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# annualreport2001

international crisis group      review of 2000 plans for 2001



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\*as of 1 March 2001



# annual report 2001

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## from the chair

**Conflict prevention is demanding, requiring a comprehensive understanding of the causes of conflict and of the possible tools and policy options that can be used to prevent a crisis from erupting into deadly violence. This is exactly the need to which ICG responds. Since its founding in 1995, ICG has been involved in developing strategic, integrated policy proposals aimed at strengthening stability and avoiding conflict. Through its advocacy, ICG is continuously alerting the international community to risks, and urging governments, international organisations and relevant sections of the business community to take preventive and remedial action.**

Unfortunately we are witnessing on a daily basis resurgent conflicts in different parts of the world. ICG has widened its geographical reach during the year 2000 into a new continent. A new Asian regional program was established and fieldwork has commenced in Indonesia, Central Asia and Burma, producing already a number of useful reports mapping the political landscape and potential sources of conflict in these troubled places. ICG has also further strengthened its presence in Africa, launching early in 2001 a new project in Sierra Leone.

South Eastern Europe remains an area of critical interest to the international community. There has been little cause for optimism in the course of the past decade in the Balkans. But the signs of democratic change are finally becoming more apparent in different parts of the former Yugoslavia. The victory of the centre-left opposition coalition in the Croatian Parliamentary elections in January 2000 was the first promising development. The political revolution in Serbia in early October and the results of the Serbian Parliamentary elections in December confirming the position of the former opposition coalition were further defining moments for the Balkans.

With the removal of Slobodan Milosevic from power, new possibilities have opened up for stability and prosperity in former Yugoslavia and throughout the Balkan region. However, the real challenges for the region remain. These include rebuilding the economies of both former Yugoslavia and the other countries of the region, creating democratic administrative structures and institutions, and bringing a functioning civil society into being.

The challenges also include resolving questions of the status of Montenegro and Kosovo in relation to Serbia and creating a functioning state in Bosnia-Herzegovina. The victory of the more moderate Kosovo Albanian leader Ibrahim Rugova's party in Kosovo's municipal elections in October 2000 gave better prospects for solving the multitude of political and economic problems. The International Crisis Group continues to have a sizeable presence in the region focusing on the evolution of events in the individual entities, assessing their significance, inter-relation and wider impact.

This first year that I have been serving as ICG's Chairman has been characterised by rapid institutional expansion. This has meant many new positions both in the field and in the area of advocacy and research. ICG has established itself as a highly credible source of analysis and policy prescription on the world's conflict spots. For this, I would like to congratulate ICG's President, Gareth Evans, who has dynamically led the organisation through a far-reaching program of expansion, his dedicated staff and the Board Members for their work and support. The growth in activity has been reflected also in a major increase of resources, and I would like to thank all those governments, foundations and individuals that have guaranteed the ICG's valuable work with their generous financial support.

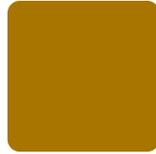
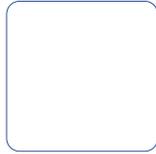
*Martti Ahtisaari*



**PRESIDENT MARTTI AHTISAARI**  
Chairman

Helsinki, 1 March 2001

*Martti Ahtisaari served as President of Finland from 1994 to 2000. He was, among other roles, United Nations Commissioner for Namibia from 1977 to 1981, and the European Union's representative in the 1999 Kosovo peace talks. He has been Chairman of ICG since 1 March 2000.*



## from the president

**The year 2000 was one of rapid and sustained expansion for ICG. Our reach broadened from the Balkans and Africa to Asia, our available funds increased from under \$3 million to over \$6 million, and our core full-time staff grew from 25 to 55. If the reaction from policymakers is any guide, our visibility and effectiveness also expanded commensurately.**

**We produced during the course of the year 49 reports and briefing papers on conflicts and crises – chronic, acute and looming – in eighteen countries. Thousands of printed copies of these reports were distributed to policymakers and those who influence them around the world. Thousands more were sent out by email, and there were half a million visits during the year to our website, [www.crisisweb.org](http://www.crisisweb.org).**

ICG's mission – what guides and sustains us in all this activity – is to prevent and contain deadly conflict: to do everything we can to persuade those capable of altering the course of events to adopt policies and act in ways that reduce tensions and meet grievances rather than causing them to fester and explode. We must learn from the horrors and mistakes of Somalia, Bosnia and Rwanda never, if humanly possible, to repeat them.

We try to discharge that mission in three ways. We put experts on the ground in crisis situations to analyse what is going on and why. We develop policy prescriptions in consultation with our Board members, who between them command an enormous wealth of knowledge and experience. And we advocate the appropriate policy responses, both directly to policymakers and through the media and other sources of influence.

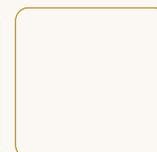
Measuring outcomes, as distinct from outputs, is a difficult business when one is engaged in conflict prevention. When prevention succeeds, and violence does not erupt, practically nobody notices. Preventing the outbreak of violence, or even the escalation or recurrence of a conflict already visible, simply doesn't capture the kind of attention that goes with successful conflict resolution.

Often we can claim no more than that ICG has contributed to the better understanding of dangerous situations, and has contributed ideas and proposals that have been taken seriously, even if not immediately embraced. But the continuing and growing support of so many governments, and the major increases in funding from foundations and individuals, is evidence in itself that ICG is making a contribution that matters, helping the world become a saner and more civilised place. All of us at ICG are deeply grateful to our donors – old and new, public and private – for their great generosity, and even greater commitment to the cause of peace.

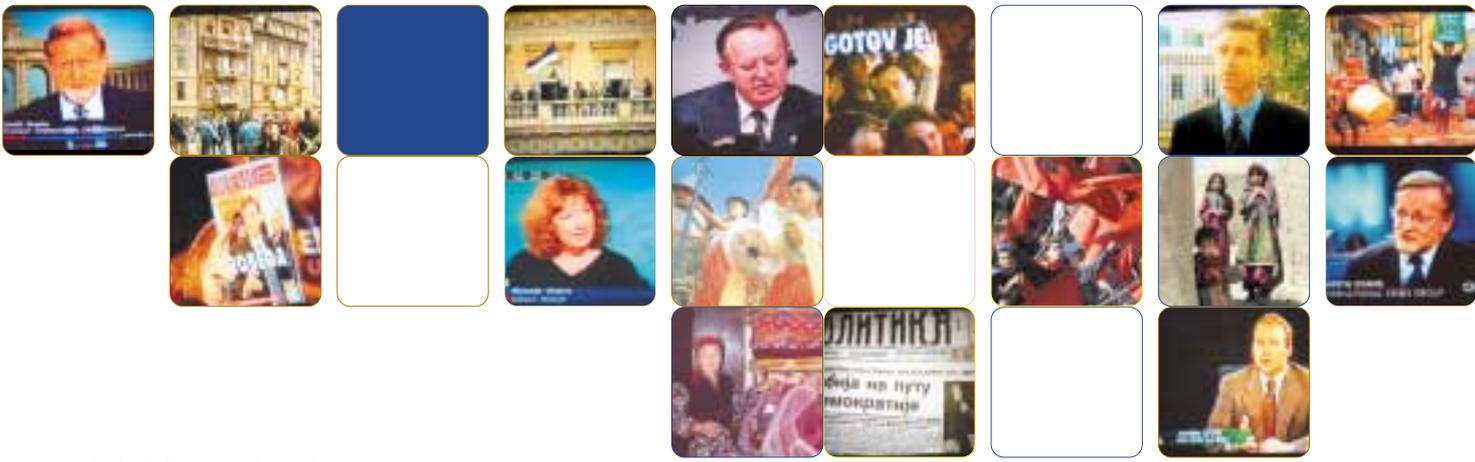
There is much more that we can and will do in 2001 to further develop and strengthen ICG's impact. We will have new advocacy offices in New York and Paris, and new personnel in new positions throughout the organisation. In less than six years, a marvellous team of experienced, wise and enthusiastic men and women have brought ICG a very long way. We all hope that this year will be one in which our visibility and impact – significant though it is at the moment, and proud as we are of what we have achieved – takes a quantum leap forward.

**HON GARETH EVANS AO QC**  
**President and Chief Executive**

Brussels, 1 March 2001



*Gareth Evans served as Australian Foreign Minister from 1988 to 1996.  
He has been President of ICG since 10 January 2000.*



## ICG's mission

**ICG was established by a group of prominent international citizens and foreign policy specialists in 1995. Their object was to create a new organisation – wholly independent of any government – which would, through high quality advice and high level advocacy, help governments, international organisations and the world community at large prevent deadly conflict, or at least contain it within the narrowest possible bounds.**

### ICG's approach has three basic elements:

**Field research and analysis:** ICG's analysts are stationed in many of the world's trouble spots – where there is concern about the outbreak of conflict, its escalation or its recurrence. Where they cannot be stationed, they visit; and where they cannot visit, they seek information through other available sources.

Their first task is to find out what is happening and why: what are the underlying political, social and economic factors creating the conditions for conflict; what are the more immediate causes of tension; who are the people that matter, and who or what influences them; what is the actual or potential role of other countries and international organisations in contributing to or defusing the crisis. That knowledge has then to be converted into succinct, timely and readable reports, briefing papers and commentary.

**Policy Prescription:** ICG's role is not merely to understand conflict but to prevent it. And that means identifying the levers that can be pulled and those who can pull them. There are many different tools in the prevention toolbox – diplomatic and political; legal; financial and economic; and ultimately military.

Some of those tools are applicable in-country, requiring action by the national government or other local actors; others require the commitment of other governments, or international organisations, to be effective. Some will need to be applied in the short term;

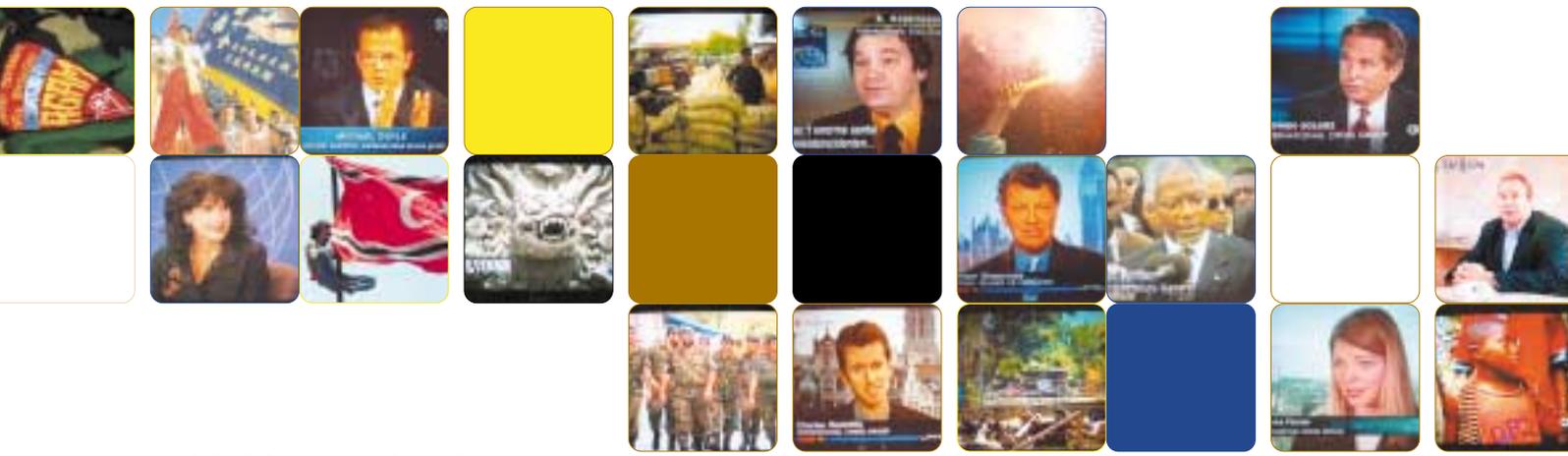
for others the lead time is longer. Some will be within the current market-place of received ideas; others will be over the horizon, too far away for many to be able or willing to reach, but nonetheless the right way forward. But in every case the need is the same: to identify, in our reports and briefings, policy responses that are within the capacity of policy makers to apply, and that, if applied, will help prevent or contain deadly conflict.

**Advocacy:** Identifying the problem and the appropriate response is still only part of the story. As often as not, the risk of conflict will be known, and the policies that need to be applied to minimise that risk will also be reasonably well understood. The missing ingredient will be the 'political will' to take the necessary action – to apply the necessary human, financial and physical resources.

ICG's task is not to lament the absence of political will, but to work out how to mobilise it and act accordingly. That means persuading policy makers – either directly, or through others who influence them, not least the media. That in turn means having the right arguments – moral, political, legal, financial or whatever. And it means having the ability to effectively deploy those arguments, rationally or emotionally as the case may require, with people of the right credibility and capacity.

**'I wanted to let you know how much we appreciate the steady flow of reports ICG sends to me and to others in the FCO. Your most recent paper *Elections in Kosovo* was, as always, well-timed and well-argued.'**

*Robin Cook, Foreign Secretary, United Kingdom, 31 July 2000*



## ICG's method

**How, in practice, does ICG go about implementing the different elements of its mission? What did the organisation do in 2000 that added value to the international effort to prevent and contain deadly conflict?**

### Operating in the Field

ICG's Board decides, on the recommendation of the President, what field projects will be commenced and continued. The basic criteria applied are the degree of risk of conflict, our available resources, the geographical balance of our operations, and – above all – whether we can add value to international understanding and response. In 2000 we extended our presence to eighteen countries or entities (from twelve in 1999), maintaining our Balkans program, expanding operations in Africa and opening a whole new Asia program.

ICG professional field staff and consultants are recruited mainly from former diplomats, journalists, humanitarian NGO personnel and academics. They are fluent in local languages, totally familiar with local conditions, and often leading experts in their fields. Assisted in writing their reports by program directors and a small research unit based in Brussels, their information is gathered from multiple local sources including government and opposition figures, public servants, military and paramilitary leaders, municipal officials, academics, journalists and leaders of civil society. During 2000 ICG produced a total of 49 analytical reports (averaging 25 pages each) and shorter briefing papers.

### Determining Policy

The policy recommendations attached to nearly all ICG reports are settled by the President on the basis of advice from field staff and program directors, and consultation with Board members and a wide variety of governments, intergovernmental organisations, academic specialists and think-tanks and other NGOs. The object is always to produce advice which is relevant, dispassionate, candid, sharply focused and capable of practical implementation, even if beyond current limits of political acceptability. During 2000 a major effort was made to extend the range of policy inputs, and sharpen the focus of recommendations.

### Advocating Action

The first task of effective advocacy is dissemination of the product. During 2000 ICG reports and briefing papers were distributed by:

- Direct mail, in printed form, to up to 1000 senior policymakers and opinion leaders
- E-mail notification and access, to up to 3000 officials, analysts and media contacts
- Our website [www.crisisweb.org](http://www.crisisweb.org) to over half a million users.

The next task is to ensure that policy makers hear the message. So far as possible ICG tries to communicate it directly. Face to face briefings of ministers, officials, legislators, UN/EU/World Bank/NATO personnel and others are regularly conducted, locally and in major capitals, by program directors and key field staff; by the President (who spent more than half the year 2000 on the road); and – increasingly – by the Chairman and other Board Members, an extraordinary talent pool. Since the move in early 2000 to more accessible and professional headquarters premises, ICG in Brussels has received a regular flow of senior political and official visitors, and conducted a series of well-attended seminars and roundtables.

Media exposure is critical for ICG's effectiveness. International print and electronic coverage, as (incompletely) monitored in-house, rose from 160 mentions in 1999 to 353 in 2000, with several extended profile pieces on the organisation, including in *The Economist*, *The Asian Wall Street Journal* and *Foresight Magazine* (Japan). ICG staff and Board members published 38 opinion pieces in major newspapers and magazines, including the *International Herald Tribune*, *Washington Post*, *Independent* and *Le Monde*. Many more mentions of ICG – a flood in the Balkans, and an increasing number in Africa and Asia – occur in local language media, as a result of briefings and commentary from our field staff.

Advocacy opportunities also arise constantly as senior ICG personnel are invited to give lectures and speeches, and to attend conferences, seminars and round-tables, sponsored by governments, foundations, think-tanks, universities and corporations. Scores of such presentations were made during 2000.



# ICG's operations

**ICG New York**  
 Opened in January 2001 to coordinate ICG advocacy with the UN Secretariat and diplomatic community; improve access to the media and the New York philanthropic community; and provide policy input.

**ICG Washington**  
 Established in 1997 to spearhead advocacy with the Administration, Capitol Hill and US media. Provides policy input to Brussels and the field, and coordinates ICG private fundraising.

**ICG Brussels (Headquarters)**  
 Established in 1997, following a move from London, as the hub of the organisation, co-ordinating all ICG field operations, report production and distribution, and international advocacy.

**ICG Paris**  
 Opened in January 2001 to provide a new platform for advocacy in Europe, and coordinate funding arrangements with all governments.

**Algeria**  
 Initially established in 1998, project activities – with a new team of consultant analysts – resumed in mid-2000, as optimism about the future dwindled and violence rose.

**Sierra Leone**  
 The location of ICG's first field project in 1995, a new project commenced in early 2001, following the break down of the Lomé accord and the country's continuing uncertain future





**Balkans**

Commencing operations in early 1996, ICG now has six projects in Albania, Bosnia, Kosovo, Macedonia, Montenegro and Serbia; with policy analysts based in field offices in the region, and additional consultants reporting. Main focus in 2001 likely to be Kosovo and Bosnia.

**Central Asia**

Large-scale new field project opened in August 2000, with a team of analysts based in Osh, in the volatile Ferghana Valley region where Uzbekistan, Kyrgyzstan and Tajikistan intersect, with rising potential for conflict.

**Burma/Myanmar**

New project launched late in 2000 to assess the strengths and vulnerabilities of the military regime, and policy options available to assist a peaceful transition to democracy.

**Cambodia**

Continuation of watching brief project commenced in 1998, as the country's peace dividend from the 1991 UN settlement remains elusive.

**Central Africa**

Present in the Great Lakes region since early 1998, Nairobi-based analysts and supporting consultants focused in 2000 on the war in the Democratic Republic of Congo, tensions between Uganda and Rwanda, and Burundi's peace process.

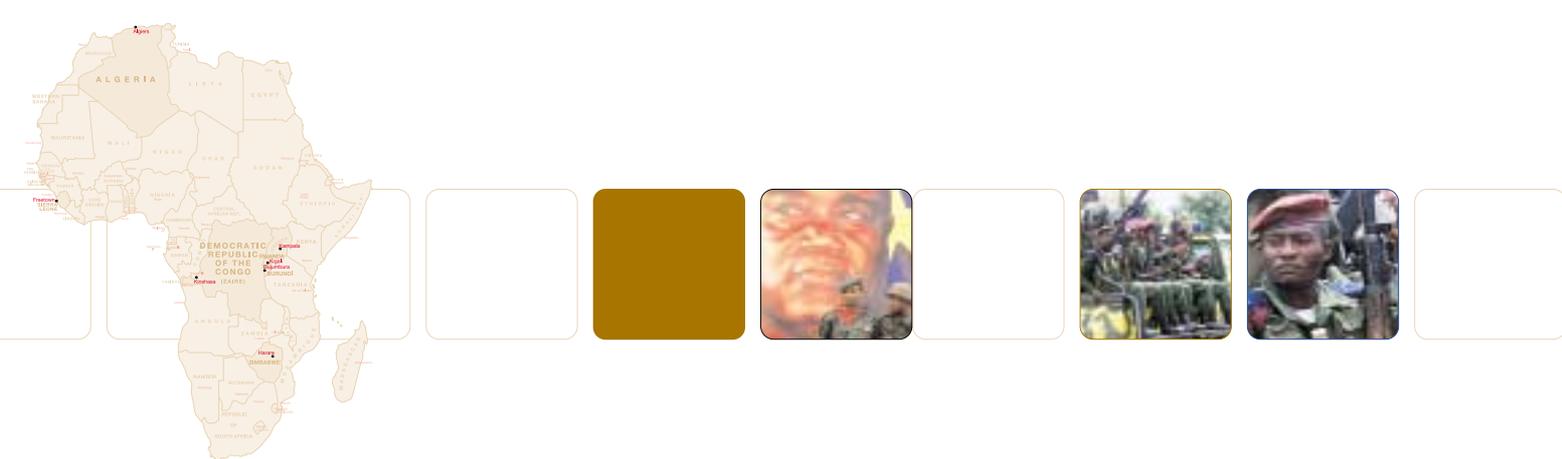
**Indonesia**

Major new field project launched in March 2000, based in Jakarta with analysts reporting on Aceh, Irian Jaya, Maluku and other areas of actual and potential conflict.

**Zimbabwe**

A watching brief, with a visiting analyst reporting, was established in mid-2000. With tensions simmering and no improvement in sight, a field-based presence is planned for early 2001.

**'ICG succeeds in adding value... in the form of first-class reports that not only assess potentially dangerous situations but also recommend what governments should do about them.'**  
*The Asian Wall Street Journal, 30 June 2000*



# ICG in Africa

## Central Africa

### Democratic Republic of Congo

**Africa's first continental-scale war, fought on the territory of the Democratic Republic of Congo (DRC), raged on throughout 2000, with renewed military offensives by all sides. At one level a Congolese civil war, the conflict has drawn in two opposing regional blocs – a Great Lakes alliance of Rwanda, Uganda and Burundi in support of Congolese rebel groups, versus Angola, Zimbabwe and Namibia all backing the DRC Government in Kinshasa. A number of unfinished civil wars, including those of Rwanda, Uganda, Burundi and Angola, are also being battled out in the DRC. In the midst of this chaos, the DRC's own stew of local feuds has escalated, leading to renewed ethnic violence in the eastern part of the country.**

The Lusaka Agreement, signed in July and August 1999 by six Heads of State and all rebel leaders, has long proved hollow. While the accord largely froze the armies in their positions, it did not stop the fighting. The mandated United Nations observers have not been deployed in the numbers envisaged due to the continuation of hostilities, while the 'Inter-Congolese Dialogue', which was to have brought a 'new political dispensation' to the DRC under Lusaka, appears stillborn.

The DRC has begun to fragment. Throughout the country, a humanitarian catastrophe is underway. The fighting has already cost the lives of hundreds of thousands, and driven an estimated two million Congolese from their homes. The violence has also encouraged the growth of ethnic militarism, with the east of the country gradually being transformed into a patchwork of warlords' fiefdoms. The territorial integrity of the DRC is today acutely threatened, as will be in time the stability of its nine neighbours if the war continues.

ICG's analysis of the DRC conflict culminated in 2000, with the release in December of the Group's seventh major paper on the conflict. The 120-page report, *Scramble for the Congo: Anatomy of an Ugly War*, provided a comprehensive analysis of the intertwined regional, national and local dimensions of the conflict, and set out strategies for ending the fighting and creating conditions for peace.

Among the measures advocated by ICG in 2000 with the aim of reviving the Lusaka peace process have been:

- *The full deployment of unarmed UN military observers*
- *International backing for the so-called Kampala plan as a first step towards the phased withdrawal of foreign forces from DRC*
- *Political and economic pressure on Kinshasa's foreign allies to comply with the terms of the Lusaka Agreement*
- *Increased pressure on Uganda and Rwanda to provide compensation for war damage in Kisangani*
- *Development of a new UN 'humanitarian framework' to tackle the complex emergency in DRC in a more co-ordinated and effective way.*

All of these recommendations have been partially or wholly adopted by members of the UN Security Council, the UN Secretary General and other international policymakers. The death of Laurent Kabila on 16 January 2001 has now changed the situation on the ground to such an extent that rapid progress on these measures may become possible.

**'I and my colleagues have constantly referred to *Scramble for the Congo* over the past couple of weeks: it's the definitive analysis...'**

*Michael Holman, Africa Editor, Financial Times, 28 January 2001*



## Burundi

**A milestone was reached in Burundi's long-standing civil war with the signing of the Burundi Peace Agreement in Arusha on 28 August 2000. The agreement, masterminded by Talks Facilitator Nelson Mandela, brought to a close the marathon negotiation that had begun in Arusha more than two years earlier. The resulting agreement is, in principle, a thorough and balanced reflection of the parties' wishes for political representation and access to political power. However, the document is seriously weakened by the absence of provisions for a ceasefire, and the fact that the main Hutu rebel leaders have refused to sign it. Burundi enters 2001 poised precariously between war and peace.**

ICG published three reports and two briefing papers on the progress of Burundi's fragile peace process during 2000. In *The Mandela Effect* (April 2000) ICG assessed Burundi's peace prospects in the light of the appointment of former South African President Nelson Mandela as the facilitator of peace talks. In two briefing papers released in June and August and a longer report, *Burundi: The Issues At Stake*, released in July, ICG examined the key remaining sticking points to be resolved if the talks were to succeed. ICG's final report of the year, *Burundi: Neither Peace Nor War* (December 2000), mapped out Burundi's post-agreement political landscape and analysed the hurdles still to be cleared before the country's political transition could properly begin.

Among the measures advocated by ICG in relation to Burundi during 2000 – and since wholly or partly implemented – have been:

- Steps to establish better communication between the Talks Facilitation Team and rebel leaders excluded from the talks
- Visits by Nelson Mandela to Burundi and other initiatives designed to reassure Hutu and Tutsi populations and convince opponents of a peace deal to back the agreement
- Intensification of pressure on Burundian rebel groups involved in the DRC conflict to withdraw and join the Burundi peace process

- Adoption, in the Burundi Peace Agreement, of a balanced power sharing formula for the institutions responsible for steering Burundi's transition process
- Pressure on the Burundian government to ease restrictions on the press and on the activities of political parties, and release political prisoners
- Steps to limit Burundian rebel activity on Tanzanian soil
- Commitment to the resumption of aid to Burundi conditional on progress in implementing the Burundi Peace Agreement (400 million US dollars pledged at a donors' conference in Paris in December 2000)
- International backing – and technical assistance – for Burundi's transitional government to help revive the economy, reform the country's institutions, establish a truth and reconciliation commission, and develop and implement an effective demobilisation plan conditional on progress in implementing the Burundi Peace Agreement.

## Rwanda and Uganda

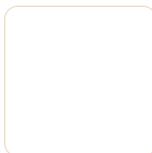
**With regional alliances playing an important role in the escalation of conflict in the Congo, ICG turned its attention to the increasingly unstable relationship between two key backers of the DRC rebels – Rwanda and Uganda. Historically staunch allies, the two countries came to blows over the control of the diamond-rich Congolese town of Kisangani in 1999 and 2000. An ICG report on the dispute between the two countries, released in May 2000, warned of the risks posed by the deteriorating relationship to wider regional stability.**

Among the measures advocated by ICG during 2000 in relation to the dispute between Rwanda and Uganda – and since wholly or partly implemented – were the following:

- Demilitarisation of Kisangani, the scene of armed clashes between Rwandan and Ugandan forces
- A summit between the two countries' Heads of State
- Establishment of better channels of communications between the main government ministries and institutions of the two countries.

**'Burundi: Ni Guerre Ni Paix is a detailed and useful analysis of the peace process and the challenges involved in achieving a lasting peace in Burundi.'**

*Maria Minna, Minister for International Cooperation, Canada, 16 January 2001*



## Zimbabwe

**Zimbabwe faced a severe crisis of governance in 2000. Regime-inspired violence, intimidation, farm invasions, racist political rhetoric and a complete breakdown of the rule of law characterised the months preceding the 24-25 June parliamentary elections. The country's first credible opposition movement in twenty years made an impressive showing at the polls, though it failed to unseat President Robert Mugabe's ruling ZANU (PF). Hopes that the closeness of the election result might temper the government's authoritarian zeal faded rapidly, as the President sought to cling to power, violence continued, and the country's economic problems escalated.**

ICG established a watching brief on Zimbabwe in June 2000, and an ICG analyst made several visits to the country during the second half of the year. Our first report, *Zimbabwe: At the Crossroads*, July 2000, sought to expose the abuses of the Mugabe regime and set out measures aimed at ending political violence, tackling the economic crisis and restoring the rule of law. It was followed in September by a briefing updating developments. ICG's recommendations have focused on the need to place maximum pressure on President Mugabe, as overwhelmingly personally responsible for the stress his country is now experiencing. Those recommendations have found broad support among the international community, but the government in Harare has so far remained rigidly opposed to reform, making the risk of further instability, and possibly conflict, increasingly likely. As 2001 opened, ICG brought forward plans to establish a field presence in Harare; a series of further reports will be published during the coming year.

## Algeria

**As 2000 opened, violence was on the rise once again in Algeria, dashing hopes for an imminent end to a protracted political crisis that has claimed over 100,000 lives since 1992. The cautious optimism surrounding the election of the reformist Abdelaziz Bouteflika as president in April 1999 was increasingly replaced by fear for the future, and the impact of the limited amnesty-for-peace decreed at the beginning of 2000 fell short of expectations. The deadlock between the country's political leadership, the armed forces and the complex Islamist opposition is still unresolved, as are the underlying issues that gave rise to the crisis in the first place.**

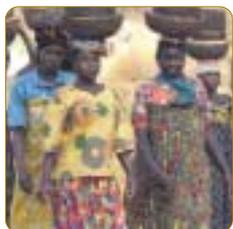
After an eighteen-month pause, ICG resumed its activities in Algeria in mid-2000 and, in October, published the first in a series of planned reports, *The Algerian Crisis: Not Over Yet*. The wide-ranging report sought to disentangle the root causes of the conflict, and highlighted a number of potentially explosive issues requiring urgent attention by the Algerian authorities, other parties to the present conflict and the wider international community.

**'Your hard-hitting document *Zimbabwe: At the Crossroads*, with its plain speaking assessments, deserves to be widely known.'**

*Justice Michael Kirby, High Court of Australia, 27 July 2000*

**'*The Algerian Crisis* is a valuable addition to our sources on Algeria and contributes to our better understanding of the developments going on in this country.'**

*Benita Ferrero-Waldner, Federal Minister for Foreign Affairs, Austria, 16 November 2000*



## into 2001 in Africa

**In the year ahead, ICG plans to maintain and, where necessary, strengthen its existing operations in Central Africa, Zimbabwe and Algeria, and to expand its activities into a number of new areas, including Sierra Leone and East Africa.**

**Specific research and advocacy priorities in 2001 include the following:**

### War in the Congo

- *The prospects and challenges facing the new government of President Joseph Kabila*
- *The evolution of the war and implementation of the Lusaka Peace Agreement*
- *The future of the UN peacekeeping mission in Congo (MONUC)*
- *The regional war economy*
- *The impact of the war on Congo's nine neighbours, including Congo-Brazzaville and Zambia.*

### Burundi

- *Implementation of the Arusha accord and the dynamics of the political transition.*

### Rwanda

- *Rwanda's March 2001 communal elections*
- *The International Criminal Tribunal for Rwanda and the process of bringing to justice perpetrators of the 1994 genocide, in which 800,000 people are believed to have lost their lives.*

### Algeria

- *Reconciliation between the Islamists and the military-backed government of President Abdelaziz Bouteflika*
- *The role of the army in politics*
- *Economic reform*
- *Algeria's external relations.*

### Zimbabwe

- *Domestic politics and the role of the opposition in the year running up to presidential elections scheduled for March 2002*
- *Land reform.*

### Sierra Leone

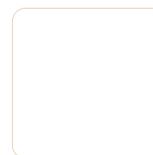
- *The ongoing civil war and refugee crisis*
- *Efforts to shore up the Sierra Leone Government in its military battle against the rebels*
- *The challenges facing the United Nations peace-keeping operation*
- *Longer-term issues of institution-building, rule of law, truth and reconciliation, demobilisation and economic regeneration.*

### East Africa

- *Democratisation processes around the region*
- *Upcoming elections and associated instability in Uganda and Kenya*
- *The evolution of the East African Community.*

**'I found *Uganda and Rwanda: Friends or Enemies?* a helpful contribution to the difficult issue of what might be done to improve the prospects for peace and security in the Great Lakes region. I was struck, in particular, by your conclusion (about) channels of communication...'**

*Kieran Prendergast, UN Under-Secretary-General for Political Affairs, 17 May 2000*



## ICG in Asia

### Indonesia

**Having begun the year on a wave of domestic goodwill and international support, the Indonesian government of President Abdurrahman Wahid ran into serious political difficulties during 2000. Mounting internal divisions within the governing coalition, continuing severe economic problems, outbreaks of violence in various parts of the country and an uneven record on democratic reform – all combined with growing concern about the capacity and effectiveness of the new political leadership – undermined confidence in the government. As the year wore on, fears grew that Indonesia may be heading towards a period of protracted and possibly widespread violence.**

An ICG field team, led by a leading international expert on Indonesia, arrived in Jakarta in March 2000. Since then, ICG has published three reports and two briefing papers – starting with a wide-ranging ‘state of the nation’ report, *Indonesia’s Crisis: Chronic But Not Acute*, May 2000, which summarised the general situation and explored those areas where effective action was most urgently needed from the new government in Jakarta.

Fighting between Moslems and Christians escalated in Maluku in 2000 with the emergence of well-organised Moslem militias. The government has been unable to stop the mass violence, while the police and the military are accused in some cases of joining in the fighting rather than intervening to prevent it. ICG produced two well-received papers on the Maluku crisis – a briefing paper, issued in July, and a longer, more detailed report, released in December (*Overcoming Murder and Chaos in Maluku*).

In Aceh, tensions escalated sharply at the end of the year, prompting the government to speed up plans to grant the province greater autonomy. A cease-fire agreement has secured a pause in fighting between the military and the Free Aceh Movement, but low-level violence continues, the military is accused of repression and there is growing support in Aceh for a referendum on the future of the province. ICG published a briefing paper in December setting out the background to the crisis and analysing the implications of recent events.

Finally, ICG produced an in-depth assessment of civil-military relations and the reforms necessary to limit and regulate the military’s political role. The report, *Keeping the Military Under Control*, September 2000, pointed out that while the influence of the military had been drastically reduced since the present government came to office, it retains a territorial network and is still strongly represented in intelligence agencies, which continue to focus on domestic political and social affairs. The fundraising activities of the armed forces, which cover 75 per cent of expenses, are generally not subject to public scrutiny.

In its reports on Indonesia, and in briefing sessions and policy seminars conducted during the course of the year in Europe, Asia and North America, ICG advocated a wide range of measures aimed at quelling violence in Indonesia, defusing social tensions and supporting the reform process. Among those wholly or partly implemented have been:

- *Indonesian government support for dialogue between members of both the Moslem and Christian communities in Maluku*
- *Non-pursuit by foreign governments of any question of military intervention in Maluku, on the grounds that such an intervention would be counter-productive and could easily lead to further destabilisation across Indonesia*
- *Adoption by the Indonesian legislature of a clear legal division between the roles and responsibilities of the police and those of the military*
- *International support for police retraining programs to enable the police to properly take over duties currently performed by the military.*

***Indonesia’s Crisis... strikes the right balance... valuable for its substantive insights and as a means of helping galvanise informed international support for Indonesia’s democratic transition.’***

*Alexander Downer, Minister for Foreign Affairs, Australia, 31 May 2000*



## Burma/Myanmar

**In the latter part of 2000, ICG began working on Burma/Myanmar, one of the most militarised countries in the world, whose population has been brutalised by forced labour, forced migration and systematic repression, and where the potential for a major explosion of violence is always closer to the surface than it may appear. In December, ICG published its first report, *Burma/Myanmar: How Strong is the Military Regime?* which confirmed the strength of the ruling State Peace and Development Council's hold on power, but also drew attention to the regime's most significant vulnerability: military overstretch.**

Assessments of Burma/Myanmar's near term future must remain equivocal. On the one hand, the regime shows no signs of giving up power: real question marks remain about its willingness to commence a genuine, as distinct from merely cosmetic, dialogue about democratic transition. On the other hand, a crumbling rural sector and intensified disaffection within the armed forces are ingredients for an increase in civil conflict. The challenge for the international community is to find ways to intensify the pressure upon the military regime to accommodate peaceful democratic transition. A crucial related issue is how to support the democratic opposition forces within the country in ways that are not counterproductive.

## Cambodia

**ICG maintains a watching brief on Cambodia, having published one report during the year (its fifth on the country since 1998). The report, *Cambodia: the Elusive Peace Dividend*, 11 August 2000, concluded that Cambodia, although not at imminent risk of major conflict, remains in many respects a strongman's state replete with lawlessness, human rights abuses and grinding poverty. While Prime Minister Hun Sen's achievements are acknowledged – not least his central role in the negotiation of the 1991 peace settlement – his legitimacy results from his marginalisation of political opposition, wearing down of donors and diplomats, and control over military and local government offices. Cambodia's recent gains in national-level economic performance have been boosted by narcotics trafficking, illegal logging, land-grabs and prostitution. Most Cambodians still await their peace dividend, and many believe it will never come. The report called on the international community to work together more effectively, especially by giving greater voice to Cambodian civil society in determining the allocation of development aid.**

ICG recommended support for the UN-brokered agreement to establish local courts with international participation to try Khmer Rouge leaders – but only on additional conditions that would ensure the effectiveness of the process, including ongoing action against all living first-level leaders. We will continue to advocate the implementation of those conditions.

**'Burma/Myanmar: How Strong is the Military Regime?' contains not only an extremely helpful overview of the strengths and weaknesses of the present Burmese regime, but also perceptive comments on the main players in the current Burmese drama. It is without doubt a valuable contribution to deepening the international community's understanding of the situation there'**

*Robin Cook, Foreign Secretary, United Kingdom, 26 January 2001*

**'Cambodia: The Elusive Peace Dividend is an excellent ICG report – brief, accurate and hard hitting.'**

*Justice Michael Kirby, High Court of Australia  
(and Special Representative of the UN Secretary-General on Human Rights for Cambodia, 1993-96), 28 August 2000*



## Central Asia

**Kyrgyzstan, Uzbekistan and Tajikistan each face the prospect of civil unrest and large-scale violence. Popular expectations of more pluralistic politics, representative government and rising living standards have been seriously frustrated over the past decade. Political forces are already mobilised to exploit any outburst of popular discontent, while the growth of private militias, increasing lawlessness, an expanding trade in drugs and weapons and the rise of terrorist activity all add to the sense of crisis and impending violence.**

In Tajikistan, the peace settlement that ended the bloody civil war is now under threat, with the government retreating from its power-sharing commitments and proving unable to integrate all opposition militias into its armed forces. The rate of political assassinations intensified during 2000, and the formal power structures of the state have proven to be largely irrelevant to the daily political processes. The rapidly growing drug trade out of Afghanistan and the associated trade in guns are exacerbating an already dangerously unstable situation.

Kyrgyzstan at the national level enjoys considerably better circumstances than Tajikistan, but most people in Kyrgyzstan feel the country is in crisis. Extreme poverty and massive unemployment in certain parts of the country raise the prospect of localised trouble, while the trade in drugs and guns is also undermining order in the more vulnerable areas. Armed incursions by Tajikistan-based terrorists in August 1999 and again in August 2000 have only served to heighten insecurity.

Uzbekistan is stronger and wealthier than either Tajikistan or Kyrgyzstan. But it too faces deteriorating social and economic conditions in important localities. The government's draconian responses to a number of terrorist incidents and to the underground Islamist opposition are contributing to a sense of grievance in some communities. Uzbekistan's greater wealth will not protect it from a new economic crisis, which looks fairly certain without significant structural reform.

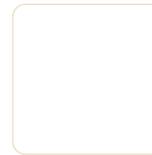
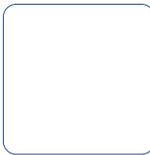
The Ferghana Valley, which straddles the territory of all three republics, is an area of particular concern. The living standards of large numbers of people there are chronically depressed and continue to deteriorate. The Valley has been the setting of inter-communal violence, and, in August 1999 and August 2000, for a serious terrorist incursion into Kyrgyzstan.

ICG sent an exploratory mission to Central Asia in May 2000 and established a field base in Osh, Kyrgyzstan, in August. The project has so far led to the publication of one major report *Central Asia: Crisis Conditions in Three States*, August 2000, and a briefing paper on an upsurge in violence in the region, published in October 2000. Operational difficulties have led to the output from this project for the year being smaller than anticipated, but it is hoped these problems are now resolved. Certainly ICG is now well positioned to report on the situation as it further evolves.

ICG's preliminary findings and recommendations have been presented at meetings with representatives of the main international financial institutions (including the World Bank and the Asian Development Bank) and with senior government officials in China, Japan, Europe and North America. In both its published work and its oral presentations, ICG has sought to highlight the risk, in the present climate of grievance and mistrust, that some localised incident – such as a riot, border clash or terrorist incursion – could rapidly transform itself into widespread violence or civil unrest domestically, or into interstate military confrontation. ICG has also emphasised the need for greater co-operation between Russia and NATO countries, in particular the United States, in responding to the threat of violent conflict in Central Asia. No one country, acting alone, has the policy focus or resources to contribute decisively to the prevention of conflict in the region.

**'As I put Central Asia on our priorities list of the Austrian OSCE Chairmanship, the report is a valuable contribution to our deliberations on this part of the world and to our endeavours in order to find possible ways of conflict prevention.'**

*Benita Ferrero-Waldner, Federal Minister for Foreign Affairs, Austria, 4 October 2000*



## into 2001 in Asia

**ICG plans to maintain its present operations in Indonesia and Central Asia during 2001, consolidating and expanding their output, while stepping up its coverage of events in Burma/Myanmar and retaining a watching brief on Cambodia. Among the specific issues on which ICG will concentrate over the coming year:**

### Indonesia

- The performance of the government, particularly in relation to political and economic reform and its handling of communal and separatist violence
- The political role of Islam
- Decentralisation and, specifically, the future political status of Irian Jaya and Aceh
- Military and police reform
- Reform of the justice system
- Truth and reconciliation
- International development aid and technical assistance
- Economic and financial sector reform.

### Central Asia

- Ethnic tensions in the Ferghana Valley
- Democratisation in Kyrgyzstan
- The risk of war between Kyrgyzstan and Uzbekistan
- Political implications of Uzbekistan's socio-economic crisis
- The new 'military map' of Central Asia
- Implementation of the peace agreement in Tajikistan
- The political dynamics of Uzbekistan
- The impact of Afghanistan on Central Asia
- China's growing engagements in Central Asia.

### Burma/Myanmar

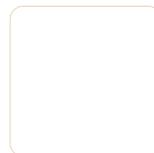
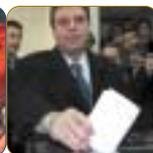
- The military's recruitment base, and its sources of supply for weapons, ammunition, equipment and rations
- Military morale, and day-to-day relations between the military and the civilian population
- The regime's main mechanisms of surveillance and political control
- The extent of political opposition activities (demonstrations), civil disobedience, public disorder
- Youth and student movements as a catalyst for change.

### Cambodia

- Human rights abuses
- Land ownership
- Military demobilisation
- Fraud and violence in commune elections
- Trials of Khmer Rouge leaders
- Control of the gun trade.

**'This private, geopolitical think tank is taken seriously in UN circles and dares to say what many diplomats quietly think to themselves.'**

*Libération*



## ICG in the Balkans

### Serbia

**The political revolution in Serbia in early October was a defining moment for the Balkans. For several years ICG reports and advocacy have concentrated on the prospects for removing Yugoslav President Slobodan Milosevic, and replacing him with a government committed to democratic governance at home and peaceful relations with its neighbours. As 2000 opened, that prospect seemed like a distant, ambitious dream. By the end of the year, and against the odds, Milosevic's removal and the installation of democratic reformers were fully – and largely peacefully – achieved.**

Three ICG reports published during the five months leading up to the September Yugoslav Presidential elections examined the evolving political situation in Serbia, the shifting strengths and weaknesses of the country's political forces, and the various means by which Milosevic could be expected to try to cling to power. In a report published on the eve of the elections, ICG's analysis tracked the gathering momentum of the opposition campaign and the increasingly desperate attempts of the regime to stave off defeat *Yugoslavia's Presidential Election: The Serbian People's Moment of Truth*, September 2000. Our findings and recommendations were set out in a series of six newspaper articles by ICG Serbia analysts, published during September and October in the *International Herald Tribune*, *Washington Post* and other leading international newspapers. Within two weeks of Milosevic's fall, an ICG team was dispatched to Belgrade and a new office established there. A subsequent briefing paper focused on the political aftermath of the October revolution and the campaign for the December Serbian elections.

Measures advocated by ICG during 2000 in relation to Serbia and subsequently adopted – wholly or in part – have included:

- Support for independent media in Yugoslavia to remain the first track for effective international support for the opposition
- The broadcast of independent television and radio programs into Serbia from transmitters in neighbouring countries or entities (including Bosnia's Republika Srpska, Kosovo and Montenegro)
- Support for local Serbian opposition leaders and encouragement of local efforts to form opposition coalitions
- Support for Serbian non-governmental organisations (NGOs) involved in voter education, get-out-the-vote campaigns and election monitoring and for parties representing ethnic minorities in Vojvodina and Sandzak.

**'ICG's leadership has ensured a brighter future for the people of Southeast Europe.'**

*R. Bruce Hitchner, Chair, The Dayton Peace Accords Project, 5 October 2000*

**'ICG has earned a reputation for the timely presentation of independent analysis, notably in the Balkans.'**

*Reuters, 3 July 2000*



## Montenegro

Relations between Serbia and its sister republic in the Yugoslav federation, Montenegro, represented a highly sensitive and potentially explosive issue for much of 2000. An ICG analyst was stationed full-time in Montenegro throughout the year, producing regular reports and briefings. In March 2000, ICG published a detailed analysis of the potential risk of conflict in Montenegro, characterising the situation as fragile and likely to deteriorate rapidly, and advocating strong measures (not only economic and political backing but a military security guarantee) in support of the Djukanovic government (*Montenegro: In the Shadow of the Volcano*). In April, we published an analysis of the Montenegrin opposition (*Montenegro's Socialist People's Party: A Loyal Opposition?*) and, in May, a report on the significance of local elections (*Montenegro: Testing the National Temperature*).

With the question of Montenegro's future status a matter of increasingly bitter dispute, both within the republic and between the Montenegrin government and Belgrade, ICG published a thorough legal appraisal of the precise constitutional status of the Federal Republic of Yugoslavia, describing it as 'in the process of dissolution' *Current Legal Status of the FRY and of Serbia and Montenegro*, September 2000. Later, ICG examined the implications of the change of leadership in Belgrade on support and prospects for independence for Montenegro (*Montenegro: Which Way Next?*, December 2000).

Measures advocated by ICG during 2000 in relation to Montenegro and subsequently adopted – wholly or in part – have included:

- Strong international economic support for the government in Podgorica, including major funding for infrastructure projects
- Strong political support for the Djukanovic government by senior European leaders, with steps to increase the visibility of the international presence in Montenegro as a deterrent against aggression by Belgrade
- A dialogue with the opposition party leaders.

## Kosovo

ICG maintained a team of analysts in Kosovo throughout 2000, publishing seven reports and briefing papers on a variety of subjects from the fate of Kosovo Albanian prisoners held in Serbia (*Kosovo Albanians in Serbian Prisons: Kosovo's Unfinished Business*, January 2000), to the continuing influence of the KLA (*What Happened to the KLA?* March 2000), the future of Mitrovica (*Kosovo's Linchpin*, May 2000), war crimes (*Reality Demands: Documenting Violations of International Humanitarian Law in Kosovo 1999*, June 2000), local elections (*Elections in Kosovo: Moving Towards Democracy?*, July 2000), and a briefing paper on reaction in Kosovo to Kostunica's election as Yugoslav president.

In August, ICG published *Kosovo Report Card*, a particularly wide-ranging and detailed appraisal of the progress of the international mission in Kosovo. It assessed successes and failures, emphasising the need for action to control illegal armed groups, curb violence directed against Serbs, and establish the basic structures of normal life.

Measures advocated by ICG during 2000 in relation to Kosovo and subsequently adopted – wholly or in part – have included:

- The UN Mission in Kosovo, the International Commission on Missing Persons, the ICTY and other agencies to work together to investigate the whereabouts and fate of Kosovo Albanians held in Serbian prisons
- UN High Commissioner for Human Rights to monitor the trials of all Kosovo Albanian prisoners held in Serbia
- New measures to deter election-related violence in Kosovo
- Commitment of additional resources to permit an expansion of broadcasting in Kosovo by the province's only public TV broadcaster
- Specific provisions on campaign conduct included in local election regulations
- Appointment of Serb representatives to Kosovo's municipal assemblies
- Special measures to reinforce the ban on political activities by Kosovo's KPC during the run up to local elections.



## Bosnia

**2000 was another year of dashed hopes for Bosnia and Herzegovina, with nationalist politicians continuing to use all available means to block the functioning of national institutions, and to keep alive mutual distrust among Bosnia's ethnic communities. Five years after the signing of the Dayton Peace Agreement, and after the investment of \$5 billion of aid, peace in Bosnia remains fragile and wholly dependent on the continued presence of large numbers of international peacekeeping troops.**

ICG published six reports and briefing papers on Bosnia during 2000. Among them, reports on the country's justice system (*Individuals Lost in a Legal Maze*, February 2000), the future of Mostar (*Reunifying Mostar*, April 2000), local and national elections (*Bosnia's Municipal Elections*, April 2000), and (*Dayton Stumbles*, November 2000), and refugee return (*Bosnia's Refugee Logjam Breaks*, May 2000). In November, ICG published its highest-profile report of the year, *War Criminals in Bosnia's Republika Srpska*. This identified more than 70 individuals linked to wartime atrocities, but still having a significant influence on public life in Bosnia, and inhibiting the implementation of Dayton.

Measures advocated by ICG during 2000 in relation to Bosnia and subsequently adopted – wholly or in part – have included:

- Steps by the Office of the High Representative and the UN Mission to investigate allegations of improper practice by judges, prosecutors, court officials and others in the administration
- A series of actions aimed at clamping down on fraud and corruption in Mostar
- Additional financial support to help fund refugee returns during the summer of 2000
- Additional policing in areas where refugees are returning
- Additional funding for the International Criminal Tribunal for the former Yugoslavia
- Expansion in the activities of the Office of the High Representative's Anti-Fraud Squad to investigate the sources of income of suspected war criminals.

## Macedonia

**Having weathered the Kosovo crisis in 1999, Macedonia emerged relatively stable in 2000, though still suffering from rumbling ethnic tensions and worries over the implications of any decision on the future status of Kosovo.**

ICG continued to publish papers on Macedonia, including a major report highlighting the problems created by the uneasy terms of coexistence between the Slav and Albanian communities (*Macedonia's Ethnic Albanians: Bridging the Gap*, August 2000). Measures advocated by ICG in 2000 and subsequently adopted – in whole or in part – have included:

- Extension of the terms of the agreement under which NATO troops patrol the borders between Macedonia, Kosovo and Serbia
- A series of steps – including the appointment of an EU integration adviser – to encourage and support the process of internal political and economic reform
- A role for the OSCE in encouraging and assisting discussion of electoral reform
- Additional funding for private media in Macedonia.

## Albania

**Bitter political divisions continued to impede progress in Albania. ICG's annual 'stocktake' report Albania: State of the Nation (March 2000) provided an analysis of the country's perennial weaknesses, among them chronically weak state institutions, crime and corruption, and a poisonous, highly confrontational political culture.**

Measures advocated by ICG in 2000 and subsequently adopted – in whole or in part – have included:

- The concentration of aid on projects that develop the technical capacity of Albania's institutions
- Relaxation of visa restrictions for entrepreneurs, publishers and academics
- Funds for border patrols and anti-drugs initiatives
- The dropping of charges against opposition leader Sali Berisha in return for an end to the opposition boycott of parliament.

**'We found *War Criminals in Bosnia's Republika Srpska* interesting and thought provoking... even if we might not always agree on all issues, we greatly value the work being done... in our common pursuit of peace and justice.'**

Jean-Marie Guehenno, UN Under-Secretary-General for Peacekeeping Operations, 12 December 2000



## into 2001 in the Balkans

**The election of democratic, reformist governments in Croatia and Serbia and new assistance measures from the EU give hope that many of the most serious and dangerous problems in the Balkans may now be addressed. Nonetheless, the Balkan countries have not yet created a sustainable basis for political stability and economic growth, and serious risks of further conflict remain in many areas of the region.**

ICG will remain active in the Balkans throughout 2001 and has recently strengthened its presence in the region with the establishment of two new field offices – in Belgrade and Podgorica – and an increase in the number of full time analysts working on the Balkans to ten. One major initiative in the coming months will be production of a book-length report on the future of the broader region after Milosevic. That report will synthesise the results of ICG's five years' experience in the field in the Balkans, and offer a practical agenda for policy makers – local and international – on how to ensure lasting peace in the region.

The following are among the specific issues on which ICG will concentrate its analysis and advocacy over the coming year:

### Serbia

- *Constitutional change (including the future status of the Federal Republic of Yugoslavia and Serbia's relationship with Kosovo and Montenegro)*
- *Accountability for war crimes and co-operation with the International Criminal Tribunal in The Hague*
- *The political scene in the wake of the December 2000 elections in Serbia (including publication of a 'Who's Who in the New Serbia')*
- *The continuing influence of the political old guard*
- *Developments in Southern Serbia (Presevo)*
- *Economic issues as related to governance and stability.*

### Montenegro

- *The nature of Montenegro's future relationship with the Federal Republic of Yugoslavia and with Serbia*
- *The political environment in the lead up to an expected general election.*

### Kosovo

- *The final status issue*
- *Progress of the international mission in Kosovo*
- *Performance of local government institutions, elected in 2000, and the need for early Kosovo-wide elections*
- *Religion in Kosovo*
- *Economic issues related to governance and stability.*

### Bosnia

- *The track record of the international community*
- *Future constitutional structure and governance arrangements*
- *Bosnia's three armies*
- *Refugee return*
- *Economic issues related to governance and stability.*

### Macedonia

- *Implications of political changes in Belgrade for Macedonia*
- *The political environment in the lead up to an expected general election*
- *Ethnic issues and, in particular, impact of developments in Kosovo on Macedonia's community relations.*

### Albania

- *The political environment in the lead up to national elections*
- *International aid in Albania – successes, failures and lessons for the future.*

**'Some of the best advice and analysis of the year's Balkan troubles, in and around Serbia especially, will come from specialists like the International Crisis Group, whose reports fly ever thicker and quicker through the ether.'**

*Adam Roberts, The Economist, 'The World in 2001'*



## measuring progress

**Measuring the progress of an organisation such as ICG – whose mission is to help prevent and contain deadly conflict – is inevitably an inexact science. Various quantitative measures can provide some sense of the level of activity of the organisation, and of others' response to it, but all have their limitations. And qualitative judgements are necessarily quite subjective: it is notoriously difficult for anyone, not just ICG, to establish a close causal relationship between a given argument and any given outcome, particularly if the desired outcome is for something not to happen (in this instance, conflict). All that said, some judgements do have to be made. What kind of indicators are available, and what do they tell us about the progress ICG made in 2000?**

**Operations:** 2000 saw a major leap in the scale of ICG's activities, with an increase from twelve to eighteen in the number of countries covered (see graph opposite) and from 25 to 55 in the number of core staff, with new and larger premises in Brussels and Washington, and with planning completed for the opening of new advocacy offices in New York and Paris.

**Output:** The leap in operational activity was not accompanied by an increase in the number of published reports and briefing papers: at 49, down from 54 in 1999. This reflected a deliberate policy judgement that more did not necessarily mean better, and that it was important to allocate as much time to follow up advocacy – directly to opinion makers, and indirectly through the media and conference circuit – as to producing new reports. A major effort was also made to expand and improve the distribution and penetration of all reports produced.

**Exposure:** The increased advocacy effort was reflected, inter alia, by a major increase in (tracked) international print and electronic stories profiling or quoting ICG, from 160 in 1999 to 353 in 2000. A very high (but unquantified) level of exposure was maintained in local language media. The ICG website, which was improved throughout the year, also continued to be extremely popular (see box).

### Hits and visits to the ICG website in 2000

ICG's website [www.crisisweb.org](http://www.crisisweb.org) received over seven million hits and half a million visits in 2000 – which means that on average 1,300 active users logged on every day. One visit, or user session, typically lasted eight minutes – a high score compared to Internet norms of about two to three minutes.

*\*Hit': A technical term used to describe the retrieval of a single element – text, graphic, or link – by a user browsing the site.*

*\*Visit': An individual user session, made up of a varying number of hits depending on how many elements of text, graphs or links to other sites the user requests.*

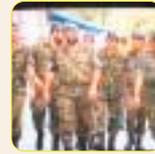
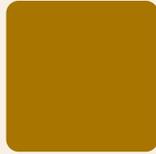
**Support:** The year saw a dramatic increase in ICG's financial support, as measured both by overall contributions received, and funds available for expenditure in 2000 – 2001 (see graphs opposite). While the number of government supporters in fact marginally declined in calendar year 2000 (from eighteen in 1999 to sixteen), the overall level of their funding significantly increased, and support from new government sources (e.g. Germany) has been promised for 2001. An important measure of confidence in the organisation is that so high a proportion of our funding (83 per cent) is presently unrestricted.

**Outcomes:** ICG has now begun to tabulate and seek to track the fate of all our policy recommendations, and will continue to try to develop this performance assessment method. The Africa, Asia and Balkans sections of this report all give examples of recommendations which have been followed by full or partial implementation, although we acknowledge that causality is a question of judgment in each case. Any attempt at quantifying outcomes also has to take into account that there can be many reasons other than wrong-headedness why policy prescriptions may not be implemented: they may, e.g., be overtaken by events, be right but not yet timely, be accepted but meet a resource constraint, or, while not being accepted, play an important role in stimulating rethinking of an important issue.

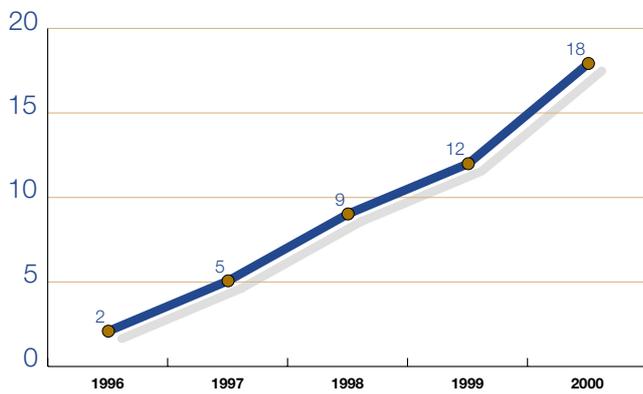
**Judgements:** Anecdotal evidence abounds – some of it reflected in the quotations throughout this report – that ICG's reporting is highly regarded, both by government policymakers and in the media. ICG is presently investigating ways in which feedback – both solicited and unsolicited, and from donors, report recipients, journalists and others – can be more systematically evaluated. We are constantly trying to get a clearer and more objectively reportable picture of the relative quality, relevance and utility of ICG's analysis, policy and advocacy work – and the extent to which these efforts actually influence decision-makers.

**'ICG reports and recommendations are bold and thought provoking.'**

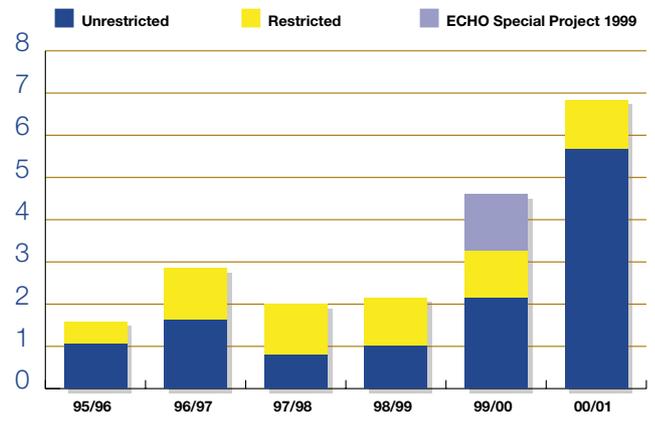
*Bernard Miyet, United Nations Under-Secretary-General for Peacekeeping Operations, 12 June 2000*



**Number of countries/entities covered by ICG, 1996-2000**



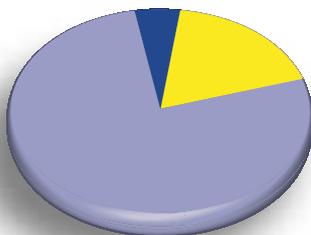
**Available Funds, 1995/6 – 2000/1\***



US\$ million

\*These figures only include for each respective year income available to be spent during that period.

**Financial Contributions Received, 1999-2000†**



**1999 (US\$ 3.5 million)**

- 5% Individuals
- 18% Foundations
- 77% Governments

**2000 (US\$ 8.4 million)**

- 16% Individuals
- 44% Foundations
- 40% Governments



†These figures include all income regardless of the length of the grant term or the period during which funding may be spent.

## fundraising

**Maintaining a strong and diverse funding base is critical to preserving ICG's independence and credibility. With this in mind, ICG enhanced its fundraising efforts in 2000 in three critical ways. The Board of Trustees and a newly established Development Committee became strongly involved; a new position of Director of Development was created; and we were able to use two generous challenge grants to leverage new and increased support.**

**ICG is grateful for the positive response from individuals, foundations and governments. Our income improved dramatically, enabling us to deal with new areas of potential conflict and increase the effectiveness of our advocacy with policymakers and those who influence them. ICG's funding base remains diverse: 40 per cent from governments, 44 per cent from foundations and 16 per cent from individuals. And we have great and welcome flexibility in our operations with, in 2000, fully 83 per cent of our funding being unrestricted and only 17 per cent being tied to particular projects.**

**ICG is indebted not only to the following supporters who made direct financial contributions, but also to the many others who gave so much of their time, creativity and in-kind assistance during 2000.**

### **Governments and Intergovernmental Institutions**

Australia  
Austria  
Canada  
Denmark  
European Union  
Finland  
France  
Ireland  
Japan  
Luxembourg  
The Netherlands  
Norway  
Republic of China (Taiwan)  
Sweden  
Switzerland  
United Kingdom

### **Foundations**

The Ansary Foundation  
Ford Foundation  
William and Flora Hewlett Foundation  
Charles Stewart Mott Foundation  
Open Society Institute  
Smith Richardson Foundation Inc.  
United States Institute of Peace

### **Companies**

EVA Airlines  
TMG Hypermedia  
Tentacle Limited

### **Individuals\***

Morton and Sheppie Abramowitz  
Ersin Arioglu  
Alan Blinken  
Maria Livanos Cattai  
Chapman Chester  
Carole Corcoran  
Peter Corcoran  
Jodie and John Eastman  
David Howe  
Elliott F Kulick  
Allan MacEachen  
Matthew McHugh  
Diane and Jonathan Rose  
Stephen Solarz  
William O. and Sally Taylor  
Ed van Thijn  
Philippe Villers  
Stacy and Miro Weinberger

\*ICG also receives grants from individuals wishing to remain anonymous. For space reasons, only donations of \$1,000 US dollars or more are listed here; all donations are acknowledged on our website.

**Supporting ICG:** If any reader would like to discuss making a donation to ICG, please contact Vice-President Jon Greenwald in Brussels, Vice-President Charles Radcliffe in Paris, Director of Programs Carole Corcoran in New York or our Development Director in Washington DC (see contact details on back cover).

Alternatively, if you would like to make a donation directly, please send a cheque or money order to either our Brussels or Washington offices. Please note that, in the United States, all donations to ICG are fully tax-deductible to the extent allowed by law.

## International Crisis Group

# financial statements as of and for the year ended 30 June 2000 and independent auditors' report

### To the Board of Directors of the International Crisis Group

We have audited the accompanying consolidated statement of financial position of the International Crisis Group as at June 30, 2000 and 1999 and the related consolidated statements of activities and cash flows for the years then ended. These consolidated financial statements are the responsibility of the International Crisis Group's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with international auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements' presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of International Crisis Group as of June 30, 2000 and 1999 and the changes in its net assets and cash flows for the years then ended in conformity with generally accepted accounting standards.

**DELOITTE & TOUCHE**  
Réviseur d'entreprises



**Benoit Schaus**  
Director

October 10, 2000

## statement of financial position

As of 30 June 2000 (in US dollars)

### ASSETS

	2000	1999
<b>Current assets</b>	<b>5,572,812</b>	<b>1,335,461</b>
Cash and cash equivalents (Note 4)	3,095,410	869,913
Accounts receivable and other assets	45,917	22,020
Contributions receivable (Note 5)	2,431,485	443,528
<b>Non current assets</b>	<b>138,333</b>	<b>180,186</b>
Vehicles and office equipment at cost less depreciation (Note 6)	123,058	174,041
Cash guarantees	15,275	6,145
<b>Total Assets</b>	<b>5,711,145</b>	<b>1,515,647</b>

### LIABILITIES AND NET ASSETS

	2000	1999
<b>Current liabilities</b>	<b>331,225</b>	<b>190,333</b>
Accounts payable	141,417	55,599
Accrued liabilities	189,808	134,734
<b>Net assets (Note 8)</b>	<b>5,379,920</b>	<b>1,325,314</b>
Unrestricted	5,031,806	680,778
Temporarily restricted (projects)	348,114	644,536
Permanently restricted (N.Hinton)	-	-
<b>Total Liabilities and Net Assets</b>	<b>5,711,145</b>	<b>1,515,647</b>

## statement of cash flows

For the year ended 30 June 2000 (in US dollars)

### CASH FLOWS FROM OPERATING ACTIVITIES

	2000	1999
Changes in net assets	4,158,289	(94,881)
Foreign exchange translation adjustment	(103,683)	(74,484)
Depreciation	164,566	113,877
(Gain) Loss on disposal of fixed assets	(43,357)	1,045
Changes in assets and liabilities		
Decrease / (Increase) in accounts receivable and other assets	(23,897)	29,294
(Increase) / decrease in contributions receivable	(1,987,957)	353,364
Increase in accounts payable and accrued liabilities	140,892	7,138
<b>Net cash provided by operating activities</b>	<b>2,304,853</b>	<b>335,353</b>

### CASH FLOWS FROM INVESTING ACTIVITIES

	2000	1999
Purchase of fixed assets	(118,027)	(207,914)
Proceeds on disposal of fixed assets	47,801	1,585
(Increase) in cash guarantees	(9,130)	-
<b>Net cash used in investing activities</b>	<b>(79,356)</b>	<b>(206,329)</b>
Increase / (Decrease) in cash and cash equivalents	2,225,497	129,024
Cash and cash equivalents at beginning of the year	869,913	740,889
<b>Cash and cash equivalent at end of the year</b>	<b>3,095,410</b>	<b>869,913</b>

The accompanying notes form an integral part of this statement.

## statement of activities

For the year ended 30 June 2000 (in US dollars)

	<i>Unrestricted</i>	<i>Temporarily Restricted</i>	<i>Permanently Restricted</i>	<i>TOTAL</i>
<b>REVENUES AND OTHER SUPPORT</b>				
Contributions	5,898,577	2,166,640	–	8,065,217
Investment income	55,582	–	–	55,582
Miscellaneous income	–	–	–	–
Net assets released from restrictions:				
Satisfaction of program restrictions (Note 8)	2,412,638	(2,412,638)	–	–
<b>Total revenues and other support</b>	<b>8,366,797</b>	<b>(245,998)</b>	<b>–</b>	<b>8,120,799</b>
<b>EXPENSES</b>				
Bosnia	704,641	–	–	704,641
Southern Balkans	448,579	–	–	448,579
Kosovo	414,257	–	–	414,257
Central Africa	361,747	–	–	361,747
Algeria	9,353	–	–	9,353
Indonesia	157,076	–	–	157,076
Central Asia	75,252	–	–	75,252
Other projects	9,360	–	–	11,897
Nicholas Hinton Fellowship	21,776	–	–	21,776
Humanitarian Law Documentation Project	1,159,448	–	–	1,159,448
	3,361,489	–	–	3,361,489
Fundraising costs	342,174	–	–	342,174
Project development, support and communication	64,834	–	–	64,834
Management and general costs	259,339	–	–	259,339
Other (Note 7)	(47,326)	–	–	(47,326)
	601,021	–	–	601,021
<b>Total expenses</b>	<b>3,962,510</b>	<b>–</b>	<b>–</b>	<b>3,962,510</b>
Changes in net assets	4,404,287	(245,998)	–	4,158,289
Net assets at beginning of the year	680,778	644,536	–	1,325,314
Foreign exchange translation adjustment	(53,259)	(50,424)	–	(103,683)
<b>Net assets at end of the year</b>	<b>5,031,806</b>	<b>348,114</b>	<b>–</b>	<b>5,379,920</b>

For the year ended 30 June 1999 (in US dollars)

	<i>Unrestricted</i>	<i>Temporarily Restricted</i>	<i>Permanently Restricted</i>	<i>TOTAL</i>
<b>REVENUES AND OTHER SUPPORT</b>				
Contributions	1,015,496	1,150,708	–	2,166,204
Investment income	18,518	–	–	18,518
Miscellaneous income	965	–	–	965
Net assets released from restrictions:				
Satisfaction of program restrictions	1,107,361	(1,107,361)	–	–
<b>Total revenues and other support</b>	<b>2,142,340</b>	<b>43,347</b>	<b>–</b>	<b>2,185,687</b>
<b>EXPENSES</b>				
Bosnia	610,348	–	–	610,348
Southern Balkans	526,147	–	–	526,147
Cambodia	64,049	–	–	64,049
Algeria	159,479	–	–	159,479
OECD program	27,308	–	–	27,308
Central Africa	340,632	–	–	340,632
Humanitarian Law Documentation Project	176,447	–	–	176,447
Nicholas Hinton Fellowship	11,897	–	–	11,897
	1,916,307	–	–	1,916,307
Fundraising costs	188,422	–	–	188,422
Program development	37,684	–	–	37,684
Management and general costs	150,737	–	–	150,737
Other (Note 7)	(12,582)	–	–	(12,582)
	364,261	–	–	364,261
<b>Total expenses</b>	<b>2,280,568</b>	<b>–</b>	<b>–</b>	<b>2,280,568</b>
Changes in net assets	(138,228)	43,347	–	(94,881)
Net assets at beginning of the year	860,709	553,534	80,435	1,494,678
Net unrealised loss on retranslation of opening net assets	(41,703)	(27,582)	(5,198)	(74,483)
Reclassification of net assets (Note 8)	–	75,237	(75,237)	–
<b>Net assets at end of the year</b>	<b>680,778</b>	<b>644,536</b>	<b>–</b>	<b>1,325,314</b>

The accompanying notes form an integral part of these statements.

# notes to financial statements

## Note 1. Organisation

International Crisis Group ('ICG') is a not-for-profit organisation committed to reinforcing the capacity of the international community to understand, anticipate and prevent crises arising from human causes. ICG (US) was incorporated in the District of Columbia in 1995. ICG (Belgium) was established under Belgian law at the end of 1997. ICG's goal are to :

- engender support among officials and the general public for concerted international, national and private response efforts at times of impending or erupted crisis.
- promote strategies aimed at assisting governments and international organisations to translate early warning signs of impending disaster into early action in order to avert crisis.
- foster a heightened sense of awareness and obligation among governments to deal with the problems posed by large-scale emergencies.

ICG's headquarters are located in Brussels; it also maintains an advocacy office in Washington DC, and operates field projects in Africa, Asia and the Balkans.

## Note 2. Significant Accounting Policies

a) The Financial Statements above present the combination of the two separate entities, with the elimination of shared balances. The combination is intended to reflect fairly the results of the organisation as a whole; it does not represent the consolidated results of a single legal entity, since no such entity exists.

b) Basis of preparation

ICG maintains its accounts on the accrual basis of accounting.

c) Net Assets

ICG classifies assets in three categories: unrestricted, temporarily restricted and permanently restricted. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Temporarily restricted net assets are contributions with temporary, donor-imposed time and/or program restrictions. These temporary restrictions require that resources be used for specific purposes or in a later period. Temporarily restricted net assets become unrestricted when time restrictions expire or the funds are used for their restricted purpose. At that time they are reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets are contributions to be held in perpetuity as directed by the donor.

d) Taxes: ICG is exempt from U.S. Federal Income Taxes under Section 501 (c) (3) of the Internal Revenue Code, and is properly classified as an Association Internationale Sans But Lucratif (A.I.S.B.L.) under Belgian law.

e) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

## Note 3. Functional Allocation of Expenses

Certain indirect program costs incurred at ICG's Brussels and Washington offices have been allocated to programs on a functional basis in the statement of activities. Such costs include advocacy, communications, personnel management, bookkeeping, budgeting and fundraising expenses linked to the administration of specific programs.

## Note 4. Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash and temporary investments with original maturities of three months or less. Cash and cash equivalents were composed of the following at 30 June:

	2000	1999
Money market	705,416	328,972
Cash at bank	2,355,585	504,169
Other cash	34,409	36,772
	<b>3,095,410</b>	<b>869,913</b>

## Note 5. Contributions Receivable

ICG recognises contribution revenue in the year the money is received or the unconditional pledge is made. ICG receives donations from foundations, governments and individuals. The contributions receivable represent money contributed to ICG in the year ended 30 June 2000.

The money is receivable within one year. Contributions made as of 30 June for which the funds have yet to be received are as follows:

Contributors	Designated program	2000	1999
United Kingdom	Core	912,315	-
Taiwan	Core	850,000	-
Hewlett Foundation	Core	250,000	-
EEC	Humanitarian Law Doc. Project	228,865	-
Australia	Indonesia	120,584	-
EEC	Justice in Bosnia	39,343	71,199
The Netherlands	Kosovo	20,000	-
Austria	Balkans	10,378	-
Mott Foundation	Bosnia - Displaced persons	-	100,000

Austria	Balkans	-	75,056
Denmark	Central Africa	-	69,446
Belgium	Central Africa	-	27,569
Austria	Bosnia - Displaced persons	-	21,514
Austria	Southern Balkans	-	18,040
USIP	Southern Balkans	-	17,500
USA	Bosnia	-	15,827
Canada	Core	-	8,459
Canada	Central Africa	-	16,918
Individuals	Core	-	2,000
<b>Total</b>		<b>2,431,485</b>	<b>443,528</b>

## Note 6. Fixed Assets

Depreciation is calculated utilising the straight line method over three years based on the estimated useful life of the assets. Depreciation expense for the years ended 30 June 2000 and 1999 was \$164,566 and \$113,877 respectively.

Fixed assets as of 30 June 2000 consist of:

	Fixed assets	Accumulated Depreciation	Net value
Office equipment (Head Office)	208,549	(110,482)	98,067
Vehicles (Bosnia)	109,781	(86,460)	23,321
Office equipment (Humanitarian Law Documentation Project)	2,520	(850)	1,670
<b>Total</b>	<b>320,850</b>	<b>(197,792)</b>	<b>123,058</b>

Fixed assets as of 30 June 1999 consist of:

	Fixed assets	Accumulated Depreciation	Net value
Office equipment (Head Office)	161,743	(112,623)	49,120
Office equipment (Bosnia)	90,843	(90,843)	-
Office equipment (Humanitarian Law Documentation Project)	111,655	(27,909)	83,746
Vehicles (Humanitarian Law Documentation Project)	54,901	(13,726)	41,175
<b>Total</b>	<b>419,142</b>	<b>(245,101)</b>	<b>174,041</b>

## Note 7. Exchange Fluctuations

As a result of operating in various countries, realised exchange effects have been recorded based on monthly current rates. Net realised exchange effects are as follows for the years ended June 30:

	2000	1999
Net realised loss on exchange	179,446	16,900
Net realized gain on exchange	(226,772)	(29,482)
	<b>(47,326)</b>	<b>(12,582)</b>

At 30 June 2000 and 1999, all items of the statement of financial position denominated in foreign currencies have been translated at their respective year-end rates and have generated unrealised exchange effects in the amounts of \$ 103,683 and \$ 74,484, respectively.

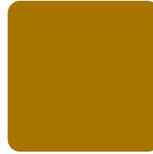
## Note 8. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes as of 30 June:

	2000	1999
Indonesia	148,932	-
Algeria	83,314	-
Central Africa	64,046	69,184
Nicholas Hinton Research Fellowship	37,661	63,340
Southern Balkans	14,161	244,930
Bosnia	-	267,082
	<b>348,114</b>	<b>644,536</b>

Temporarily restricted net assets have been released from restrictions due to the satisfaction of the following programs or services for the year ended June 30:

	2000	1999
Humanitarian Law Documentation Project	1,349,145	-
Bosnia	283,383	342,579
Southern Balkans	281,608	329,703
Kosovo	200,000	-
Central Africa	237,823	325,470
Indonesia	32,733	-
Nicholas Hinton Research Fellowship	20,723	11,897
Algeria	4,223	69,021
Book	3,000	-
OECD	-	28,691
	<b>2,412,638</b>	<b>1,107,361</b>



## ICG reports and briefing papers published in 2000

All reports and papers are available at ICG's website:

[www.crisisweb.org](http://www.crisisweb.org)

### AFRICA

#### Algeria

*The Algerian Crisis: Not Over Yet*

Algeria Report N°24, 20 October (also available in French)

#### Central Africa

*The Mandela Effect: Prospects for Peace in Burundi*

Burundi Report N°20, 18 April (also available in French)

*Uganda & Rwanda – Friends or Enemies?*

Rwanda Report N°21, 4 May (also available in French)

*Unblocking Burundi's Peace Process:*

*Political Parties, Political Prisoners and Freedom of the Press*

Briefing Paper, 22 June

*The Issues at Stake: Political Parties,*

*Political Prisoners and Freedom of the Press*

Burundi Report N°23, 12 July (also available in French)

*Burundi Peace Process: Tough Challenges Ahead*

Briefing Paper, 27 August

*Burundi: ni guerre ni paix*

Burundi Report N°25, 1 December (executive summary available in English)

*Scramble for the Congo*

DRC Report N°26, 20 December

#### Zimbabwe

*Zimbabwe: At the Crossroads*

Zimbabwe Report N°22, 10 July

*Zimbabwe: Three Months after the Elections*

Briefing Paper, 26 September

### ASIA

#### Burma

*Burma/Myanmar: How Strong is the Military Regime?*

Burma Report N°11, 21 December

#### Cambodia

*Cambodia: The Elusive Peace Dividend*

Cambodia Report N°8, 11 August

#### Central Asia

*Central Asia: Crisis Conditions in Three States*

Central Asia Report N°7, 7 August

*Recent Violence in Central Asia: Causes and Consequences*

Briefing Paper, 18 October

#### Indonesia

*Indonesia's Crisis: Chronic but not Acute*

Indonesia Report N°6, 31 May,

*Indonesia's Maluku Crisis: The Issues*

Briefing Paper, 19 July

*Indonesia: Keeping the Military under Control*

Indonesia Report N°9, 5 September

*Aceh: Escalating Tension*

Briefing Paper, 7 December

*Indonesia: Overcoming Murder & Chaos in Maluku,*

Indonesia Report N°10, 19 December





The Economist, 3 June 2000

## BALKANS

### Albania

**Albania: State of the Nation**  
Balkans Report N°87, 1 March

**Albania's Local Elections: A Test of Stability and Democracy**  
Briefing Paper, 25 August

### Bosnia and Herzegovina

**Denied Justice: Individuals Lost in a Legal Maze**  
Balkans Report N°86, 23 February

**European vs. Bosnian Human Rights Standards**  
Handbook, 14 April 2000

**Reunifying Mostar: Opportunities for Progress**  
Balkans Report N°90, 19 April

**Bosnia's Municipal Elections: Winners and Losers**  
Balkans Report N°91, 28 April.

**Bosnia's Refugee Logjam Breaks:  
Is the International Community Ready?**  
Balkans Report N°95, 31 May

**War Criminals in Bosnia's Republika Srpska:  
Who Are the People in Your Neighbourhood?**  
Balkans Report N°103, 2 November

**Bosnia's November Elections: Dayton Stumbles**  
Balkans Report N°104, 18 December

### Kosovo

**Kosovo Albanians in Serbian Prisons: Kosovo's Unfinished Business**  
Balkans Report N°85, 26 January

**Kosovo: What Happened to the KLA?**  
Balkans Report N°87, 3 March

**Kosovo's Linchpin: Overcoming Division in Mitrovica**  
Balkans Report N°96, 31 May

**Reality Demands: Documenting Violations  
of International Humanitarian Law in Kosovo**  
Balkans Report, N°97, 27 June

**Elections in Kosovo: Moving Towards Democracy?**  
Balkans Report N°97, 7 July

**Kosovo Report Card**  
Balkans Report N°100, 28 August

**Reaction in Kosovo to Kostunica's Victory**  
Briefing Paper, 10 October

### Macedonia

**Macedonia's Ethnic Albanians**  
Bridging the Gulf, Briefing Paper, 2 August

**Macedonia Government Expects Setback in Local Elections**  
Briefing Paper, 4 September

### Montenegro

**Montenegro: In the Shadow of the Volcano**  
Balkans Report N°89, 21 March

**Montenegro's Socialist People's Party: A Loyal Opposition?**  
Balkans Report N°92, 28 April

**Montenegro's Local Elections: Testing the National Temperature**  
Background Briefing, 26 May

**Montenegro's Local Elections: More of the Same**  
Briefing Paper, 23 June

**Montenegro: Which Way Next?**  
Briefing Paper, 30 November

### Serbia

**Serbia's Embattled Opposition**  
Balkans Report N°94, 30 May

**Serbia's Grain Trade: Milosevic's Hidden Cash Crop**  
Balkans Report N°93, 5 June

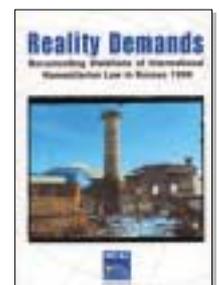
**Serbia: The Milosevic Regime on the Eve of the September Elections**  
Balkans Report N°99, 17 August 2000

**Current Legal Status of the Republic of Yugoslavia (FRY)  
and of Serbia and Montenegro**  
Balkans Report N°101, 19 September

**Yugoslavia's Presidential Election: The Serbian People's Moment of Truth**  
Balkans Report N°102, 19 September

**Federal Republic of Yugoslavia: Sanctions**  
Briefing Paper, 10 October

**Serbia on the Eve of the December Elections**  
Briefing Paper, 20 December.





## ICG priorities in 2001

**2000 was a year of rapid expansion for ICG, both in the field and at our Brussels headquarters. New projects were established in Indonesia, Central Asia and Burma/Myanmar, and senior new staff recruited to co-ordinate ICG's research and analysis region-by-region and develop ICG's advocacy capabilities, particularly in Europe and North America. As 2001 began, two new advocacy offices – in Paris and New York – were also opened, further increasing ICG's coverage and its outreach in key capitals. Over the coming year, the emphasis will be on consolidating recent institutional changes, extending ICG's geographical reach further with the addition of several new projects, and – above all – on increasing the impact and effectiveness of ICG's work worldwide.**

### Advocacy

Significant additional organisational resources will be channelled into advocacy in 2001, with a view to increasing the visibility of ICG's work and mobilising broad political support for key policy recommendations. Initiatives include:

- A new emphasis on advocacy in Europe, with plans for a rolling program of briefing sessions and policy seminars in the main European capitals during 2001 – to be co-ordinated from ICG's new Paris office
- A new emphasis on advocacy in New York – with a particular focus on the UN secretariat and diplomatic community and the media corps – to be co-ordinated from ICG's new office in New York
- An upgrading of ICG's existing office in Washington DC, with the appointment of a senior new director, at Vice-President level, responsible for advocacy activities in the U.S. capital
- A greater advocacy role for Board Members – with certain Board members taking the lead on specific issues
- An expanded media and communications unit at ICG's Brussels headquarters to help increase the organisation's presence in the international media
- A continuing high-profile advocacy role for ICG's President, who will travel widely during 2001, presenting ICG's views to senior government officials and the media around the world.

### Policy

Much effort will be devoted over the coming year to ensuring that ICG's policy prescriptions are as sharp, relevant, well-timed and practical as possible. Initiatives include:

- Subjecting draft policy recommendations proposed by ICG's field analysts to broader review, and soliciting input from officials in Washington, New York and European capitals
- Giving a greater role to ICG Board Members, who will in future have more opportunities to comment on draft policy recommendations.

### Operations

While the main task in 2001 will be to consolidate and strengthen ICG's existing operational base, we are also working on a number of additional initiatives, whose implementation will be primarily dependent on ICG securing the necessary resources. Among them:

- New projects in Africa – in particular in Sierra Leone (where ICG has already begun exploratory work) and East Africa
- A possible new project in Latin America, a region where ICG has not previously worked and where there are a number of countries at risk of violent conflict.

### Fundraising

Maintaining and further extending ICG's funding base remains a critical challenge for the organisation as we move forward. Sustaining the recent expansion of activities and achieving our goals over the coming year will require a significant increase in support from all sectors. Among the initiatives ICG is planning to help us achieve our fundraising targets for 2001 are:

- A concerted effort to raise new funds from the private sector, particularly in the U.S. ICG's New York and Washington-based staff will play an especially important role in this respect, with a particular emphasis on reaching out to the philanthropic communities in New York and California and to the U.S. foundation sector.
- Continuing efforts, led by ICG's Paris-based Vice-President, to increase support coming from government donors.



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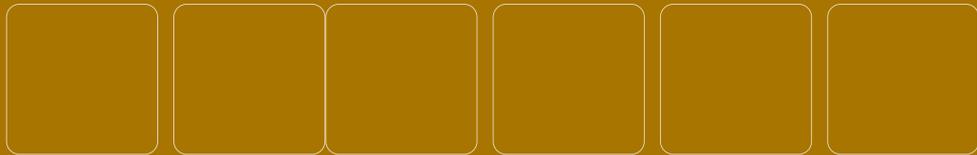
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\*Core staff (excluding part-time employees and consultants) as of 1 March 2001.



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