not to disrupt elections and created political-military party in alliance with MRC. Katangese Tigers reportedly arriving from Angola along border heightened security concerns as country awaits election results.

- "High turnout as Congo goes to the polls", The Guardian, 31 July 2006.
- "Uncertainty prevails ahead of Congo poll", ISN, 27 July 2006.
- "Killings raise fears before Congo election", CNN, 18 July 2006.

Crisis Group Africa Report N°114, Escaping the Conflict Trap: Promoting



Good Governance in the Congo, 20 July 2006. Congo's 30 July elections could result in renewed violence unless Kinshasa and donors increase efforts toward a transparent and accountable government. This is the country's most promising moment since independence, but there are dangers; the poll could create a significant class of...

...disenfranchised politicians and former warlords tempted to take advantage of state weakness and launch new insurgencies. The incoming government should strengthen state institutions, especially parliament and the judiciary. Major donors should form a body to coordinate funding and policy advice for the new government and regularly discuss good governance issues with key ministries and government anti-corruption bodies. Civil society needs to track public expenditures and press for sanctions against corrupt officials.



Rwanda UN tribunal (ICTR) rejected appeal of former Mayor Gacumbitsi and increased 30-year sentence to life in prison. In separate appeal, ICTR cut sentence of former Lieutenant Imansihimwe to 12 years, prompting Rwandan accusations of "failure of justice". ICTR chief prosecutor announced transfer of cases to Rwandan courts could start January 2007.

- "Slow progress at Rwandan tribunal", IWPR, 27 July 2006.
- "Rwandan ex-mayor gets life for 'sadistic' genocide", Mail & Guardian, 7 July 2006.



Uganda Peace talks opened 14 July between LRA rebels and Ugandan government in Juba, Sudan.

Rebel leader Kony and top commanders stayed away first round, fearing arrest, but met with government representatives 30 July in DRC border camp. Uganda refused ceasefire, demanding surrender in exchange for amnesty; rebels sought compensation, power sharing agreement and disbandment of national army. President Museveni extended deadline for agreement to 12 September, and government facilitated sidetalks between LRA and Acholi elders and rebels' relatives along DRC border. In move to decrease internal tensions, Museveni invited opposition leaders including presidential runner-up Besigye - still on trial for treason - to discuss political situation; Besigve declined. EU election observers reported February elections fell short of international standards.

- "Side talks could be key to northern Uganda peace process". Christian Science Monitor, 26 July 2006.
- "Catch-22 in Uganda: The LRA, the ICC, and the Peace Process", Jurist, 17 July 2006.
- For background, see Crisis Group Africa Briefing N°35, A Strategy for Ending Northern Uganda's Crisis, 11 Jan. 2006.

### **HORN OF AFRICA**



Chad Relations between Sudan and Chad improved with 26 July agreement to stop hosting each other's rebel forces and plans for Dakar summit in August. Security situation in east worsened as government forces continued to clash with rebels. Main opposition boycotted National Dialogue, launched by government to smooth differences with opposition, after rebels not invited.

- "Opposition snubs Deby's long-awaited national dialogue", IRIN, 28 July 2006.
- "Chad, Sudan sign another deal to end border tension", AlertNet, 26 July 2006.
- "World bank chief in Chad to seal oil profits deal", Reuters, 20 July 2006.



**Ethiopia** Ethiopian troops crossed into Somalia to support weak transitional government in Baidoa, raising fears entire region could spiral into conflict. 19 reportedly killed in cattlerustling dispute near resource-scarce border with Kenya, leading to cross-border raids and bilateral tensions.

"Why Ethiopia is on war footing", BBC, 21 July 2006.

"Somali Islamists vow holy war on Ethiopia troops", AlertNet, 20 July 2006.



Ethiopia/Eritrea Negotiations on border remained at standstill, but Ethiopian and Eritrean involvement heightened fears of proxy war in Somalia.

- "Ethiopian troops 'are in Somalia", BBC, 26 July 2006.
  "Ethiopia accuses Eritrea of obstructing border row settlement", Sudan Tribune, 4 July 2006.
- For background, see Crisis Group Africa Report N°101, Ethiopia and Eritrea: Preventing War, 22 Dec. 2005.



Somalia Country on brink of civil war, with fears conflict could spread to wider region. Ethiopian troops entered to support transitional federal government (TFG), with Eritrean support of Union of Islamic Courts (UIC) confirmed by Islamists' leader Aweys and UN; denied by Eritrean President Afwerki. Intensified fighting in Mogadishu early in month killed 140 as UIC routed last of U.S.-backed anti-terrorism alliance. Prospects for power sharing between UIC and TFG deteriorated sharply with talks to bring sides together on hold: UIC refused to participate with Ethiopian troops in country, while TFG accused UIC of breaking June agreement against military expansion. TFG weakened as 19 of 275 MPs resigned 27 July, citing loss of faith in TFG's commitment to peace negotiations. PM Gedi narrowly survived no-confidence vote 30 July. Pro-government demonstrators rioted 28 July in Baidoa after minister shot by unidentified gunman. UN monitors confirmed arms shipments from Ethiopia and Eritrea arriving in Somalia, after UN Security Council said willing to consider easing arms embargo to enable TFG to respond to security issues 13 July.

- "A killing strains Somalia's hold on its tenuous peace", New York Times, 28 July 2006.
- "The rising fear of a war of proxies", The Economist, 13 July
- For background, see Crisis Group Africa Report N°100, Somalia's Islamists, 12 Dec. 2005.



Somaliland (Somalia) African leaders discussed Somaliland statehood at AU summit early July; no action taken.

- Comment by Suliman Baldo (Crisis Group), "Dealing with Somaliland", Development and Cooperation, July 2006.
- "Somaliland statehood discussed at AU summit", VOA, 5 July 2006.
- For background, see Crisis Group Africa Report N°110, Somaliland: Time for African Union Leadership, 23 May 2006.



Sudan Implementation of 5 May Darfur Peace Agreement (DPA) at standstill, while rebels' split over DPA deepened and infighting increased. Sudanese military reported to be supporting attacks by SLA Minnawi faction, only group to sign DPA, against newly formed National Redemption Front (NRF) rebel group (Chad-backed alliance of JEM and other signatories). Abdel Wahid replaced by Abdel Shafi as head of splinter SLA faction, may ally with NRF. Government and Janjaweed militias attacked NRF bases in Jebel Moon and Kulkul despite ceasefire in west, displacing hundreds. NRF attack on Hamrat al-Sheikh in North Kordofan killed 12, fueled fear Darfur conflict could spread across Sudan. AU agreed to extend AMIS mandate to end 2006; donors later pledged \$220 million, mostly in kind, to keep beleaguered mission alive. Donors continued to push UN re-hatting; UNSG Annan suggested 31 July UN force of 24,000: rejected by Khartoum. U.S. President Bush met with both Minnawi and VP Kiir to

discuss peace processes in South and Darfur. In South, 15 killed in Rubkona in clashes between Sudanese army and SPLA 22 July. CPA Assessment and Evaluation Commission reported lack of progress implementing agreement, particularly in oil-rich Abyei. Up to 70 killed in inter-clan fighting in Lakes state over access to water and pasture. In east, second round peace talks mediated by Eritrea began between government and East Sudan Front rebels.

- Comment by Nick Grono (Crisis Group), "Sudan: confronting the atrocities in Darfur", allAfrica.com, 26 July 2006.
- "Tension in southern town after soldiers rampage", IRIN, 19
- Comment by John Prendergast (Crisis Group), "A dying deal in Darfur". Boston Globe. 13 July 2006.
- "Sudan military reported to be aiding rebel attacks", AlertNet, 12 July 2006.
- For background, see Crisis Group Africa Briefing N°39, Darfur's Fragile Peace Agreement, 20 June 2006.

#### **SOUTHERN AFRICA**



Angola Government signed ceasefire agreement with Cabinda separatist umbrella group Forum for Dialogue, ending 30-year conflict and providing greater autonomy for enclave. Agreement includes immediate reduction of government troops in Cabinda, and amnesty for separatists to be approved by parliament.

- "Cabinda separatists ink ceasefire with Angola", Independent Online, 16 July 2006.
- "Separatists ready to sign cease-fire with Angola", CNN, 10 July 2006.



Zimbabwe Little progress made in resolving internal crisis. UNSG Annan cancelled visit to Zimbabwe after meeting with President Mugabe on sidelines of AU summit. Former Tanzanian President Mkapa mooted as SADC envoy: to be addressed at SADC meeting 17 August. Signs of increasing cooperation between factions of opposition MDC: Tsvangirai and Mutambara met in public for first time since 2005 split, pledging alliance against ZANU-PF. Tsvangirai's faction boycotted opening of new parliamentary year 25 July, in protest at dire economic situation. Earlier, prominent MDC MP arrested, accused of organising attack on MDC officials from rival Mutambara faction. Police arrested over 200 opposition supporters during protests demanding new constitution in Harare and 4 other cities.

- "Mugabe's chosen mediator criticised", IWPR, 31 July 2006.
- "New coalition to challenge ruling party", IRIN, 31 July 2006.
- "Zimbabwe MP charged over attack", BBC, 12 July 2006.
- For background, see Crisis Group Africa Briefing N°38, Zimbabwe's Continuing Self-Destruction, 6 June 2006.

#### **WEST AFRICA**



Côte d'Ivoire Violent opposition by pro-government militias to voter registration process made postponement of October elections increasingly likely. President Gbagbo supporters blocked mobile voter identification sites and led violent protests, barricading streets of Abidjan 18 July; violence killed several in coastal towns. Pro-government militias began disarming 26 July in advance of 7 August deadline; ex-rebel Forces Nouvelles will only disarm after militia disarmament. UNSG Annan said UN decision on poll date and any extension of Gbagbo term to be given mid-September.

- "Renewed fighting over Ivorian ID scheme kills one", AlertNet, 25 July 2006.
- "Decision on peace-sealing elections in September", IRIN, 6 July 2006.
- For background, see Crisis Group Africa Report Nº109, Côte d'Ivoire: Peace as an Option, 17 May 2006.
- **Guinea** Liberia offered to mediate in ongoing dispute with Sierra Leone over Yenga border province.
  - "Inside Guinea's power vacuum", BBC News, 12 July 2006.
  - For most recent report, see Crisis Group Africa Briefing N°37, Guinea in Transition, 11 Apr. 2006.
- Liberia Positive developments continued. President Johnson-Sirleaf submitted first annual budget for parliamentary approval, and parts of Monrovia received first electricity and running water in 15 years. Former President Taylor appeared before Special Court for Sierra Leone, relocated to The Hague, on 21 July for first pre-trial hearing.
  - "In Liberia, lighting the way to the future", New York Times, 27 July 2006.
  - For background, see Crisis Group Africa Report N°107, Liberia: Resurrecting the Justice System, 6 Apr. 2006; and Briefing N°36, Liberia: Staying Focused, 13 Jan. 2006.
- Mali Government signed peace deal with Tuareg rebels, as announced 30 June, promising regional investment and reintegration of rebels into armed forces. EU-funded \$20 million investment plan launched in north. 8 Burkinabe killed in clashes over farming land along Burkina Faso border.
  - "Government strikes new peace deal with Tuareg rebels", IRIN, 5 July 2006.
  - "Eight dead in land dispute on Mali, Burkina border", AlertNet, 4 July 2006.
- Nigeria 2 apparent assassinations of gubernatorial candidates highlighted insecurity ahead of April polls. Unrest continued in Niger Delta region, with further kidnappings of oil workers and attacks on pipelines; rebels killed 4 soldiers protecting Chevron convoy in Delta state. Attacks on police stations in Anambra state killed 5; police blamed Biafran separatist group MASSOB.
  - "Candidate for Lagos governorship murdered; violent election feared", IRIN, 28 July 2006.
  - "Dream of free Biafra revives in southeast Nigeria", AlertNet, 11 July 2006.

Crisis Group Africa Report N°113, Nigeria: Want in the Midst of Plenty, 9



July 2006. Nigeria is a major oil producer, home to every sixth African, and one of the continent's great hopes – but it is very fragile. If internal fissures, poverty and economic disparities are left unchecked, violence could escalate and severely impact regional security. Widespread corruption and relentless exploitation of regional, ethnic and religious fault lines by a ruling elite has stalled reform and development. Despite more than \$400 billion in oil revenue over three decades, nine of ten Nigerians live on less than \$2 a day. While the 1999 return to democracy was welcome, the people remain dangerously disconnected from their government. The 2007 presidential election is an opportunity for transition to a stable democracy, but only when every citizen becomes a stakeholder in its future can the country truly leave its troubled past behind.

- Sierra Leone Former Liberian president Taylor appeared before Special Court of SL in The Hague; lawyers said defence team unlikely to be ready before July 2007. World Bank, DFID and African Development Bank signed Improved Governance and Accountability Pact with government to ensure fair elections in 2007 and reduce corruption and graft.
  - "Liberia's Taylor appears before Hague court", Washington Post, 22 July 2006.
  - For background, see Crisis Group Africa Report N°87, *Liberia* and Sierra Leone: Rebuilding Failed States, 8 Dec. 2004.

# Asia/Pacific

#### **CENTRAL ASIA**

- Kazakhstan Pro-presidential forces consolidated by merger of parties of President Nazarbayev and daughter Darigha Nazarbayeva 4 July. Zharmakhan Tuyakbai, "For a Just Kazakhstan" movement leader, called for formation of new opposition party. President signed new restrictive media bill into law 5 July.
  - "Sovereign democracy' in Almaty and Moscow", RFE/RL 10 July 2006.
- Kyrgyzstan Policeman killed by gunmen with suspected links to Islamic Movement of Uzbekistan and Hizb ut-Tahrir (HuT) 9 July, triggering major police operation in south; 5 suspected militants killed. Security services vowed to destroy HuT, claiming HuT declared "jihad"; group denied making declaration. Court sentenced 2 to death for 2005 murder of MP Erkinbaev. 6 arrested in Osh for suspected involvement in 2005 Andijon uprising, including daughter of uprising's alleged leader. Manas airbase rent deal reached with U.S. after bilateral talks resulted in 8-fold rent increase to \$20 million per year, to be distributed in coming year within \$150 million aid and compensation package. Meanwhile government expelled 2 U.S. diplomats for alleged interference in domestic affairs. President Bakiev and Uzbek President Karimov pledged cooperation in struggle against terrorism and extremism.
  - "Kyrgyzstan's undiplomatic policy shift", IWPR, 14 July 2006.
  - For background, see Crisis Group Asia Report N°109, Kyrgyzstan: A Faltering State, 16 Dec. 2005.
- **Tajikistan** 10 suspected Islamic Movement of Uzbekistan members detained. Military prosecutor accused former presidential guard chief Mirzoyev of murder and sedition.
  - "Extremist threats, and doubts, in Kyrgyzstan, Tajikistan", RFE/RL, 24 July 2006.
  - For most recent report, see Crisis Group Asia Briefing N°33, *Tajikistan's Politics: Confrontation or Consolidation?*, 19 May 2004.
- **Turkmenistan** International rights groups increased pressure for release of 3 activists detained in June for alleged involvement in anti-regime network.
  - "Turkmenistan urged to release arrested activists", AlertNet, 19 July 2006.
  - "Everyone a suspect in Turkmenistan", IWPR, 14 July 2006.
  - For background, see Crisis Group Asia Report N°85, Repression and Regression in Turkmenistan: A New International Strategy, 4 Nov. 2004.

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Uzbekistan Authorities detained Tajik citizen accused of spying and planning assassinations. Vladimir Norov named new Foreign Minister. 9 refugees who fled after 2005 Andijon massacre returned, reportedly voluntarily, to Uzbekistan from U.S. 6 suspected of involvement in Andijon uprising arrested in Kyrgyzstan 18 July. Court ordered closure of 2 U.S. NGOs.

- "No end to crackdown on western NGOs", IRIN, 21 July 2006.
- "Andijon refugees make surprise return to Uzbekistan", ISN, 20 July 2006.
- For background, see Crisis Group Asia Briefing N°45, Uzbekistan: In for the Long Haul, 16 Feb. 2006.

#### **SOUTH ASIA**



Afghanistan Widespread violence continued as NATO-led International Security Assistance Force (ISAF) mission took over from U.S.-led coalition in 6 southern provinces 31 July. Coalition reported over 600 suspected Taliban militants killed since mid June. Afghan and coalition troops regained control of 2 towns in Helmand province briefly seized by insurgents. UK and Canadian troops faced rising casualties - at least 6 UK, 2 Canadian troops killed; UK to increase troops by 900 to 4,500. Suicide bombings across south included 22 July twin attack in Kandahar, which killed 8. Large-scale coordinated insurgent attack in western Farah province on district police and administration headquarters 23 July indicated expansion of insurgent activities out of south and east. Rising civilian casualties are leading locals to view international security presence as threat and further weakening support for President Karzai.

- "U.S. hands southern Afghan command to NATO", New York Times, 1 Aug. 2006.
- "Losing ground in Afghanistan", International Herald Tribune, 23 July 2006.
- For most recent report, see Crisis Group Asia Report N°116, Afghanistan's New Legislature: Making Democracy Work, 15 May 2006.



Bangladesh 6-day opposition campaign for electoral reforms began 25 July involving mass protests, largely peaceful, in Dhaka and elsewhere. Opposition accused police of arresting 1,000 supporters ahead of campaign. Police and protestors clashed in earlier 2 July demonstration killing 2. Government refused to give electoral commission money needed to update electoral rolls due to funds misuse allegations.

- "Thousands march in Dhaka protest", BBC, 25 July 2006.
- "Bangladesh govt refuses funds to poll body", Times of India, 20 July 2006.



India (non-Kashmir) Coordinated bombings on 7 Mumbai commuter trains 11 July killed over 200. 4 Indian Muslims arrested. No major jihadi group claimed responsibility but officials in Maharashtra believe Pakistani connection. Government, criticised by opposition Bharitiya Janata Party as soft on terrorism, halted normalisation process with Pakistan; PM Singh called on General Musharraf to fulfil promises to eliminate terror networks. Maoist violence continued: 8 rebels, including rebel chief, reportedly killed in southern Andhra Pradesh state 23 July; rebels stormed government relief camp in Chhattisgarh state, 17 killed.

- "Police kill 8 suspected Maoist rebels in gunbattle in southern India", AP, 24 July 2006.
- "Police arrest 4 suspects in Mumbai train attacks", International Herald Tribune, 21 July 2006.



Kashmir India halted normalisation process with Pakistan after 11 July Mumbai bombings. Further progress conditional on tangible Pakistani moves against banned jihadi groups like Lashkar-e-Tayyaba and Hizbul Mujihideen. India captured Mudassir Gojri, top militant commander of Lashkar-e-Tayyaba blamed for numerous tourist killings including July attacks that killed 8. Suspected militants shot dead 4 Hindus in Indian Kashmir 13 July. Sakina Itoo, leader of National Conference party, survived 8 July grenade attack in which 5 supporters killed. New government installed in Pakistani-administered Kashmir after elections opposition parties claimed were rigged. Sardar Attiq Ahmed Khan, head of All Jammu and Kashmir Muslim Conference, sworn in as PM 24 July.

- "India, Pakistan: peace set back again", ISN, 26 July 2006.
- "India asks Pak to deport Salahuddin, Dawood", Outlook India, 21 July 2006.
- For background, see Crisis Group Asia Briefing N°51, *India*, Pakistan and Kashmir: Stabilising a Cold Peace, 15 June 2006.



Maldives Report released by 5 international NGOs urged Gayoom government to end arbitrary arrest, harassment and intimidation of journalists and dissidents.

- "Island paradise, hell for dissidents", IPS, 30 July 2006.
- "A vibrant media under pressure: an independent assessment of press freedom in the Maldives", International Press Freedom Mission, 19 July 2006.



Nepal Talks between 7-party government and Maoists progressed, despite ill health of PM G.P. Koirala, coordination problems within alliance, and claims of stalling on interim government formation from Maoists and civil society groups. Also differences on disarmament but Maoists held "very positive" meeting with UN assessment team for arms decommissioning 28 July: greater UN involvement a key Maoist demand. Maoists strongly objected to government's 2 July unilateral request to UNSG Annan for UN arms "management", insisting disarmament should also involve Nepalese army and won't occur until full peace settlement and constituent assembly in place. Koirala stated constituent assembly election will be held by mid-April 2007.

- "Maoists talks with UN 'positive", BBC, 28 July 2006.
- "Nepalese hit streets again for change", Christian Science Monitor, 27 July 2006.
- For background, see Crisis Group Asia Report N°115, Nepal: From People Power to Peace?, 10 May 2006.



Pakistan Balochistan unrest continued. 23 Baloch militants reportedly killed by security forces in southwest of province 9 July and 30 killed when military targeted Dera Bugti 5 July; rebel spokesperson denied all casualty claims. 150 suspected Taliban arrested in Balochistan after UK placed Balochistan Liberation Army on terror list. North Waziristan militants held talks with military and government officials and extended ceasefire announced end June for further month. In North-West Frontier Province, 6 soldiers killed in roadside bomb 3 July near Peshawar. Sectarian violence continued in Karachi with killing of prominent Shiite cleric Hassan Turabi and nephew by suicide bomber 14 July; angry crowds torched restaurant and petrol stations following funerals.

- "Pakistan haunted by Taliban question as NATO deploys", AlertNet, 27 July 2006.
- "Musharraf's 'crisis on all fronts", BBC, 21 July 2006.
- "23 killed in Dera Bugti operation", Dawn, 10 July 2006.

■ For most recent report, see Crisis Group Asia Briefing N°46, Pakistan: Political Impact of the Earthquake, 15 Mar. 2006.



Sri Lanka Government troops launched ground assault on LTTE 31 July in Trincomalee after 4 days of air strikes to gain control of waterway. Over 35 killed and risk of major escalation as LTTE considered moves "act of war". Clashes and extra-judicial killings continued in north and east throughout month. Diplomatic efforts renewed late July but failed to calm situation. LTTE rejected call from Sweden to reconsider 1 September deadline for truce monitors from EU member states to leave following EU listing LTTE as terror organisation: Finland and Denmark announced departure of monitors. President Rajipaksa announced formation of committee of experts to discuss devolution in northeast, alongside all-party conference to examine constitutional approaches to conflict.

- "Senior S.Lanka rebel says war back on, 28 dead", AlertNet, 31 July 2006.
- "S Lanka criticises monitors' exit", BBC, 29 July 2006.
- "Tigers reject Swedish call to reconsider kicking out EU monitors", ReliefWeb, 21 July 2006.

#### **NORTH EAST ASIA**



North Korea Tensions rose dramatically on Korean Peninsula after 7 test missiles launched 5 July. Japan and U.S. led outcry: UN Security Council voted unanimously 15 July to require prevention of transfer of missile or WMD items, but did not invoke Chapter VII after China and Russia amended Japanese draft. Pyongyang remained defiant, rejecting resolution, claiming right to self defence and threatening "physical" response. U.S., China, Russia, Japan and South Korea decided to move with "5-party" talks if North does not attend. North-South ministerial talks broke down after North refused to discuss launches; South halted food aid. NK officials refused to join security talks on sidelines of ASEAN regional forum in Malaysia.

- "Two Koreas exchange gunfire along fortified border", Washington Post, 1 Aug. 2006.
- "N Korea invites increased isolation", ISN, 28 July 2006.
- Comment by Peter Beck (Crisis Group), "The North Korea missile standoff: Direct negotiations remain the only path", ABC News Online, 7 July 2006.
- For background, see Crisis Group Asia Report N°108, North East Asia's Undercurrents of Conflict, 15 Dec. 2005.



Taiwan Strait Cross-strait relations took small step forward, with first direct cargo flight from Taiwan to China 19 July. President Chen Shui-bian corruption scandal continued as son-in-law officially charged with insider trading and Nationalist Opposition party continued to demand Chen's resignation. U.S. House of Rep. passed bill to lift restrictions on high-level U.S.-Taiwan contacts, pending Senate approval.

- "Taiwan-China cargo flight lands", BBC, 19 July 2006.
- For background, see Crisis Group Asia Briefing N°42, China and Taiwan: Uneasy Détente, 21 Sept. 2005.

#### **SOUTH EAST ASIA**



Indonesia Parliament passed delayed Aceh government law 11 July providing provincial control over all matters except defence, security, national development planning, justice, foreign affairs, finance, conservation and some religious

matters. Free Aceh Movement (GAM) expressed concerns new law did not reflect terms of Helsinki agreement, particularly with respect to authority of Aceh government; large protest strike held in Aceh. 10 killed in fighting between Dani and Damal tribes in Papua. Tsunami following earthquake killed over 600 and displaced at least 45,000 in West Java.

- "The new Aceh law: acceptability versus interest", Jakarta Post, 19 July 2006.
- "Peace talks fail to halt Papua violence", Jakarta Post, 1 August 2006.

Crisis Group Asia Report N°117, Islamic Law and Criminal Justice in Aceh, 31



July 2006. As debate rages in Indonesia about the state's role in enforcing Islamic law, all eyes are on Aceh, the only part of Indonesia allowed to apply Shari'a in full. Problems have arisen as the province, emerging from a long civil conflict, tries to enforce the first three Shari'a regulations passed by the district government. While Shari'a officials believe strict enforcement will facilitate broader goals like peace, reconstruction and reconciliation, the religious bureaucracy also has a vested interest in its own expansion, and women and the poor have become the main targets of enforcement.



Myanmar/Burma In closed-door meeting ASEAN FMs put strongest pressure to date on Burmese counterpart for democratic reforms and release of opposition leader Aung San Suu Kyi, but only partly reflected in public declaration. U.S. Congress extended sanctions against regime. Government stated release of opposition leader Suu Kvi would pose "danger to the nation", but released activist lawyer sentenced 2005 for advising farmers to lodge complaints with International Labor Organization.

- "ASEAN gets tough with Burmese junta", The Guardian, 21 July 2006.
- "Myanmar and North Korea share tunnel vision", Asia Times Online, 19 July 2006.



Philippines Fighting between government and Moro Islamic Liberation Front (MILF) rebels in south intensified, threatening peace process: 10 killed and 16,000 displaced. MILF stated awaiting formal government proposal on Muslim ancestral land. Separate fighting between 2 MILF factions killed 6. President Arroyo ordered crackdown on Communist rebels in 5 July speech, but said open to peace talks once rebels agree to ceasefire. Communist rebels apologised for landmine that killed 5 civilians 24 July. 5,000 protesters marched in Manila against Arroyo; lower House justice committee began consideration of 6 impeachment claims against her.

- "Government must prevent further political killings", Amnesty International, 25 July 2006.
- "Talks with Manila face more delays: rebel leader", Reuters, 22 July 2006.
- For background, see Crisis Group Asia Report N°110, Philippines Terrorism: The Role of Militant Islamic Converts, 19 Dec. 2005.



[ Thailand Country remained without functioning parliament, and with caretaker government, for fifth month, with unrest continuing in south. Parliamentary election rerun set for 15 October. 3 election commissioners jailed for malfeasance in now-annulled April elections. Constitutional court accepted election fraud case against largest government and opposition

political parties; they face dissolution if convicted but verdict not expected until after election. UN criticised Thaksin caretaker government's decision to extend emergency decree granting extraordinary powers to police and military in south. 6 killed in clash between police and militants after attack on police checkpoint in Pattani. Schools closed in Narathiwat 24 July after teacher killed in armed attack.

- "Thailand: losing hearts and minds", IPS, 21 July 2006.
- "Who needs politicians?", The Economist, 20 July 2006.
- For background, see Crisis Group Asia Reports N°105, Thailand's Emergency Decree: No Solution, 18 Nov. 2005; and N°98, Southern Thailand: Insurgency, Not Jihad, 18 May 2005.
- Timor-Leste Situation showed signs of improvement as former Foreign and Defence Minister Ramos-Horta sworn in as new PM 10 July, prompting more rebels to surrender weapons. New cabinet sworn in 14 July with PM retaining defence portfolio. TL asked UN Security Council for 800 international police for 2 to 5 years. UN Special Envoy told UNSC substantial long-term military and police presence required. Peacekeepers arrested 20 for illegal possession of weapons, including rebel leader Reinado. UN commission of inquiry set October deadline for its investigations into April-May violence. Former PM Alkatiri questioned over allegations he paid rebels to attack opponents. International police force gradually replacing military patrols in Dili as first Australian troops withdrew. Violent attacks by teenage gangs increased, including attack on UNICEF worker.
  - "Struggling East Timor, a country of little hope", International Herald Tribune, 12 July 2006.
  - Comment by Jose Ramos-Horta, "A UN rule in East Timor", Boston Globe, 4 July 2006.
  - For most recent report, see Crisis Group Asia Briefing N°50. Managing Tensions on the Timor-Leste/Indonesia Border, 4 May 2006.

#### **PACIFIC**



Solomon Islands PM Sogavare established commission of inquiry into April riots.

• "Solomons announces inquiry into April riots", New Zealand Herald, 15 July 2006.



### **BALKANS**



Albania 5 opposition parties held rally 12 July calling for more democratic rights. Authorities seized assets of individuals suspected of al-Qaeda links and froze 7 bank accounts.

- "Albanian opposition hold rally against government", Southeast European Times, 12 July 2006.
- For most recent report, see Crisis Group Europe Report N°153, Pan-Albanianism: How Big a Threat to Balkan Stability?, 25 Feb. 2004.
- Bosnia & Herzegovina Defence Minister Radovanovic announced details of BiH defence reforms after presidency approval. EU reiterated police reform key condition for Stabilisation and Association Agreement. Largest ever Hague tribunal trial began as 7 Bosnian Serbs faced charges over

1995 Srebrenica massacre. Bosnian war crimes court charged Bosnian Serb wartime minister Mandic. Serbian PM Kostunica and Republika Srpska (RS) delegation held border meeting to discuss special parallel relations, drawing parallels between RS and Kosovo.

- "On patrol with Sarajevo police", BBC, 19 July 2006.
- "Plans to close High Representative's office raise concerns in BiH", Southeast European Times, 14 July 2006.
- For background, see Crisis Group Europe Report N°164, Bosnia's Stalled Police Reform: No Progress, No EU, 6 Sept.



Kosovo Opening round top-level status talks between Serb and Kosovo leadership, held in Vienna 24 July, produced no breakthrough, with both sides reiterating known positions: Kosovo president Sejdiu formally requested independence while Serbian PM Kostunica flatly rejected it, offering "substantial autonomy". Earlier talks on cultural heritage and decentralisation also ended without progress. EU foreign policy chief Solana and Enlargement Commissioner Rehn presented plan outlining future EU role in Kosovo 17 July; endorsed by EU member states.

- Comment by Morton Abramowitz and Mark Schneider (Crisis Group), "Balkans choice", Wall Street Journal, 25 July 2006.
- "No compromise reached on Kosovo", International Herald Tribune, 24 July 2006.

Crisis Group Europe Report N°174, An Army for Kosovo?, 28 July 2006.



Independent Kosovo should be permitted its own army, despite Serb reservations, but it should be small, concentrated on international peacekeeping and developed and managed under NATO supervision. The sovereign Kosovo expected to result from final status negotiations by early 2007 should be allowed such a force to channel the old insurgent tradition of the Kosovo Liberation Army (KLA) and existing informal armed structures so they will not endanger the new state or its neighbours. If well managed, an army can help Kosovo develop a multi-ethnic - or at least ethnically neutral - identity. Every effort must be made to show Kosovo Serbs the new force is no threat to them and to persuade them to join it representing their numbers in society.



Macedonia Government lost 5 July election to Internal Revolutionary Organisation (VMRO-DPMNE). VMRO-DPMNE won 44 of 120 parliamentary seats; leader Nikola Gruevski will head coalition government; includes Democratic Party of Albanians (DPA). VMRO-DPMNE conducted talks with DPArival Albanian Democratic Union for Integration (DUI) over possible addition to coalition. Electoral commission ordered rerun at 29 polling stations 19 July after complaints of irregularities; VMRO-DPMNE won additional seat. Re-vote annulled at 1 station after armed men vandalised ballot boxes. NATO, EU and U.S. expressed satisfaction with overall electoral process, but concerned about DUI threats of violent protest if not admitted to coalition.

- "Just in time delivery", Transitions Online, 11 July 2006.
- "Right narrowly wins Macedonian election", BIRN, 6 July 2006.
- For background, see Crisis Group Europe Briefing N°41, Macedonia: Wobbling toward Europe, 12 Jan. 2006.



Montenegro President Vujanovic called parliamentary and local elections for 10 September. Opposition Group for Change (now Party) registered as political party. Constitutional Court

annulled pre-referendum Minority Rights Act guaranteeing parliament seats to minorities, citing principle of citizen equality. Minorities, some of which had made act condition for supporting referendum, accused government of betrayal; ruling Democratic Party of Socialists offered Bosniak and Croat parties seats via joint slates in September elections. EU adopted new separate mandates for Stabilisation and Association Agreement negotiations with Montenegro and Serbia. Serbia and Montenegro agreed bilateral relations will continue as before independence in most matters.

- "Serbian and Montenegrin mandates modified", B92, 24 July
- "Minorities accuse Djukanovic of betrayal", BIRN, 20 July 2006.
- For background, see Crisis Group Europe Briefing N°42, Montenegro's Referendum, 30 May 2006.



Serbia Agenda dominated by Kosovo (see Kosovo). EU adopted new separate mandates for Stabilisation and Association Agreement negotiations with Serbia and Montenearo: resumption of talks with Serbia still dependent on arrest of war crimes suspect Mladic. U.S. urged Serbia to capture Mladic and compromise on Kosovo status. Government adopted action plan to arrest Mladic. Parliament rushed through amendments to law on "radio-diffusion", which would strengthen state control over media, but President Tadic refused to sign law. Supreme Court Judge Vuckovic given 8year prison sentence for taking bribes from criminal gang.

- "Turmoil in Serbian judiciary blamed on politics", IWPR, 20
- "Serbs on trial in Milosevic's shadow", BBC, 10 July 2006.
- For most recent report, see Crisis Group Europe Briefing N°43, Southern Serbia: In Kosovo's Shadow, 27 June 2006.

#### **CAUCASUS**



Armenia In strategic repositioning before 2007-2008 elections to pave way for presidential bid, influential Defence Minister Sarkisian joined Prime Minister's Republican Party 22 July. Editors of 8 major newspapers issued statement 18 July criticising pressure on independent media after June arrest of editor-in-chief of Zhamanak Yerevan newspaper, and recent violence towards, and harassment of, journalists.

- "Armenian defense minister joins ruling party", Eurasia Insight, 24 July 2006.
- "Yerevan district chief's brother arrested for assaulting journalist", Armenia Liberty, 26 July 2006
- For background, see Crisis Group Europe Report N°158, Armenia: Internal Instability Ahead, 18 Oct. 2004.



Azerbaijan Court for Grave Crimes sentenced opposition Yeni Fikir youth movement's chairman and 2 deputies to 4-7 years each for alleged coup attempt. Opposition condemned 12 July verdict as politically motivated; U.S. and OSCE also criticised ruling. Senior police officer, accused of running kidnap and contract murder ring, confessed in court to 2005 killing of high profile journalist Elmar Huseynov; claimed detained ex-Economic Development Minister, Farhad Aliyev, ordered murder.

- "Former police official confesses to journalist's murder", RFE/RL, 26 July 2006.
- "Opposition party leadership paralyzed by infighting", RFE/RL, 20 July 2006.
- For most recent report, see Crisis Group Europe Briefing N°40. Azerbaijan's 2005 Elections: Lost Opportunity, 21 Nov. 2005.



Chechnya (Russia) Rebel commander and deputy leader Shamil Basayev killed with 3 other militants in Ingushetia 10 July; circumstances disputed, with Russia claiming special operation victory and rebels saying explosives-truck accident. Rebel leadership rejected subsequent Russian offer of amnesty in return for disarming, but reaffirmed offer of unconditional peace talks. European Court of Human Rights in landmark decision condemned Russia over disappearance in 2000 of Khadzhi-Murat Yandiyev. At least 19 killed in clashes, including 13 rebels near Daghestan border 12 July.

- "Rebels' dilemma after Basayev death", BBC, 12 July 2006.
- "Basayev's mysterious death brings hope", IWPR, 11 July 2006.



North Caucasus (non-Chechnya) In Daghestan and North Ossetia low-level violence continued between security forces and rebels with at least 6 killed. In Ingushetia, Chechen rebel commander Basayev died in disputed circumstances 10 July (see Chechnya).

- "Two police killed in Daghestan shoot-out", RFE/RL, 24 July
- "Renewed fears of militancy in Kabardino-Balkaria", IWPR, 6 July 2006.



Georgia Tbilisi carried out special police operation 24-27 July in Kodori gorge, adjacent to breakaway Abkhazia, against renegade paramilitary leader Emzar Kvitsiani; 1 killed while Kvitsiani now in hiding. Parliament unanimously adopted 18 July resolution to suspend Russian peacekeeping operations in Abkhazia and South Ossetia and replace with international police force. Russia condemned resolution, stating would protect its citizens in both zones. Russia closed sole official crossing between 2 countries 8 July. 2 Working Groups on security and refugee return of Georgian-Abkhaz Coordinating Council met for first time in 5 years. In South Ossetia, de facto NSC Secretary Oleg Albarov killed in alleged bomb attack 9 July; de facto defence special unit head Bestauty escaped 14 July explosion which killed 2.

- "Georgia must pull troops from Abkhaz gorge Russia", AlertNet, 31 July 2006.
- "Georgia urges Russian withdrawal", BBC, 18 July 2006.
- For most recent report, see Crisis Group Europe Report N°173, Conflict Resolution in the South Caucasus: The EU's Role, 20 Mar. 2006.



Nagorno-Karabakh (Azerbaijan) Principles proposed peace settlement, developed during 2-year confidential negotiations, publicly released by OSCE Minsk group co-chairmen and endorsed by G8 Summit participants in St. Petersburg 17 July. Principles include redeployment of Armenian troops from Azerbaijani territories around NK, demilitarisation of those territories, return of refugees, and referendum on final status. OSCE special envoy Kasprzyk submitted report on contentious fires affecting areas close to line of contact, concluding international community should provide fire fighting equipment to address problem.

- "Karabakh disclosure dashes Azerbaijani hopes", ISN, 14
- "Fire fight over Karabakh", IWPR, 6 July 2006.
- For background, see Crisis Group Europe Report N°167, Nagorno-Karabakh: A Plan for Peace, 11 Oct. 2005.

#### **EASTERN EUROPE**



Belarus Regional court sentenced opposition leader Alexander Kozulin to 51/2 years for organising unauthorised rally. EU, U.S., OSCE criticised decision. 40 people detained after protest outside Russian embassy against Russian support of President Lukashenko.

- "EU criticizes sentence against Belarus activist", AlertNet, 14 July 2006.
- "Belrus opposition leader sentenced", The Guardian, 13 July 2006.

Moldova Romanian President Basescu offered to accede to EU together with Moldova, but Moldovan President Voronin declined. Transdniestrian leader Smirnov announced referendum for 17 September on independence and unification with Russia, but OSCE said would not recognize results. Voronin called for Russian troop withdrawal from Transdniestria at Commonwealth of Independent States meeting. Explosion on minibus 6 July killed 8, cause unknown.

- "OSCE will not recognize vote in Moldovan region", AlertNet,
- "Romania, Moldova won't join EU together, Moldovan President", Focus New English, 12 July 2006.
- For background, see Crisis Group Europe Report N°157, Moldova: Regional Tensions over Transdniestria, 17 June 2004.
- Ukraine Constitutional deadline for formation of new government passed 24 July amidst continued disagreement over constitution of coalition government. Formation of "Orange" coalition headed by Yulia Tymoshenko stalled by Party of the Regions (PR) 10-day blockade of parliament. Blockade ended 6 July after deal over allocation of committee chairmanships and secret ballot for parliamentary speaker election. Socialist Party leader Oleksandr Moroz elected speaker 7 July, signalling shift from Orange coalition to coalition with pro-Russian PR and Communists. President
  - "Staring into the void", Transitions Online, 31 July 2006.

Yushchenko held talks with parties after calling for "national

unity pact", but agreement still not reached 31 July. • "Orange betrayal' in Ukraine", ISN, 23 July 2006.

#### **WESTERN EUROPE/MEDITERRANEAN**



**Basque Country** (Spain) Talks between government and ETA expected to begin August; Batasuna party leader Arnaldo Otegi said parties should not impose conditions on process. PM Zapatero denied allegations he had agreed to ETA preconditions.

• "Is Basque peace for real?", Time magazine, 11 July 2006.



Cyprus In surprise move, Greek and Turkish Cypriot leaders Papadopoulos and Talat held talks in buffer zone, mediated by UN Under Sec. Gen. Gambari 8 July. Sides agreed to confidence-building steps including establishment of bilateral technical committees and expert working groups; exchanged lists of issues for expert discussion 31 July. Moves came after 2 leaders met to discuss missing persons 3 July in first direct meeting since 2004 failed Annan Plan referendum.

- "Cyprus leaders agree peace moves", BBC, 8 July 2006.
- For background, see Crisis Group Europe Report N°171, The Cyprus Stalemate: What Next?, 8 Mar. 2006.



Northern Ireland (UK) Estimated 10,000 marched without serious incident in annual Orange Order parades 12 July – first time since 1970 army not deployed. Ulster Defence Association asked British and Irish governments for 30 million pounds to disband by retiring its activists. British and Irish governments said IRA no longer engaged in centrally organised criminality.

- "IRA 'has ceased its criminality", BBC, 25 July 2006.
- "Marching to a different drum", The Guardian, 12 July 2006.



Turkey State terror summit convened after wave of soldier deaths in southeast; government called on U.S. and Iraq to crack down on PKK in Northern Iraq, signalling would mount cross-border operations to halt PKK incursions otherwise. At least 14 soldiers, 2 police, 1 pro-government village guard and 8 PKK rebels killed in fighting in southeast. Prosecutors charged 9 over May killing of senior judge and bombing of Cumhuriyet newspaper. EU called for amendment of penal code article punishing denigration of "Turkishness" and state after high court upheld prison sentence of newspaper editor Hrant Dink 11 July. Yasar Buyukanit appointed new army chief of staff 31 July.

- "Security hawk seen taking over Turkish military", AlertNet, 31 July 2006.
- "Turkey signals it's prepared to enter Iraq", AP, 18 July



## Latin America/ Caribbean



Bolivia President Morales' MAS party gained 137 of 255 seats in new constitutional reform assembly in 2 July elections, less than two-thirds needed for full control. In simultaneous referendum, 4 of Bolivia's 9 regions voted in favour of greater autonomy. VP Linera led delegation to Washington to improve relations with U.S.

- "Bolivian VP visits U.S. in search of renewed ties", Miami Herald, 24 July 2006.
- "Evo Morales: The force is with him", openDemocracy, 4 July

Crisis Group Latin America Report N°18, Bolivia's Rocky Road to Reforms, 3 July



2006. The international community, especially the EU, needs to engage the Morales administration on how it can help Bolivia achieve stability. Morales's December 2005 election profoundly altered the political landscape. There have been some hopeful signs, but nationalisation of key sectors has strained relations with neighbours and led to protests from Spanish business circles. Morales's decision not to support autonomous regions could spark violent conflict between landowners and landless peasants. If Morales is to succeed and he must if Bolivia is to remain stable - the international community needs to be understanding and offer support as he grapples with explosive issues of nationalisation, constitutional reform, autonomy, drugs and development. The EU is best placed to help the new government address these issues.



Colombia FARC violence increased in apparent show of force before President Uribe's second term starts in August. FARC killed 10, kidnapped 170, in Riosucio, Chocó province, while intense fighting with government forces near Ecuadorian

border displaced 1,300. FARC attack shut off oil flow from second largest pipeline, 2 oil workers killed. Constitutional Court released full text of ruling on Justice and Peace Law, as police launched program to monitor demobilised paramilitaries.

- "Court's demobilization ruling thwarts future abuses", Human Rights Watch, 19 July 2006.
- "Colombian rebels massacre 10 civilians, kidnap 170", AlertNet, 14 July 2006.
- For background, see Crisis Group Latin America Report N°17, *Uribe's Re-election: Can the EU Help Colombia Develop a More Balanced Peace Strategy*?, 8 June 2006.
- Guyana Fears raised of political violence in lead-up to 28 August presidential and legislative elections. Leading opposition party PNC voiced concerns over potential election fraud but OAS expects "free and fair" polls.
  - "Guyana and the voting divide Will Caricom have to intervene?", Antigua Sun, 29 July 2006.
  - "Guyana sets election for 28 Aug, but fears violence", AlertNet, 21 July 2006.
- Haiti Surge in violence and kidnappings destabilised country after period of relative calm. 21 civilians massacred in Grand Ravine slum by unidentified gunmen; 8 killed in series of clashes between armed gangs and UN peacekeepers in Portau-Prince; 30 kidnappings reported. Thousands of former President Aristide supporters protested in capital 15 July, calling for return from exile. 25 July donor conference received new commitments to support Préval government but fell far short of his 5-year \$7 billion request.
  - "Wave of kidnappings leaves Haiti shaken", The Guardian, 22 July 2006.
  - "Massacre of Haiti innocents", The Observer, 16 July 2006.
  - For background, see Crisis Group Latin America/Caribbean Briefing N°10, *Haiti after the Elections: Challenges for Préval's First 100 Days*, 11 May 2006.
  - Mexico Mass protests, vandalism and hunger strikes followed narrow 2 July election defeat of left-wing presidential candidate Lopez Obrador. Electoral court to rule on legal challenges to right-wing candidate Calderon's win by end August and declare president-elect by 6 September. Obrador warned of political and social unrest if court upholds Calderon's win; supporters began blockading streets 30 July forcing shut down of embassies and government offices.
    - "Mexico leftists try to shut capital in vote battle", AlertNet, 31 July 2006.
    - "Pressure on judges in Mexico political crisis", CNN, 27 July 2006.
    - **Peru** President-elect Alan Garcia took office 28 July, while his APRA party gained control of legislature, with election of Mercedes Cabanillas as head of congress.
    - "Garcia takes power facing Peru poverty 'time bomb", Reuters, 26 July 2006.
  - Venezuela Venezuela joined Mercosur 5 July and stepped up bid for UN Security Council seat with President Chavez seeking international support during global tour. During Moscow visit, Chavez formalised purchase of fighter jets and requested licence to produce AK-47s domestically.
    - "Chavez tour piques US interest", BBC, 24 July 2006.
    - "Oil-rich Venezuela welcomed to the club", *Miami Herald*, 22 July 2006.



#### **EASTERN MEDITERRANEAN**

Crisis Group Middle East Report N°57, Israel/Palestine/Lebanon: Climbing Out



of the Abyss, 25 July 2006. A diplomatic and political approach is needed to defuse the crises in Lebanon and Palestine, including immediate ceasefires on both fronts and steps to re-launch a comprehensive peace process, or matters could become far worse. Resolution of the Palestinian crisis should involve allowing the elected government to govern in exchange for a cessation of hostilities. Israel's pursuit of a knockout against Hizbollah is unrealistic and counterproductive, risking pushing Lebanon to breaking point. The ceasefire should be followed by a prisoner exchange and, if agreed by all parties, dispatch of a UN-authorised international force to verify adherence. Sustainable peace requires continued EU and UN engagement with Hamas and Hizbollah and renewed U.S. engagement with Syria and Iran. The key to resolving both crises is reinvigorating the Israeli-Arab peace processes.

Israel/Occupied Territories Conflict between Israel and Hamas in Gaza, triggered by 25 June abduction of Corporal Shalit, escalated following breakout of new conflict with Hizbollah (see Lebanon, below). Israel Defence Forces (IDF) launched incursions, air strikes and bombardments in Gaza aimed at ending rocket attacks on Israeli towns and forcing militants to unconditionally release captured Israeli soldier. Attacks killed 150 Palestinians, approx. half civilians; 1 Israeli soldier killed. Several Palestinian government ministries and power and water plants destroyed, risking further humanitarian crisis. Israel arrested almost all Hamas cabinet members and parliamentarians. UN Emergency Relief Coordinator Jan Egeland, described monthlong offensive as "disproportionate use of force". Assault prompted international calls for restraint, but UN Security Council resolution urging Israel to halt Gaza offensive vetoed by U.S. International efforts to achieve prisoner exchange and mutual cessation of hostilities unsuccessful.

- "Israeli forces pull back to Gaza border after killing 30 Palestinians in 3 days", *Daily Star*, 31 July 2006.
- Comment by Robert Malley (Crisis Group), "Time to start talking", Time magazine, 24 July 2006.
- Comment by Nicholas Pelham (Crisis Group), "The blowback from ostracizing Hamas", ABC News Online, 20 July 2006.
- Comment by Gareth Evans and Robert Malley (Crisis Group),
   "How to curb the tension in Gaza", Financial Times, 6 July
   2006
- For background, see Crisis Group Middle East Report N°57, Israel/Palestine/Lebanon: Climbing Out of the Abyss, 25 July 2006; and N°54, Palestinians, Israel and the Quartet: Pulling Back from the Brink, 13 June 2006.

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**Lebanon** Full scale conflict erupted following brazen cross-border raid by Lebanon-based Hizbollah 12 July abducting 2 and killing 8 soldiers in Israel, with over 750 Lebanese and 51 Israelis now dead, more than half a million Lebanese civilians displaced, and real risk of further escalation and destabilisation. Israel responded to abductions with sea, land and air blockade, attacks on Hizbollah positions in south Lebanon and country-wide bombing of infrastructure. Hizbollah replied with indiscriminate rocket attacks into northern Israel, killing civilians in Haifa, Tiberias, Afula and Nazareth. U.S. and UK claimed Syrian and Iranian support for Hizbollah and backed Israeli actions, while rest of international community criticised Israeli "disproportionate" use of force and called for ceasefire. Despite repeated advance warnings to IDF, 4 UN observers killed by Israeli air strike on their post in town of Khiam 25 July. Israeli PM Olmert initially declared offensive to continue until soldiers freed, Hizbollah disarmed and Lebanese army in control of south, but after hundreds of Lebanese civilians killed, including more than 54 in 30 July bombardment of Qana, and 51 Israeli deaths, including 18 civilians, Israel publicly mooted international force in southern Lebanon. After refusing to support call for immediate ceasefire at 26 July Rome summit, U.S. Sec. State Rice stated intention to lobby for UNSC resolution for "urgent ceasefire, political principles that provide for a long-term settlement and the authorisation of an international force to support the Lebanese army in keeping the peace". UN request 30 July for 3-day "aid truce" rejected by Israel. Bombing pause, agreed by Israel after Qana

- "Israel to widen ground offensive", BBC, 1 Aug. 2006.
- "Israeli strike kills dozens in Lebanon", International Herald Tribune, 30 July 2006.

devastation, not sustained. Serious risk of further escalation,

with Israel mobilising 30,000 reserves and cabinet

unanimously agreeing 31 July to widen ground offensive, and

Hizbollah leader Hassan Nasrallah saying ready to move

attacks further south beyond Haifa; claims made that Hizbollah

possesses longer-range ballistic missiles capable of reaching

- Gareth Evans and Robert Malley (Crisis Group), "Climbing out of the Lebanon abyss", Slate, 28 July 2006.
- For background, see Crisis Group Middle East Report N°57, Israel/Palestine/Lebanon: Climbing Out of the Abyss, 25 July 2006.
- Syria Israel-Hizbollah conflict put Syria on collision course with Israel and U.S., who accuse Damascus and Tehran of support for Hizbollah. Deputy FM Mekdad said ready for dialogue with U.S. and could "facilitate communication to end conflict" suggesting possible end to Syrian isolation. U.S. declined offer, calling on Syria to pressure Hizbollah to release Israeli soldiers. Iranian FM Mottaki visited Syria 17 July and

discussed ceasefire and prisoner-swap proposal for crisis.

- "Syria stands to gain from Lebanon's pain", The Guardian, 31 July 2006.
- For background, see Crisis Group Middle East Report N°39, Syria After Lebanon, Lebanon After Syria, 12 Apr. 2005.

### **GULF**

Tel Aviv.

Bahrain Consultative council approved anti-terror law giving authorities wide powers of arrest and detention with broad definition of "terrorist" acts further restricting freedom of association. Law yet to be ratified by King Hamad.

• "Bahrain terror bill is not in line with international human rights law - UN expert", UN News Centre, 25 July 2006.



Iran UN Security Council agreed on resolution giving Iran until 31 August to suspend uranium enrichment: text calls for "appropriate measures" should Iran not comply but does not mention sanctions. Official response to UNSC P5 plus Germany's June incentives package expected mid-August, however Tehran not prepared to accept preconditions for talks and warned 20 July of "change" to its nuclear policies if sanction threats carried out. Already tense nuclear negotiations further complicated by Israel-Hizbollah conflict and U.S./UK assertions of Iranian support for Hizbollah. Iran sidelined from 26 July Rome summit attempt to find solution to Israel-Hizbollah conflict despite UNSG Annan's call for "constructive engagement" with all regional powers.

- "UN adopts resolution on Iranian atomic work", International Herald Tribune, 31 July 2006.
- "Bringing Iran and Syria in from the cold", The Guardian, 27 July 2006.
- For background, see Crisis Group Middle East Report N°51, Iran: Is There a Way Out of the Nuclear Impasse?, 23 Feb. 2006.



Iraq Ongoing deterioration as U.S. military estimated 40% more major attacks in Baghdad in July than in previous months. Sectarian violence surged with approx. 100 civilians killed per day; 48 slaughtered when mortars fired into market in town of Mahmoudiya south of Baghdad 17 July, and 53 next day by car bomb in Kufa. New PM Maliki's security strategy, endorsed by President Bush in June, undermined by continuing violence. In trip to Washington and London, Maliki conceded security situation worsened in 2 months since he took charge, and unlikely to improve. Bush announced 4,000 U.S. troops to be redeployed to Baghdad to combat deteriorating security situation there. Iraqi Government and UN announced launch of International Compact with Iraq 27 July: 5-year framework for providing international assistance.

• "Leaders uneasy over Irag's future", BBC, 26 July 2006.

Crisis Group Middle East Report N°56,

brokered political settlement.

- "Baghdad chaos pushes Bush to shift U.S. troops", New York Times, 26 July 2006.
- "Iraqi PM admits failure to contain growing violence", The Guardian, 25 July 2006.

Internationa| Crisis Group

Iraq and the Kurds: The Brewing Battle over Kirkuk, 18 July 2006. Unless the international community acts soon to resolve mounting tensions in Kirkuk, there could be another violent communal conflict in Iraq, risking full scale civil war and outside military intervention. The dangerously neglected looming conflict in and around the northern Iraqi city is equal parts street brawl over oil riches; ethnic competition over identity between Kurdish, Turkoman, Arab and Assyrian-Chaldean communities: and clash between two nations, Arab and Kurd. All parties should make clear their intention to pursue a negotiated settlement, explaining to their followers that compromises must be made for peace. The Iraqi government should invite the UN Security Council to appoint an envoy to start negotiations to designate Kirkuk governorate as a stand-alone federal region for an interim period. The U.S. should support this UN-

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Crisis Group Middle East Report N°55, Iraq's Muqtada Al-Sadr: Spoiler or



Stabiliser?, 11 July 2006. With stepped-up U.S.-led raids against Muqtada al-Sadr's militia, Jaysh al-Mahdi, he and his movement have become more vital than ever, particularly given media allegations of the militia's responsibility for the horrific killings in Baghdad which could escalate sectarian violence. Immediately after Saddam's ouster, Mugtada was known chiefly for disruptive behaviour. Two years later, he has political power and a different role. The Sadrist movement has deep roots in contemporary Iraq and expresses many justified grievances. But as sectarian tensions have grown, so too has his movement's involvement in the dirty war of Sunnis against Shiites. Mugtada must be recognised as a serious political actor, but if he is to be a constructive one, he must do more to exercise responsible leadership and defuse his movement's violent inclinations.



Yemen 19 alleged al-Qaeda members accused of plotting to assassinate westerners and blow up hotel acquitted 9 July, despite some having allegedly confessed.

"Yemen acquits 19 suspected al-Qaida members", The Guardian, 9 July 2006.

#### NORTH AFRICA



Algeria 5 guards killed in suspected Salafi Group for Preaching and Combat (GSPC) attack on holiday campsite 12 July.

- "Five killed in Algeria campsite shoot-out reports", AlertNet, 12 July 2006.
- "PM hails Algeria terrorism talks", BBC, 11 July 2006.

■ For background, see Crisis Group Middle East/North Africa Report N°29, Islamism, Violence and Reform in Algeria: Turning the Page, 30 July 2004.



Egypt New press law approved by parliament 10 July; law still allows for journalists to be jailed for insulting state institutions or defaming officials with corruption allegations despite last minute amendments amidst journalist protests.

- "Egypt press law 'violates rights"", BBC, 11 July 2006.
- "The U.S. and Egypt: Giving up on the 'liberty doctrine", International Herald Tribune, 3 July 2006.
- For background, see Crisis Group Middle East/North Africa Report N°46, Reforming Egypt: In Search of a Strategy, 4 Oct. 2005.



Mauritania Authorities charged 5 associates of former President Ould Sid'Ahmed Taya, arrested before June referendum, with plotting to overthrow government.

- "Five charged with coup plot in Mauritania", Independent Online, 20 July 2006.
- For background, see Crisis Group Middle East/North Africa Report N°53, Political Transition in Mauritania: Assessment and Horizons. 24 Apr. 2006.



Western Sahara Controversial EU-Morocco fisheries deal gave EU boats access to disputed Western Saharan waters; some EU members previously objected move might endorse Moroccan claims to water and violate international law.

• "EU concludes controversial fisheries deal with Morocco", The Parliament, 27 July 2006.

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#### **Advocacy Offices**

**Brussels** brussels@crisisgroup.org

+32 2 502 9038

Washington washington@crisisgroup.org

+1 202 785 1601

**New York** newyork@crisisgroup.org

+1 212 813 0820

London london@crisisgroup.org

+44 20 7031 0230

Moscow moscow@crisisgroup.org

+7 095 251 4485

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