

A monthly bulletin by the ICG on current and potential conflicts around the world

1 July 2004, N°11

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 ICG reports and briefing papers that have been published in the last month.

CrisisWatch is compiled by ICG's Brussels Research Unit, drawing on multiple sources including the resources of our more than 100 staff members across five continents, who already report on some 40 of the situations listed here. Comments and suggestions can be sent to crisiswatch@icg.org.

June 2004 Trends



Deteriorated Situations



Improved Situations

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Unchanged Situations

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July 2004 Watchlist Conflict Risk Alert



Conflict Resolution Opportunity

None

Georgia Kosovo

The International Crisis Group

is an independent, non-profit, multinational organisation, with over 100 staff members on five continents, working through field-based analysis and high-level advocacy to prevent and resolve deadly conflict. ICG'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, ICG produces regular analytical reports containing practical recommendations targeted at key international decision-takers, and backed up with high level advocacy. ICG is chaired by former Finnish President Martti Ahtisaari, and its President and Chief Executive is former Australian Foreign Minister Gareth Evans.



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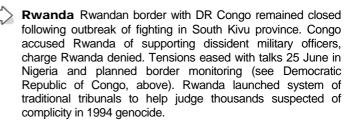
CENTRAL AFRICA

Burundi As country's 3-year political transition nears 31 October end-date, pockets of violence continue in Bujumbura Rural province. Army, now including members of former CNDD-FDD rebels, clashed 14 June with forces of FNL/Palipehutu, only armed group not involved in ceasefire negotiations with transitional government. Fighting that broke out 26 May in Bukavu, DR Congo, has led to influx of Congolese refugees. UN High Commissioner for Refugees said some 34,000 crossed into Burundi, now in Rugombo, Cibitoke and Gatumba. Refugees wary of returning to DRC despite lessening violence. UN officially took over Africa Union mission in support of peace process 2 June.

- "Suffering in silence: Civilians in continuing combat in Bujumbura Rural", Human Rights Watch briefing paper, 25 June 2004.
- "Small numbers of Congolese rebels still arriving", UNHCR press release, 25 June 2004.
- "UN takes over Burundi peace role", BBC, 2 June 2004.
- For background, see ICG Africa Briefing, Refugees and Internally Displaced in Burundi: The Urgent Need for a Consensus on Their Repatriation and Reintegration, 2 Dec. 2003 (in French: executive summary also in English).
- **Chad** Crisis in Darfur, Sudan, continues to have major impact: UNHCR estimates 200,000 Sudanese refugees now in Chad; logistical worries as no money for aid airlift and deteriorating transport situation with onset of rainy season. President Déby threatened to pull out of Darfur mediation role 18 June as 69 Janjaweed militia killed inside Chadian territory, claiming risk of interethnic destabilisation and Sudan support for Renewed National Front of Chad rebels. Sudan and Chad agreed to disarm militias on both sides of border, but deal yet to result in concrete action.
 - "Sudan and Chad agree to disarm militias", Reuters AlertNet, 23 June 2004.
 - "WFP looks at trucking food aid across the Sahara", IRIN, 20 June 2004.
 - "Chad fears spread of Darfur war", BBC, 18 June 2004.

Democratic Republic of Congo South Kivu situation extremely fragile, though tension eased after government forces retook Kamanyola 22 June from Colonel Jules Mutebutsi, officer in former Rwandan-backed RCD rebel movement. Forces loyal to Mutebutsi and General Laurent Nkunda captured and held Bukavu 2-9 June, leaving over 100 dead, causing waves of refugees before withdrawing. Mutebutsi withdrew to neighbouring Rwanda with several hundred men - disarmed by Rwandan authorities. Nkunda pulled back to north as Congolese president Joseph Kabila deployed 10,000 troops to eastern Congo. Aid agencies began slow return to region. U.S. and British diplomats shuttled between Kinshasa and Kigali to diffuse crisis. Kabila and Rwandan president Paul Kagame met 25 June in Nigerian capital, Abuja, agreeing to set up joint monitoring mechanism to deal with security concerns. Meeting with Uganda planned early July. Clashes in North Kivu between Congolese army and Rwandan Hutu Interahamwe rebels continued. Major Eric Lenge, senior officer in Kabila's presidential guard, reportedly attempted coup in Kinshasa night of 10-11 June. Government said some participants arrested, but Lenge and alleged accomplices escaped. Two rival militia leaders arrested by MONUC in Ituri province. International Criminal Court (ICC) decided 23 June to open investigation into possible war crimes in Congo.

- "UN mission arrests militia leaders in Ituri", IRIN, 29 June 2004.
- "Uganda, Rwanda, DRC in diplomacy", Monitor, 27 June
- "Congo, Rwanda send border monitors to ease war fear", Reuters AlertNet, 25 June 2004.
- "War fears as Congo rushes in troops", The Guardian, 22 June 2004.
- "DR Congo 'coup attempt put down", BBC, 11 June 2004.
- For background to the conflict in Ituri, see ICG Africa Report N°64, Congo Crisis: Military Intervention in Ituri, 13 June 2003.



- "Gacaca tribunals officially launched in Rwanda", Hirondelle, 24 June 2004.
- For background to 2003 elections, see ICG Africa Report N°53, Rwanda at the End of the Transition: A Necessary Political Liberalisation, 13 Nov. 2002. For background to the ICTR, see ICG Africa Report N°69, The International Criminal Tribunal for Rwanda: Time for Pragmatism, 26 Sept. 2003.
- Uganda Lord's Resistance Army (LRA) rebels continued strategy of attacking refugee camps, burning Apac camp 9 June, killing 20. Two killed 19 June in ambush on Rapid Response NGO aid truck in northern Uganda bound for Sudan. Government claims LRA increasingly weak, citing 36 dead in Kilak Hills helicopter gunship raid 22 June. Uganda continued to question Sudanese army's role in protecting LRA rebels in southern Sudan. President Yoweri Museveni reiterated support for DR Congo peace process, denying involvement in recent troubles and suggesting Congolese rebel General Nkunda would be arrested if he entered Uganda.
 - "Kony hiding under Sudanese army's wing, says Kampala", IRIN, 25 June 2004.
 - "President threatens to arrest rebel leader if he enters country", IRIN, 25 June 2004.
 - "Ugandan army says kills at least 36 northern rebels", Reuters AlertNet, 22 June 2004.
 - "Rebels hit undefended Uganda camp", BBC, 9 June 2004.
 - For background, see ICG Africa Report N°77, Northern Uganda: Understanding and Solving the Conflict, 14 Apr. 2004; and ICG Issues Report N°3, HIV/AIDS as a Security Issue in Africa: Lessons from Uganda, 16 Apr. 2004.

HORN OF AFRICA

Ethiopia/Eritrea Eritrean presidential spokesman Yemane Gebremeskel said 18 June government envoy would hold talks with UN envoy Lloyd Axworthy on UN

efforts to resolve border dispute with Ethiopia. Eritrea had initially characterised Axworthy's appointment 6 months ago as bid to appease Ethiopia and refused him access.

- "Sudan accuses Eritrea of threatening peace deal", Reuters AlertNet, 18 June 2004.
- "Eritrea snubs UN on Ethiopia border row", Reuters AlertNet, 17 June 2004
- For background, see ICG Africa Report N°68, Ethiopia and Eritrea: War or Peace?, 24 Sept. 2003.
- Somalia Against background of ongoing militia violence, delegates meeting at IGAD Somalia reconciliation process in Nairobi agreed on Arbitration Committee to receive and arbitrate disputes relating to appointment of 275 members of new national parliament. Each of 4 major clans to have 5 members, and minor clans total of 5 members, in committee of 25. 12 appointed 22 June, remainder unclear due to absences from meeting and debate within Dir group. Clans will select MPs in next phase.
 - Comment by John Prendergast and Andrew Stroehlein (ICG). "Failing Somalia at our peril", The Baltimore Sun, 25 June 2004.
 - "Arbitration committee for proposed parliament formed", IRIN, 23 June 2004.
 - "Somaliland minister seeks recognition of 'peace haven", Reuters AlertNet, 16 June 2004.
 - For background, see ICG Africa Reports N°80, Biting the Somali Bullet, 4 May 2004; and N°66, Somaliland: Democratisation and Its Discontents, 28 July 2003.
- Sudan Crisis deepened in Darfur as rainy season making aid delivery increasingly difficult. UNHCR claimed budget one third of that required to care for 200,000 expected in UN camps. UNSG Kofi Annan and U.S. Sec. State Colin Powell separately visited Khartoum and Darfur 29-30 June, as U.S. considered sponsoring Security Council resolution threatening sanctions. Little credence given to Sudanese president al-Bashir's 19 June pledge to disarm Janjaweed militia, who continue to operate, effectively confining 75-80,000 to Murnei, attacking humanitarian convoy near Kabkabiya 15 June and refugee camps. Annan appointed Jan Pronk special representative for Sudan ahead of possible peace-support operation in south following signing of Naivasha accords. Uganda claimed lack of Sudanese cooperation against rebel Lord's Resistance Army bases in southern Sudan.
 - "Powell seeks to stop the killing", The Economist, 1 July 2004.
 - "In Sudan, death and denial", The Washington Post, 29 June
 - "Emergency in Darfur, Sudan: No end in sight", Doctors Without Borders, 21 June 2004.
 - "Sudan orders pursuit of outlawed groups", The Washington Post, 20 June 2004.
 - "UN pleads for new Darfur funding", BBC, 15 June 2004.
 - Comment by Andrew Stroehlein (ICG), "Darfur starvation will be televised...eventually", Christian Science Monitor, 8 June 2004.
 - Comment by Samantha Power and John Prendergast (ICG), "Break through to Darfur", Los Angeles Times, 2 June 2004.
 - For background, see ICG Africa Report N°80, Sudan: Now or Never in Darfur, 23 May 2004.

SOUTHERN AFRICA



Angola Luanda government launched \$370 million social/economic plan for troubled Cabinda province 3 June, meeting with local scepticism. UNITA welcomed governing MPLA moves toward renewed dialogue on 2005 elections, but questioned conditions MPLA says must be fulfilled before ballot can go ahead.

- "Discussions on election timetable to begin", IRIN, 22 June 2004.
- "Economic recovery plan fails to appease Cabindans", IRIN, 3 June 2004.
- For background, see ICG Africa Report N°61, Angola's Choice: Reform or Regress, 7 Apr. 2003.



Madagascar Growing discontent with economic situation; disgruntled former army reservists clashed with police 15 June, angry at insufficient compensation. Forty injured in separate grenade attacks during independence celebrations 25-26 June.

"Madagascar grenade attack wounds 38", Reuters AlertNet, 27 June 2004.



Zimbabwe UN envoy claimed looming food disaster affecting 5 million, dismissing Mugabe claims of production increase. Uncertainty continued over land reform as authorities disavowed 9 June statement by government minister asserting all productive farmland would be nationalised; government said 15 June policy unchanged and applied only to land acquired under "fast-track" program. MDC opposition claimed judicial obstruction of electoral disputes, as High Court appeal against Mugabe's re-election thrown out. Zimbabwean newspaper, Tribune, shut down by government 11 June.

- "The method behind Mugabe's madness", The Economist, 24 June 2004.
- "Southern Africa in crisis, UN envoy warns", The Washington Post. 23 June 2004.
- "Opposition cries foul over legal delays to electoral disputes", IRIN, 23 June 2004.
- "Current policy on land ownership unchanged", IRIN, 15 June 2004.
- For background, see ICG Africa Report N°78, Zimbabwe: In Search of a New Strategy, 19 Apr. 2004.

WEST AFRICA



Côte d'Ivoire Struggle to keep Marcoussis peace process alive as government supporters blamed renewed clashes on UN and French forces, and political stalemate continued. G7 opposition group and President Gbagbo agreed reform timetable 30 June, though unclear if ministers fired May will be re-instated. Rebel Forces Nouvelles (FN) leader Guillaume Soro refused to take part calling talks "hypocritical". UN Security Council delegation suggested sanctions if progress not forthcoming. FN denied involvement in fighting near Mamingui in French-patrolled demilitarised zone 7 June, with attack on Ivorian army and French positions, killing 7. Clashes between rebel groups in Bouake 20-22 June killed 17. FN alleged assassination attempt on Soro, blaming President Gbagbo and Guinean president Conte; government pointed to in-fighting between Soro and rival leader Ibrahim Coulibaly.



"Ivoirian factions agree timetable for reforms", Reuters AlertNet, 30 June 2004.

- AlertNet, 30 June 2004.

 "UN talking tough in Ivory Coast", BBC, 22 June 2004.
- "Gbagbo says willing to talk ahead of UN visit", IRIN, 22 June 2004
- "Ivory Coast clashes with UN over peace radio", Reuters AlertNet, 17 June 2004.
- For background, see ICG Africa Report N°72, Côte d'Ivoire: The War is Not Yet Over, 28 Nov. 2003.
- **Guinea** Ethnic violence in Nzerekore killed at least 2 in sensitive triangle of land between Liberia and Côte d'Ivoire 14 June.
- "Ethnic fighting forces UN to suspend activities in southeast", IRIN, 18 June 2004.
- For background, see ICG Africa Report N°74, Guinea: Uncertainties at the End of an Era, 19 Dec. 2003.
- Liberia UN peacekeeping mission (UNMIL) said 42,755 ex-combatants now disarmed, though reintegration and gun-smuggling remain problematic. Power dispute within LURD rebel group led to suspension of Sekou Conneh as leader 7 June. Chayee Doe named acting head, but died 2 days later from cerebral illness. 160 of eventual 460 UN Senegalese troops deployed Maryland county southeast of Monrovia 22 June to secure border. Setback for interim leader Gyude Bryant as UN Security Council left Liberian sanctions unchanged 17 June, claiming progress in monitoring diamond origins and timber revenues insufficient. Reassessment planned 10 December.
 - "UN peacekeepers extend reach towards Ivoirian border", IRIN, 22 June 2004.
 - "UN council leaves Liberia sanctions in place", Reuters AlertNet, 18 June 2004.
 - "Liberia's rebels suspend leader", BBC, 8 June 2004.
 - For background, see ICG Africa Report N°75, Rebuilding Liberia: Prospects and Perils, 30 Jan. 2004.
 - Nigeria Situation calmed somewhat since May, though tensions remain high. Seven killed in communal Muslim/Christian violence in Numan, Ademawa state 9 June. Limited success of disarmament initiative central Plateau state despite strong financial incentive. Soldiers shot 2 villagers 24 June. Deal brokered in southern Nigerian Delta province between Ijaw and Itsekiri groups 23 June, though some internal Ijaw dissent led to doubts over viability of deal.
 - "Ijaw-Itsekiri peace deal doomed, says Ijaw group", Vanguard, 28 June 2004.
 - "Islamic Jihad yields to Nigerian politics", Reuters AlertNet, 28 June 2004.
 - "Soldiers kill two villagers in Plateau state", IRIN, 24 June 2004
 - "Mosque row sparks Nigeria clashes", BBC, 9 June 2004.
- Sierra Leone UN-backed war crimes tribunal under way 3 June with trial of Sam Hinga Norman, former head of progovernment Civil Defence Forces (CDF) and 2 members of Kamajor militia. Norman, first of 13 indicted to appear after 1991-2001 civil war, refusing to recognise jurisdiction of mixed international and Sierra Leonean court. Rebel RUF suspects face trial July.

- "Taylor could be tried upon request by Liberian government", IRIN, 28 June 2004.
- "Flouting the rule of law", The Washington Post, 25 June 2004.
- "Sierra Leone war crimes court opens first case", Reuters AlertNet, 3 June 2004.
- For background, see ICG Africa Report N°67, Sierra Leone: The State of Security and Governance, 2 Sept. 2003.



CENTRAL ASIA

- Kazakhstan Opposition newspaper Assandi-Times said edition of paper which appeared 2 June was forged, blamed presidential administration. Government hit back with lawsuit. Parliamentary elections set for 19 September.
 - "Central Asia: Weekly news wrap", IRIN, 18 June 2004.
 - For background, see ICG Asia Report N°72, *Is Radical Islam Inevitable in Central Asia? Priorities for Engagement*, 22 Dec. 2003
- Kyrgyzstan For People Power opposition bloc announced former PM Kurmanbek Bakiev as group's nominee for president, first official candidate in 2005 election. President Akayev, in power since 1990, has vowed not to run, but Constitutional Court said would examine whether he had legal right to seek further term. Opposition Ar-Namys party complained of increased harassment and arrest of local leader.
 - "Kyrgyz court to examine legality of possible Akaev bid for third term", RFE/RL, 28 June 2004.
 - For background, see ICG Asia Reports N°66, Youth in Central Asia: Losing the New Generation, 31 Oct. 2003; and N°37, Kyrgyzstan's Political Crisis: An Exit Strategy, 20 Aug. 2002.
- Tajikistan Talks on status of Russian troops concluded with deal signed 4 June by presidents Rakhmonov and Putin. Russian border troops guarding Tajik-Afghan frontier to stay until 2006 not mid-2005 as expected while Russia's 201st infantry division to be given permanent basing rights. Russia will also assume control of Nurek space surveillance centre. In exchange, portion of Tajikistan's US\$300 million debt to be invested in Tajik energy industry.
 - "Tajikistan: Clock ticking on corruption", IWPR, 15 June 2004.
 - "Russian border guards to stay longer in Tajikistan", Reuters AlertNet, 4 June 2004.
 - For background, see ICG Asia Briefing, *Tajikistan's Politics:* Confrontation or Consolidation? 19 May 2004; and ICG Asia Report N°66, Youth in Central Asia: Losing the New Generation, 31 Oct. 2003.
- Turkmenistan Government decree ending recognition of foreign diplomas in effect 1 June - likely to force resignations of best educated and further repress Russianspeaking population. Officials downplayed widespread criticism of law, saying only called for verification - not rejection - of foreign diplomas.
 - "Dumbing down Turkmenistan", IWPR, 18 June 2004.
 - For background, see ICG Asia Reports N°66, *Youth in Central Asia: Losing the New Generation*, 31 Oct. 2003; and N°44, *Cracks in the Marble: Turkmenistan's Failing Dictatorship*, 17 Jan. 2003.



Uzbekistan President Karimov hosted leaders of Russia and China for Shanghai Cooperation Organisation (SCO) in Tashkent 17-18 June, lashed out at West for offering "protection" to radical Islamist groups banned in Central Asia. Apparent tilt toward Russia and China follows heavy Western criticism of Uzbek rights abuses and lack of reform. Governor of Surkhandarya region sacked by Karimov 1 June, week after dismissal of governor of Andijan. Firings apparently part of broader struggle among elite to promote officials close to PM Shavkat Mirziyoyev. On positive note, Kyrgyzstan and Tajikistan welcomed Uzbek initiative to demine frontiers.

- "Tashkent courts Moscow and Beijing", IWPR, 22 June 2004.
- For background, see ICG Asia Reports N°76, The Failure of Reform in Uzbekistan: Ways Forward for the International Community, 11 Mar. 2004; and N°72, Is Radical Islam Inevitable in Central Asia? Priorities for Engagement, 22 Dec. 2003.

SOUTH ASIA



Afghanistan NATO leaders announced 28 increased - but less than hoped for - troop deployment as security continued to worsen. NATO agreed to send approx. 1,500 extra military personnel to Kabul and north during elections, further 700 to take command of 4 northern Provincial Reconstruction Teams. President Karzai and Washington remain committed to September elections: about 5.2 million of nearly 10 million eligible voters registered but process slowed in south and east by militant violence. Election workers targeted: 2 killed by blast in eastern city of Jalalabad 26 June. Taliban guerrillas reportedly killed 16 in Oruzgan province for carrying voter registration cards. U.S. and Afghan forces intensified operations in south, killing 23 militants 8 June. Two U.S. troops killed in Kunar province on border with Pakistan 24 June. Insurgent attacks also spread to north: 5 Médecins Sans Frontières staff killed in northwestern province of Badghis. In addition, 11 Chinese workers, 4 locals killed in northern Kunduz, though Taliban denied responsibility.

- "NATO pledge for Afghanistan", The Guardian, 29 June 2004.
- "Karzai seeks more troops", The Economist, 21 June 2004.
- "Wave of attacks alarms international forces", IRIN, 16 June
- "Let the Afghans vote when they're ready", International Herald Tribune, 15 June 2004.
- For background, see ICG Asia Briefing, *Elections and Security* in Afghanistan, 30 Mar. 2004.



Bangladesh Report from Bureau of Human Rights Bangladesh 29 June indicates increased political killings and violence. Fifty wounded in 21 June explosion at opposition Awami League (AL) rally in northeastern district of Sunamganj. AL members returned to parliament 15 June, year after it declared boycott of parliamentary sessions.

- "2078 killed during Jan-June this year", The New Nation, 30 June 2004.
- "Bomb at Bangladesh rally wounds nearly 50", Reuters AlertNet, 21 June 2004.
- "A threat from militant Islam", Frontline (The Hindu), Vol. 21, Issue 13, 19 June 2004.



India (non-Kashmir) New government of PM Manmohan Singh sworn in 2 June with opposition claiming number of ministers "tainted". Indian and Pakistani foreign secretaries met 27-28 June to discuss nuclear confidence-building measures and Kashmir as part of ongoing peace process. Landmine attack in eastern Jharkhand state 23 June killed 6 - blamed on leftist separatist People's War Group (PWG). Attack followed 8 June offer of talks by Andhra Pradesh state government. PWG demanded more concessions before negotiating. Northeastern separatist groups continued campaigns: United Liberation Front of Asom attacked cinema hall with grenades 9 June, wounding 16; National Liberation Front of Tripura reportedly kidnapped 24 traders 14 June.

- "Rivals push peace process forward", BBC, 28 June 2004.
- "Out of office, maybe, but in power in India", International Herald Tribune, 23 June 2004.
- "India's tainted ministers", The Economist, 17 June 2004.
- "War and peace", Frontline (The Hindu), Vol. 21, Issue 12, 5 June 2004.



Kashmir Indian and Pakistani foreign secretaries met 27-28 June to discuss nuclear confidence-building measures and Kashmir as part of ongoing peace process. Expert-level talks on nuclear CBMs in Islamabad 19-20 June and low-level and unscheduled talks between foreign ministers on sidelines of Asia Cooperation Dialogue conference in China 20-21 June resulted in renewed ban on nuclear tests, and agreement to set up hotline between foreign ministries and reopen Karachi, Mumbai consulates. Attacks on civilians, clashes between security forces and militants continued. Three separate grenade attacks in Pahalgam, Handwara and Kunzer killed 7; 1 attack claimed by little-known Al-Nasreen group. Twelve Muslims, including 4 children, killed in shooting 26 June. India's interior minister indicated government likely to hold peace talks with Kashmiri separatists in July.

- "Kashmiris see peace hopes in India, Pakistan talks", Reuters AlertNet, 29 June 2004.
- "Nuclear hotline to be set up: Pakistan, India to continue test ban", Dawn, 21 June 2004.
- "Pakistan seeks speedy progress on Kashmir dispute", Reuters AlertNet. 16 June 2004.
- For background, see ICG Asia Reports N°s 68, 69, and 70, Kashmir: The View From Islamabad, The View From New Delhi; and Learning from the Past, 4 Dec. 2003.



ICG Asia Report Nº79, India/Pakistan Relations and Kashmir: Steps toward Peace, 24 June 2004. When Pakistani and Indian foreign secretaries meet on 27-28 June to continue the initiative launched by

President Musharraf and then Prime Minister Vaipayee, they must avoid haste and overly ambitious objectives if they are to chart a course that may ultimately resolve the disputes that brought the two countries near nuclear war a year ago. While recent progress in relations is welcome, Islamabad and New Delhi must resist temptation to force the Kashmir pace. They cannot fully bridge the gap in their positions now. To create a climate for meaningful negotiations, they should first take practical steps to move steadily toward normal ties and improve Kashmiri lives on both sides of the Line of Control. A careful normalisation process should be built around extensive confidence building measures to create the multiple constituencies that can eventually make a comprehensive settlement possible.



Nepal PM Sher Bahadur Deuba reappointed by King Gyanendra 2 June after political parties failed to agree on candidate to replace former PM Surya Bahadur Thapa. Opposition parties split on support for Deuba. Main opposition communists, called for constitutional convention, agreed 30 June to join Deuba's government. Maoist leadership rejected Deuba appointment. Nepali Congress president Girija Prasad Koirala refused to join government, continued to call for return to multi-party democracy. Bomb exploded in Kathmandu Indian-run school in apparent enforcement of indefinite school and college strike called by Maoist student group. Deuba claimed willing to hold 'meaningful dialogue' with Maoists in 9 June address to nation. Clashes between Maoists and Armed Police Force (APF) continued, as did Maoist abductions. Thirty-five APF and 4 civilians killed in separate Maoist attacks in western Nepalguni district 14.19 June.

- "New Nepal PM strikes deal for multi-party government", Reuters AlertNet, 1 July 2004.
- "Nepal's largest party ready to accept key Maoist rebel demands", South Asia Monitor (AFP), 22 June 2004.
- "Divide or rule?", The Economist, 10 June 2004.
- "Nepal opposition, Maoist rebels reject new PM", Reuters AlertNet, 4 June 2004.
- For background, see ICG Asia Briefing, Nepal: Dangerous Plans for Village Militias, 17 Feb. 2004.
- Pakistan Pakistan's PM Zafarullah Khan Jamali resigned 26 June under pressure from President Musharraf and dissolved cabinet. In 2-step succession plan, premiership will pass to outgoing finance minister Shaukat Aziz, after interim period of 45-50 days under leadership of Chaudhry Shujaat Hussain, who heads ruling pro-military Pakistan Muslim League party. Jamali's removal signifies Musharraf's desire to improve his government's domestic image, and to also retain Western support through Aziz's appointment. Major South Waziristan military operation against al-Qaeda suspects and local supporters left 72 dead, including 17 security officers. Operation launched after foreign militants killed 15 security officers near town of Shakai, 350km west of Islamabad. Pakistan continued tests of nuclear-capable Ghauri ballistic missile 4 June.
 - "Jamali resigns, nominates Shujaat as prime minister", Dawn, 27 June 2004.
 - "Pakistani Army must go through the Pashtuns", Christian Science Monitor, 25 June 2004.
 - "NSC vows to crush terrorism, militancy: Musharraf accuses MMA of breaching accord", Dawn, 25 June 2004.
 - Comment by Samina Ahmed and John Norris (ICG) "A 'moderation' of freedom, Pakistan's Pervez Musharraf isn't practicing what he preaches", The Washington Post, 15 June 2004
 - For background, see ICG Asia Reports N°77, Devolution in Pakistan: Reform or Regression? 22 Mar. 2004; and N°73, Unfulfilled Promises: Pakistan's Failure to Tackle Extremism, 16 Jan. 2004.
- Sri Lanka Peace process remained stalled. 2002 ceasefire between Tamil Tigers (LTTE) and government at risk as latter admitted elements of military unofficially supported breakaway LTTE rebel commander V. Muralitharan, aka Karuna. LTTE political wing leader S.P. Thamilselvan told Norwegian envoy Erik Solheim 30 June peace process would not go forward. President Kumaratunga's government 5 seats short of simple majority, unable to press ahead with legislative agenda.
 - "Tigers refuse talks with military", BBC, 28 June 2004.
 - "Minister says army helped Karuna", BBC, 24 June 2004.

- "Long limbo for S.Lanka peace, but war seen remote", Reuters AlertNet, 22 June 2004.
- "A return to turmoil", Frontline (The Hindu), Vol. 21, Issue 13, 19 June 2004.

NORTH EAST ASIA

- China (internal) 15th anniversary of Tiananmen Square massacre marked by thousands of demonstrators in Hong Kong, and quietly across rest of China. Police arrested handful of protesters in Beijing.
 - "Tiananmen bloodshed remembered", BBC, 4 June 2004.
- North Korea Six-way talks ended in Beijing 25 June. U.S. changed tactics with proposal involving energy aid, security guarantees in return for North Korean disclosure of nuclear program, submission to inspections and pledge to begin eliminating program after preparatory period of 3 months. 'Cautious' response from Pyongyang welcomed proposal but stressed remaining differences. All parties have agreed in principle to meet again in September.
 - "N Korea responds to US offer", BBC, 28 June 2004.
 - "U.S. to give overture to Pyongyang on arms", *International Herald Tribune*, 23 June 2004.
 - For background, see ICG Asia Report N°61, North Korea: A Phased Negotiation Strategy, 1 Aug. 2003.
 - **Taiwan Strait** Tension across Strait remains despite softening of Taipei rhetoric since March presidential election. Chinese media lashed out at U.S. following Pentagon report noting argument that Taiwan could deter Chinese military action by threatening strike on high-value targets, including China's Three Gorges dam.
 - "Storm across the Taiwan Strait", BBC, 22 June 2004.
 - For background, see ICG Asia Reports N°53-55, Taiwan Strait I: What's Left of 'One China'?, Taiwan Strait II, The Risk of War, and Taiwan Strait III, The Chance of Peace, 6 June 2003; and N°75, Taiwan Strait IV: How an Ultimate Political Settlement Might Look, 26 Feb. 2004.

SOUTH EAST ASIA

Indonesia First direct presidential election set for 5 July. Polls indicate Democratic Party candidate Susilo Bambang Yudhoyono clear favourite. Clashes in Aceh continued; at least 18 suspected rebels, 3 soldiers killed. Exiled leaders of separatist Free Aceh Movement (GAM), including "prime minister" Malik Mahmood, arrested for "crimes violating international law" in Sweden: later released. Trial of Rusman Gunawan, charged re Jakarta's August 2003 Marriott hotel blast, started 21 June. Attorney General's office announced Muslim cleric and suspected JI leader Abu Bakar Baasyir's case ready for trial. New constitutional court overturned controversial January 2003 decision to divide Papua by creating new provinces of West and Central Irian Jaya; interior ministry appealing decision. In central Papua, conflict between Damal and Nduga tribes resolved after 4 killed, over 120 injured. Investigations into April/May Ambon violence continued with members of Christian group arrested on arson charges but no progress on sniper attacks. Maluku police, including son-in-law of separatist Front for Moluccan Sovereignty leader Alex Manuputty, reportedly involved in violence, ICG Southeast Asia project director Sidney Jones and analyst Francesca LaweDavies expelled from Indonesia 6 June, generating much local controversy and international concern.

- "Former general in lead in Indonesia", International Herald Tribune, 1 July 2004.
- Comment by Sidney Jones (ICG) "An agenda for Indonesia: the new president must act boldly to nurture democracy", Time, 28 June 2004.
- "Religious leaders warn government of chaos in Papua", *The Jakarta Post*, 25 June 2004.
- Comment by Sidney Jones (ICG) "Expelled From Indonesia", The Wall Street Journal, 9 June 2004.
- For background, see ICG Asia Briefing, *Indonesia: Violence Erupts Again in Ambon*, 17 May 2004; and ICG Asia Report N°71, *Indonesia Backgrounder: A Guide to the 2004 Elections*, 18 Dec. 2003.
- East Timor Preliminary border agreement signed with Indonesia at meeting of Association of South-East Asian Nations in Jakarta 30 June. President Xanana Gusmao's government not to pursue UN prosecutors' arrest warrant for Indonesian presidential candidate Wiranto (indicted for crimes against humanity).
 - "Indonesia and Timor sign interim border pact five years after their split", Asia Pacific News (AFP), 30 June 2004.
 - "Trial of human rights violators not a priority for East Timor: Gusmao", AFP, 14 June 2004.
 - For background, see "Two years on. What future for an independent East Timor?", Oxfam Community Aid Abroad Report, 20 May 2004.
- Myanmar/Burma U.S. Congress voted to continue economic, political sanctions. National League for Democracy leader Aung San Suu Kyi and deputy chairman Tin Oo remain under house arrest. EU's objection to Myanmar participating in Asian-Europe Meeting (ASEM) caused cancellations of 2 finance meetings, but ASEM October summit in Hanoi to go ahead with Myanmar represented. Talks held with India on joint military action against Indian separatists: 2,000 rebels from insurgent groups in India's northeastern states of Assam, Manipur, Nagaland have bases inside Myanmar's northern Sagaing region.
 - Comment by EU External Relations Commissioner, Chris Patten, "Making passion last in EU-S-E Asia ties", The Straits Times, 29 June 2004.
 - Comment by David Steinberg, "Sanctions may be satisfying, but they do no good", International Herald Tribune, 21 June 2004.
 - For background, see ICG Asia Report N°78, *Myanmar:* Sanctions, Engagement or Another Way Forward?, 26 Apr. 2004.

Philippines Unexpectedly smooth election process concluded 23 June as Congress declared President Gloria Macapagal Arroyo winner of 10 May elections. Supporters of defeated Fernando Poe Jr. protested against result, claimed fraud. Post-election security fears heightened as 3 explosive devices found in Manila outside Catholic church, interior and defence department buildings 20-21 June. National security adviser Norberto Gonzales said new government to give leaders of Moro Islamic Liberation Front less than 6 months to expel 30 Jemaah Islamiah members believed to be using its hideouts in southern Mindanao island. Government held talks with Communist National Democratic Front (NDF) in Norway 22 June. Talks focused on social/economic reforms, support from

government for removal of NDF from EU and U.S. terror lists, and release of prisoners. No significant advances - talks to resume in August.

- "Manila and communists make little progress in talks", Reuters AlertNet, 25 June 2004.
- "Philippine Congress proclaims Arroyo president", Reuters AlertNet, 23 June 2004.
- For background, see "Beyond the Abu Sayyaf", Foreign Affairs, Jan./Feb. 2004.
- **Thailand** Violence continued in restive south. In policy about-face PM Thaksin Shinawatra announced government to form panels of villagers and officials to work on security and development and cancelled talks with Bersatu, Muslim separatist umbrella group. 3,000 teachers demonstrated for improved security after teacher in Pattani province shot dead in front of students 7 June. At least 5 policemen, 1 soldier and village leader killed in separate incidents.
- "Shooting carnage continues", *The Nation*, 26 June 2004.
- "Thai PM says errors made over southern violence", Reuters AlertNet, 25 June 2004.
- "Thaksin in trouble?", The Economist, 3 June 2004.



BALKANS

- Albania Political instability intensified. Opponents within ruling Socialist Party of PM Fatos Nano, led by former PM Ilir Meta, launched Socialist Movement for Integration campaign 14 June, and reportedly threatened to form new party. Opposition Democratic Party also facing challenge to support-base from new monarchist Movement for National Development party. Political manoeuvring likely to intensify up to May/June 2005 elections continued to undermine any progress toward EU's Stabilisation and Association Process.
 - "Which direction for the Balkans?", RFE/RL, 25 June 2004.
 - "Talking trash", Transitions Online (subscription), 21 June 2004.
 - For background, see ICG Europe Report N°153, *Pan-Albanianism: How Big a Threat to Balkan Stability?* 25 Feb. 2004.
 - Bosnia & Herzegovina Final decision to pass control of NATO's Stabilisation Force in Bosnia (SFOR) to 7,000 EU troops (EUFOR) by end of 2004 announced at Istanbul summit 28 June. Bosnian membership in NATO's Partnership for Peace program rejected. Key preconditions for NATO membership full cooperation with the Hague war crimes tribunal and arrest of war crimes fugitives not yet fulfilled. High Rep. Paddy Ashdown dismissed 60 officials 30 June, including parliamentary speaker Dragan Kalinic and interior minister Zoran Djeric, on grounds of 'obstructionism and corruption'. Police failed 26-27 June to locate war crimes suspects Stojan Zupljanin or Savo Todovic. Bosnian Serb government commission admitted Serb forces murdered thousands of Muslims in Srebrenica in 1995 previously denied.
 - "Crackdown on key Karadzic allies", BBC, 30 June 2004.
 - "NATO presses the hunt for Karadzic", International Herald Tribune, 23 June 2004.



- "EU braces for critical deployment in Bosnia", IWPR Balkan Crisis Report N°502, 10 June 2004.
- For background, see ICG Balkans Reports N°150, Building Bridges in Mostar, 20 Nov. 2004; and N°146, Bosnia's Nationalist Governments: Paddy Ashdown and the Paradoxes of State Building, 22 July 2003.



ICG Europe Briefing, EUFORIA: Changing Bosnia's Security Arrangements, 29 June 2004. The announcement that the EU will take over from NATO in Bosnia is politically popular in Washington

and Brussels but the success of the new security set-up cannot be taken for granted. The planned EU-led peacekeeping force (EUFOR), which will replace NATO's Stabilisation Force (SFOR) by the end of 2004, arrives at a delicate time for the Balkans. The region faces increased security challenges on a variety of fronts, and EUFOR's mandate has to reflect this new reality. The main security challenges today are weapons smuggling, the apprehension of war criminals, extremist religious groups, and border security. There are questions about whether the cashstrapped and far-from-integrated armies of the EU member states can meet these challenges. This will be the most significant change in the international presence in Bosnia since the war ended, and significant post-war achievements are at stake.



Kosovo International community policies and Kosovo Albanian expectations remain on collision course. PM Bajram Rexhepi threatened unilateral declaration of independence or referendum call if no progress toward resolving Kosovo's final status by September 2005, while former leader of Kosovo Liberation Army, Hashim Thaci, voiced dissatisfaction with status quo. Serb teenager killed 5 June in apparent attempt to rekindle March violence. EU envoy to Macedonia, Søren Jessen-Petersen, named by UN to replace resigned Head of UN Mission in Kosovo Harri Holkeri.

- "The forgotten land", The Guardian, 22 June 2004.
- "A new, more experienced man in Kosovo", ISN, 18 June
- "Vojvodina hit by wave of ethnic attacks", IWPR Balkan Crisis Report N°502, 10 June 2004.
- For background to the March violence, see ICG Europe Report N°155, Collapse in Kosovo, 22 Apr. 2004.



Macedonia Debate intensified on decentralisation laws last component of Ohrid peace deal and key condition before Macedonia's aspirations to EU candidate status could be considered. Governing Social Democrats (SDSM) promised compromise with coalition partner Democratic Union for Integration (DUI) on decentralisation by 5 July.

- "Move to break decentralisation impasse", IWPR Balkan Crisis Report N°503, 18 June 2004.
- For background, see ICG Europe Report N°149, Macedonia: No Time for Complacency, 23 Oct. 2003.



Serbia After 18 months without head of state, Democratic Party candidate Boris Tadic won second round presidential election, beating Tomislav Nikolic of Serbian Radical Party. Tadic won 53.7%, Nikolic 45%, with surprisingly high voter turnout of approx. 49%. Oligarch candidate Bogoljub Karic's surprisingly high first round showing (18.8%) makes him new force on Serbia's political scene. Uncertain whether Tadic's election will have impact on Serbia's political course. Hague tribunal president Theodore Meron told UN Security Council 9 June Serbia-Montenegro shows no signs of cooperating. Milorad "Legija" Ulemek pleaded not guilty to all charges related to murder of PM Zoran Djindjic.

- "Pro-Western reformer carries day in Serbia", International Herald Tribune, 29 June 2004.
- "Serbians offered choice between past and future", The Guardian, 26 June 2004.
- "Belgrade's defence strategy tilts west", IWPR Balkan Crisis Report N°504, 24 June 2004.
- For background, see ICG Europe Report N°154, Serbia's U-Turn, 26 Mar. 2004.

CAUCASUS



Armenia Opposition announced protest campaign to remove President Robert Kocharian would be suspended for foreseeable future due to insufficient public support.

- "A new vision for Armenia", Eurasianet.org, 24 June 2004.
- "Opposition halts protest campaign", RFE/RL, 17 June 2004.



Azerbaijan Seven jailed Azerbaijani opposition members returned to court 22 June after boycotting hearings. Prisoners charged in connection with October 2003 postelection clashes; claim proceedings biased. Authorities continue to refuse permission for opposition to hold demonstrations in public.

- "Azeri opposition in crisis", IWPR, 23 June 2004.
- For background, see ICG Europe Report N°156, Azerbaijan: Turning Over a New Leaf?,13 May 2004.



Georgia Tensions rose between Tbilisi and South Ossetia, as President Mikheil Saakashvili, following successful May resolution of crisis with Ajara region, began manoeuvring to bring second of Georgia's 3 breakaway regions (other is Abkhazia) under central control. Georgian troops cut off major smuggling route, heavily damaging on South Ossetian economy, while Tbilisi offered Ossetian citizens pensions and aid. South Ossetia alleged Tbilisi massing troops on internal border; Tbilisi said Russia supporting and equipping South Ossetia. In Abkhazia, several senior officials, including acting foreign minister and head of security services, resigned following assassination of opposition leader Garri Ayba. President Saakashvili's party won sweeping victory - with over 77% of vote - in 20 June parliamentary election in Ajara.

- "South Ossetia gets ultimatum, rejects Georgian aid", Eurasianet.org, 23 June 2004.
- "Abkhazia struggle intensifies", IWPR, 23 June 2004.
- "Saakashvili sweeps Ajaria poll", IWPR, 23 June 2004.
- For background, see ICG Europe Report N°151, Georgia: What Now?, 3 Dec. 2003.



Nagorno-Karabakh (Azerbaijan) Armenian and Azerbaijani forces exchanged fire in several incidents 6-8 June, killing at least 2. Peace talks remain frozen.

- "Armenian, Azerbaijani troops clash on border", RFE/RL, 16 June 2004.
- For background, see ICG Europe Report N°156, Azerbaijan: Turning Over a New Leaf?, 13 May 2004.

EASTERN EUROPE



Chechnya (Russia) President Vladimir Putin said Russia to build up forces in North Caucasus after major rebel attack in Ingushetia, which borders Chechnya, killed close to 100, including Ingush interior minister. Between 200 and 300 insurgents struck police stations and public buildings in 3 towns night of 21-22 June. Russia blamed Chechen rebels, but identity of attackers unclear: some reportedly spoke Ingush. In Chechnya, May assassination of President Akhmad Kadyrov has left power vacuum. Alu Alkhanov, Kadyrov's relatively unknown interior minister, tapped as Moscow's choice to replace him. Election set for 29 August.

- "Putin plans to bolster forces in Caucasus", International Herald Tribune, 25 June 2004.
- "Not so small anymore", The Economist, 24 June 2004.



Moldova EU and Chisinau agreed 3-year Action Plan for increased cooperation, but settlement of conflict with breakaway Transdniestrian region remains elusive. Both sides reportedly amenable to federal solution, although Chisinau seeking asymmetric federation, while Tiraspol wants equal status. Latter skipped latest round of negotiations 23-24 June.

- Comment by Nicholas Whyte (ICG), "EU must tackle Moldova's frozen war", European Voice, 18 June 2004.
- For background, see ICG Europe Report N°147, Moldova: No Quick Fix, 12 Aug. 2003.



ICG Europe Report Nº157, Moldova: Regional Tensions over Transdniestria, 17 June 2004. Russian support of the internationally unrecognised Dniestrian Moldovan Republic (DMR) is obstructing

resolution of the Moldova conflict. Deeper EU and U.S. engagement is key to solving problems posed by Europe's poorest country. With Russian economic and political support, the DMR has become a self-aware actor since the civil war in the early 1990s -- and a haven for criminal activity. Russia has exploited Moldova's instability for its own interests. Despite accepting deadlines for withdrawing its troops, it has sought to ensure continued influence on Moldovan policymaking and prolong its military presence in a peacekeeping guise. Recent largely unilateral attempts to resolve the conflict betray a near Cold War mindset. No settlement can be imposed without support of Moldova and key players such as the EU, U.S. and the OSCE.

WESTERN EUROPE/MEDITERRANEAN



Basque region (Spain) Eight members of ETA arrested in French raids 17 June. Spanish PM Zapatero continued attempts to avoid Basque premier's Plan Ibarretxe. Plan calls for greater autonomy, including separate courts, subject to Basque referendum; many fear this would lead to break-up of Spain.

• "Eight ETA suspects held in France", BBC, 17 June 2004.



> Cyprus UN Secretary General Kofi Annan blamed Greek Cypriot president Tassos Papadopolous for failure of peace referendum in internal UN report 2 June, mooting international recognition of Northern Cyprus. Greece, meanwhile, suggested financial assistance to Turkish

Cyprus. UN peacekeeping force (UNFICYP) mandate extended further 6 months; status and structure of mission to be reviewed by Annan within 3 months.

- "UN force to remain in Cyprus for six months during review of future mandate", UN News Service, 11 June 2004.
- "Annan Cyprus comments spark anger", BBC, 3 June 2004.



Northern Ireland (UK) Elections to European Parliament 10-13 June saw Protestant Democratic Unionist Party (DUP), opposed to power-sharing, top poll with 32% vote share, well ahead of more moderate Ulster Unionist Party. Sinn Féin (SF) replaced Social Democratic Labour Party as main party of nationalist community. Possible push for peace between SF and DUP, though SF called DUP conditions "unacceptable" 30 June.

- "DUP deal terms unacceptable", BBC, 30 June 2004.
- "Vote further polarises Ulster politics", The Guardian, 15 June
- For background, see ICG Europe Briefing, Monitoring the Northern Ireland Ceasefires: Lessons from the Balkans, 23 Jan. 2004.



Turkey Courts released Kurdish activist Leyla Zana 9 June amid claims Turkey now fully ready for EU membership. Leftist group detonated small bomb outside Hilton hotel Ankara 24 June, severely injuring 2. Three killed and 15 injured in later Istanbul blast ahead of NATO summit 28-29 June. Clashes between security forces and Kurdish rebels in southeast claimed at least 17 since 1 June end of unilateral ceasefire.

- "Bomb in Istanbul kills 4 ahead of NATO summit", International Herald Tribune, 25 June 2004.
- "Freedom Calls", The Economist, 10 June 2004.



Latin America /Caribbean



Bolivia Continuing protests against government plans to export natural gas and cut spending. Two died in 1 June clashes between protesters and security forces. Vice minister of education Celestino Choque abducted for 6 hours in La Paz by striking teachers. Ayo Ayo town mayor, accused of corruption, kidnapped, tortured and killed by residents 15 June. Movement of the Landless and inhabitants of Ayo Ayo set up road blocks and announced establishment of "independent government of the new historic state". Government commission sent to region unable to regain control.

- "Bolivians burn alive mayor accused of corruption", Reuters AlertNet, 15 June 2004.
- For background, see "Indigenous people in South America: A political awakening", The Economist, 19 Feb. 2004.



Colombia President Uribe's government offered to halt offensive operations against leftist National Liberation Army (ELN) if it calls unilateral ceasefire. FARC killed 34 coca farmers in northeastern region of Norte de Santander 15 June. Attack in retaliation to farmers' support for right-wing paramilitaries. AUC paramilitaries agreed to confine themselves to rural areas starting 1 July in bid to advance demobilisation negotiations with government. Abducted former Colombian senator and 7 family members freed 1 June, removing last-minute obstacle to talks. Lower house of congress approved bill 17 June to allow Uribe to stand for second term in 2006. Legislation must pass further 4 rounds of voting in house and senate before approval.

- "Colombia, warlords talk peace in militia haven", Reuters, 1 July 2004.
- "Colombia's opportunity", The Washington Times, 22 June 2004.
- "Farc admits coca farmers massacre", BBC, 18 June 2004.
- "Colombia reelection bill passes half-way mark", Reuters AlertNet, 17 June 2004.
- For background, see ICG Latin America Report N°6, Colombia: President Uribe's Democratic Security Policy, 13 Nov. 2003 and ICG Briefing, Hostages for Prisoners: A Way to Peace in Colombia?, 8 Mar. 2004.
- **Ecuador** Assembly of Organisation of American States (OAS) held in Quito 6-8 June. Meeting drew street protests and calls for uprising by Confederation of Indigenous People of Ecuador (CONAIE), which failed to materialise. President Lucio Gutierrez prepared to push through reforms of energy bill by setting 30day deadline for debate. Gutierrez aims to increase private and foreign participation in state-operated oil fields with state participation reduced to 35%.
 - "Ecuador Indians protest against president as OAS General Assembly opens", San Diego Union Tribune (AP), 9 June
 - For background, see "Indigenous people in South America: A political awakening", The Economist, 19 Feb. 2004.
- Haiti UN troops headed by Brazil took over peacekeeping duties from U.S.-led multinational force 1 June; failure to disarm informal militias causing serious concern. Aid workers struggling to reach areas cut off by May floods, estimated to have killed 2,600 Haitians. In Port-au-Prince, over 5,000 supporters of ousted president Jean-Bertrand Aristide demonstrated 17 June for his return.
 - "Thousands of Haitians rally for Aristide's return", Reuters AlertNet, 18 June 2004.
 - "UN takes on Haiti relief effort", BBC, 2 June 2004.
- Peru Shining Path rebels killed 4 in 3 ambushes in central region. Unrest resurfaced in border town of llave with protests against provisional mayor, accused of ineptness and links to predecessor, who was lynched by angry mobs. Mayor and councilmen taken hostage 18 June by leaders of popular movements in province of San Román.
 - "Electing force in Latin America", International Herald Tribune, 24 June 2004.
 - "Peru rebels kill soldier in fresh attack on army", Reuters AlertNet, 24 June 2004.
 - For background, see "Indigenous movements and democracy in the Andean countries", The Economist, 19 Feb. 2004.

✓ Venezuela President Hugo Chávez stepped back from brink of constitutional crisis by accepting recall referendum - set for 15 August - after opposition gathered 2.54 million signatures, surpassing 2.43 million (20% of electorate) required by constitution. Decision avoids direct confrontation with popular opposition; followed highly publicised talks between Chávez and OAS Secretary General Cesar Gaviria and former U.S. president Jimmy Carter. To win referendum opponents must match 3.76 million votes Chávez received in 2000 election. Opposition still concerned government may try to manipulate election process. Should Chávez lose recall before 19 August (completion of 4th year of 6-year term), presidential elections would be held within

month. After 19 August, Chávez's vice president, José Vicente Rangel, would serve remainder of Chávez's term.

- "Venezuela's Chavez seeks to pack top court group", Reuters, 17 June 2004.
- "Venezuelan recall vote set for Aug. 15", CNN, 10 June 2004.
- For background, see ICG Latin America Briefing, Venezuela: Headed Toward Civil War?, 10 May 2004.



ICG Latin America Briefing, Increasing Europe's Stake in the Andes, 15 June 2004. The EU needs to engage more deeply and effectively in the increasingly unstable Andean region. With their

significant experience in solving regional problems through a regional approach at home. Brussels and the member states should play a more substantial role in helping the Community of Andean Nations (CAN) achieve stability and deepen its integration. All five CAN states -- Bolivia, Colombia, Ecuador, Peru and Venezuela -- face serious crises that taken together put the region's peace in question. Repeated calls by their leaders for increased security cooperation have not been matched by actions. The EU appears to believe it has little to offer in an area where U.S. presence is overwhelming; however, the EU and CAN should cooperate in ways that complement rather than compete with U.S. efforts.



EASTERN MEDITERRANEAN

- Israel/Occupied Territories Israeli cabinet approved watered-down version of PM Ariel Sharon's Gaza Strip pullout plan 6 June. Plan calls for phased withdrawal but sets no firm deadline, and requires vote before each of 4 phases. First phase unlikely to be put to vote before March 2005. Israel negotiating with Egypt on possible security role for Cairo in Gaza following pullout. Egyptian involvement officially welcomed by Yasser Arafat, but denounced by militant groups in Gaza. Arafat reportedly set to appoint his interior minister, Taid Abdul Rahim, as head of security for Palestinian Authority. Israeli troops killed leader of al-Aqsa Martyrs Brigades and 5 others in Nablus 26 June. Bribery charges against Sharon dismissed 15 June. Israeli high court ruled 30 June parts of controversial West Bank
- "Small victory for barrier opponents", BBC, 30 June 2004.

security wall illegal.

- "Palestinians: Influential militant, five others killed", CNN, 27 June 2004.
- "Distraction in Gaza", Al-Ahram Weekly, 24 June 2004.
- "Sharon stoops to conquer", The Economist, 9 June 2004.
- For background, see ICG Middle East Report N°25, Identity Crisis: Israel and Its Arab Citizens, 4 Mar. 2004 and N°22 Palestinian Refugees and the Politics of Peacemaking, 5 Feb. 2004.

Jordan King Abdullah said country ready to help train Palestinian police in Gaza following proposed Israeli pullout.

■ For background, see ICG Middle East Briefing, The Challenge of Political Reform: Jordanian Democratisation and Regional Instability, 8 Oct. 2003.

- - Lebanon Israeli warplanes struck Palestinian target deep in Lebanon 7 June, hours after rockets fired from Lebanese territory narrowly missed Israeli naval vessel. Sides also exchanged fire along border 20 June.
 - "Israeli warplanes hit Lebanese guerrilla site", The Washington Post, 21 June 2004.
 - "Israel warns Lebanon after raid", BBC, 8 June 2004.
 - For background, see ICG Middle East Briefing, Hizbollah: Rebel Without a Cause?, 30 Jul. 2003.
- - Syria Government said activities of Kurdish political parties would no longer be permitted, 3 months after unrest left 30 Kurds dead. Negotiations on major trade agreement with EU stalled over Syrian refusal to renounce weapons of mass destruction. [Last month's CrisisWatch incorrectly reported agreement had been signed.]
 - "Syria clamps down on Kurd parties", BBC, 3 June 2004.
 - "Syria sees no need to reopen EU pact talks", Reuters AlertNet, 2 June 2004.
 - For background, see ICG Middle East Reports N°s 23 and 24, Syria Under Bashar (I): Foreign Policy Challenges, Syria Under Bashar (II): Domestic Policy Challenges, 11 Feb. 2004.

GULF



- Iran Tehran said would resume construction of centrifuges for nuclear program, after strongly worded International Atomic Energy Agency statement drafted by Britain, France and Germany "deplored" gaps in Iran's cooperation. Situation becoming increasingly serious: U.S. seeking to establish timetable leading to possible UN Security Council action.
 - "Iran won't buckle to pressure on centrifuges", The Washington Post (AP), 27 June 2004.
 - "UN raps Iran over nuclear stance", BBC, 18 June 2004.
 - For background, see ICG Middle East Report N°18, Dealing with Iran's Nuclear Program, 27 Oct. 2003; and ICG Middle East Briefing, Iran: Discontent and Disarray, 15 Oct. 2003.



- [Iraq Coalition officially handed over power to interim Iraqi government 28 June, marking legal transfer of sovereignty and symbolic step forward for Iraq. Handover followed unanimous 8 June passing of UN Security Council resolution 1546 endorsing plan to hold elections by January 2005 and authorising Coalition forces to remain beyond 30 June. New PM Iyad Allawi assumed control after nomination - with American backing - by Interim Governing Council, circumventing selection process run by UN envoy Lakhdar Brahimi. Top Shiite cleric Ayatollah Ali al-Sistani gave new government cautious endorsement. Violence surged in run-up to handover, with coordinated attacks in 5 cities 24 June killing over 100. Security situation across Iraq remained unstable, with daily bombings, kidnappings and assassination attempts on Iraqi officials, along with strikes on oil infrastructure. U.S. continued hunt for top terrorist Abu Musab al-Zargawi. NATO Istanbul summit 28 June resulted in vaque pledge to help train Iraqi troops. 591 Coalition soldiers, including 526 Americans, and thousands of Iraqis killed by hostile fire since declared end of combat operations on 1 May 2003.
 - "U.S.-led military occupation formally ends", International Herald Tribune, 29 June 2004.
 - "U.S. welcomes NATO pledge to train Iraqi troops", CNN, 28
 - "Multiple attacks kill 100 in Iraq", BBC, 24 June 2004.

■ For background, see ICG Middle East Report N°27, Irag's Transition: On a Knife Edge, 27 Apr. 2004; and N°26, Irag's Kurds: Toward an Historic Compromise?, 8 Apr. 2004.



Saudi Arabia Security forces in Riyadh killed al-Qaeda's leader in Saudi Arabia and 2 others 18 June, hours after militants beheaded U.S. hostage Paul Johnson. In bid to quell growing anxiety following spate of recent attacks, government said foreigners would be allowed to carry guns.

- "Wanted Saudi militant shot dead", BBC, 30 June 2004.
- "Tension in Riyadh as the heat builds up", The Guardian, 26 June 2004.



Yemen Over 60 supporters of radical Shiite cleric Hussein al-Houthi killed as government troops laid siege on his base in mountainous northern Yemen.

"Yemen kills 10 supporters of rebel Shi'ite cleric", Reuters AlertNet, 1 July 2004.



ICG Middle East Briefing, The Broader Middle East and North Africa Initiative: Imperilled at Birth, 7 June 2004. Unless the U.S. modifies its approach to the region, especially regarding Iraq and the Israeli-

Palestinian conflict, rising violence and growing hostility toward its policies are likely to overwhelm the initiative for reform and democratisation in the Middle East. If the Broader Middle East and North Africa Initiative (BMEI) is to have any possibility of producing a generation-long partnership of Western states and regional reformers to address the region's genuine needs, the U.S. will have to take significant steps to reduce widespread suspicions of its intensions and change the highly unfavourable wider political context in which it begins. Democratisation and reform require a generation of constant effort, and 90 per cent of the prospects for success or failure rest in indigenous hands. America's (and Europe's) responsibility is to take political actions that might produce the calmer regional environment in which indigenous efforts would have the necessary time to operate.

NORTH AFRICA



Algeria Nabil Sahrawi, leader of Salafist Group for Preaching and Combat (GSPC), killed in major operation east of Algiers 20 June. GSPC severely weakened after death of founder, Hassan Hattab, and Chadian capture of top Salafist Amari Saifi last month. Power plant blast 21 June initially thought accidental later claimed by GSPC as retaliation bombing. Editor of Le Matin newspaper jailed for 2 years 14 June: independent press facing crackdown since April reelection of President Bouteflika.

- "Al Qaeda-linked group claims Algerian plant blast", Reuters AlertNet, 27 June 2004.
- "Algeria kills head of terror group", The Daily Star, 21 June
- "Managing editor of daily 'Le Matin' sentenced to two years in Prison", Reporters Without Borders, 15 June 2004.
- For background, see ICG Middle East/North Africa Briefing, Islamism in North Africa I: The Legacies of History, 20 Apr. 2004; and Report N°15, Algeria: Unrest and Impasse in Kabylia, 10 June 2003.



Egypt Quartet representatives meeting Taba 24 June welcomed Egyptian pressure for Palestinian security reform in



return for security role in Gaza. Health fears for President Mubarak, 76, as underwent back surgery in Germany.

- "Mubarak insists he is healthy", International Herald Tribune, 25 June 2004.
- "Mideast envoys back Egypt pressure on Palestinians", Reuters AlertNet, 24 June 2004.
- For background, see ICG Middle East and North Africa Briefings, Islamism in North Africa: Legacies of History and Egypt's Opportunity, 20 Apr. 2004; and The Challenge of Political Reform: Egypt after the Iraq War, 30 Sept. 2003.

Libya U.S. announced 11 June investigation into reports Libya plotted to assassinate Crown Prince Abdullah of Saudi Arabia in 2003. U.S. nevertheless reopened liaison office in Tripoli following visit of Assistant Secretary of State William Burns. Negotiations continue on compensation for Libyan-sponsored 1986 Berlin disco bombing.

- "U.S. renews diplomatic ties with Libya", CNN, 29 June 2004.
- "US to probe Libya murder plot", BBC, 11 June 2004.

Morocco U.S. signed free-trade deal with Morocco 15 June, bolstering kingdom's status as major U.S. ally. Human rights groups questioned Morocco's record in Western Sahara.

- "Morocco/Western Sahara: torture of detainees must end", Amnesty International report, 24 June 2004.
- "US signs free-trade deal with Morocco", The Washington Post, 15 June 2004.
- For background, see ICG Middle East/North Africa Briefing, Islamism in North Africa I: The Legacies of History, 20 Apr. 2004.



Western Sahara James Baker resigned as UN Secretary General's personal envoy 11 June, frustrated at lack of progress toward peace deal during 7-year tenure: Morocco continues to reject Baker plan. Alvaro de Soto will take on Baker's brief. 100 Moroccan POWs released by Polisario 22

- "Polisario releases 100 prisoners after EU request", IRIN, 22 June 2004.
- "Baker quits as UN envoy on W Sahara", Middle East Online, 14 June 2004.

"ICG tells power what it thinks and advocates with both passion and effectiveness. It is a continuous source of ideas and insights for governments, parliaments, international institutions, the media and fellow NGOs. In short, ICG is an organization that matters....

Colin L. Powell, U.S. Secretary of State, 10 October 2003

"Together in a remarkably short time, you have made the International Crisis Group a global voice of conscience, and a genuine force for peace. Your mediation work - and your leadership in early warning and conflict prevention - have been enormously important."

Kofi Annan, United Nations Secretary-General, 5 October 2002



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