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**INTERNATIONAL PEACE INSTITUTE**  
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The International Peace Institute's (IPI) Regional Insights covers select regional and thematic developments based on information from a variety of sources. It draws on the research of IPI experts and is provided exclusively to major donors and members. Each monthly issue covers challenges and opportunities related to international peace, security, and development.

Africa

**Democratic Republic of the Congo (DRC):** International and regional actors are focused on stopping the last four months of renewed M23 rebel fighting in eastern DRC. Responding to the United Nations' Group of Experts report alleging Rwandan support of the M23 rebels, the United States, the United Kingdom, the Netherlands, and Germany stopped aid to Rwanda. These actions put pressure on Rwanda to be a responsible regional actor. Similarly, the eleven countries of the International Conference on the Great Lakes Region are considering options, including a possible new neutral military force to counter the M23 rebels. Experts are skeptical that such a force will emerge, given the existing UN mission in the DRC. There are reports of secret Kinshasa-Kigali talks underway, which generate concern of another attempt to absorb rebels into the Congolese military as was done in 2009, and repeating the mistake of producing parallel chains of command in Congolese security forces and preserving Rwandan influence in the mineral-rich eastern DRC.

**Somalia:** Somalia is facing UN Security Council benchmarks this month in its transition to permanent federal institutions. A provisional constitution was adopted August 1<sup>st</sup>. Negotiations are ongoing regarding a new provisional parliament, from which a speaker and president are to be selected, if the benchmarks are to be met. While security still challenges the forces of AMISOM (African Union Mission in Somalia), the new political institutions are building blocks of a federal system, which have the potential to garner much needed national legitimacy. A federal system is seen by experts as a way to address the underlying cause of the collapse of the Somali state in 1991, which was the centralization of power and clan favoritism imposed by Siad Barre (1969-1991). The approaching deadlines draw attention to Somalia, where local powerbrokers have an opportunity to take next steps in a process based on governance principles (Garowe Principles) they agreed to in December 2011.

**Trends:** Seen as a victory for South Africa and Anglophones, on July 16<sup>th</sup> the **African Union** elected its first women chair, South African Nkosazana Dlamini Zuma. In this new role her skills will be tested by the situations in Mali, the Great Lakes region, and South Sudan and Sudan, among others. In **Ghana** President John Atta Mills died of natural causes on July 24<sup>th</sup> and Vice President John Mahama was sworn in to replace him. Mills' political party will now have to pick a new candidate for the December 2012 presidential elections.

Latin America

**Argentina:** Since the EU filed a suit with the World Trade Organization (WTO) in May against Argentina's import-licensing measures, concerns are growing about Argentina's protectionist and nationalist policies. In July, Argentina pulled out of an auto trade pact it had with Mexico, which has led Mexico to prepare a WTO case over the suspension of the accord. Argentina seized control of YPF, a subsidiary of the Spanish energy firm Repsol in April and faces a battle over

compensation. On August 8<sup>th</sup>, Argentina announced planned civil and criminal lawsuits against oil companies investing in waters surrounding the disputed Falkland Islands. In addition, Argentina has implemented controversial measures to curb the inflation rate, which some estimates put at over 25 percent, and strict exchange controls to cut capital flight. However, the economy is still decelerating while the informal currency markets are thriving.

**Haiti:** In July, Brazil and Ecuador pledged to support Haiti in establishing a new army, aimed at eventually replacing the UN peacekeeping force that has been present on and off since 1994. Brazil, the head of the UN Peacekeeping mission in Haiti, has promised military training and engineering expertise to rebuild the army in Haiti. Haiti's President Michel Martelly, thus, has gained new support for an army in face of skepticism and concern elsewhere in the international community over the potential that building an army will take resources away from reconstituting civilian police and post-2010 earthquake reconstruction.

## Middle East

**Egypt:** President Mohammed Morsi consolidated presidential power via a new constitutional declaration and a series of military retirements on August 12th, a week after extremists killed sixteen Egyptian soldiers in the Sinai. Field Marshal Tantawi, who was minister of defense for twenty years under Mubarak, the head of the Supreme Council of the Armed Forces since Mubarak's ouster in February 2011, and just re-named minister of defense by Morsi on August 2<sup>nd</sup>, was retired and assigned as a presidential advisor. Mahmoud Mekky, a senior judge, was named vice president and General Abdel Fattah al Sissi named minister of defense. Morsi also named a new generation of air and navy chiefs, as well as a new head of intelligence. The moves reportedly were well received initially, but how this consolidation of power, which includes Morsi's assigning himself the right to name a new constitutional drafting authority if the current one fails, will play out remains to be seen. Of note, the upper House of Parliament had just recently replaced chief editors of a number of state-controlled publications, including the influential Al-Ahram, in a move to counter what the president considered to be unfair coverage. The situation in the Sinai remains tense, as a major military operation, including the use of airpower, is directed at the militants. Given the sensitivity of Sinai bordering Israel and the Gaza Strip, this is certainly a defining moment in the early presidency of Morsi, while rumors still circulate of backroom deal-making with the military, including over these retirements. In addition, the unease among secularists and Christians about the Muslim Brotherhood's predominance remains—an unease that is likely shared in Washington and Tel Aviv.

**Iraq, Iran:** While Iraq was among the few Arab countries to attend Iran's international meeting on Syria, the Iraqi political leadership appears divided on its role in the conflict itself. Prime Minister Nuri Al-Maliki's government and some Shiite organizations are rumored to be supplying the Syrian government with material support, including fighters, at the behest of Teheran. On the other hand, the Iraqiya group, led by Iyad Allawi mostly Sunni, is sympathetic to the Syrian Free Army. The Kurds are similarly divided. Whereas the president of the Iraqi Kurdish region Massoud Barzani might like to join the fight against Bashar al-Assad, Iraqi president and a Kurd, Jalal Talabani, on good terms with Iran, is less enthusiastic. Further complicating the situation, Maliki's decision to deploy regular troops to the Iraq-Syria border where they were blocked by the Kurdish Peshmerga forces sharpened the bad relations between Maliki and Barzani. Meanwhile, Sunni-Shia tensions remain high in Iraq with attacks by al-Qaida-like groups intensifying and taking place almost daily.

**Kuwait:** Since the High Court's June reinstatement of the 2009 parliament on the pretext that its dismissal was illegal, the president of the 2009 parliament has been unable to convene a single session due to lack of attendance. The opposition is demanding fresh elections. The parliament has served as an outlet for Kuwait's diverse political forces, and, without a functioning body, a political and legal vacuum has the potential to emerge.

**Libya:** The General National Congress (GNC), elected in July, was seated on August 9<sup>th</sup>. The GNC, which is tasked with forming a new government, has quickly elected a new president, Mohammed Magariaf. Early analysis is that Mr. Magariaf was elected based on support of independents, who see him as a unifier, who can overcome the secessionist sentiments in Libya's east. Meanwhile, the Libyan authorities expect to reach pre-war levels of oil production (1.6 million barrels per day) in the fourth quarter of the year. While the Oil Ministry had previously expected to reach these levels in July, the fast-paced return to previous levels of production is significant.

**Syria:** The latest high-level defection (Prime Minister Riyad Farid Hijab) shows the growing internal weakness of the President Bashar Al Assad's government. Similarly, the rebels' holding of police stations and key neighborhoods in Syria's second city of Aleppo, show the mettle of the Syrian opposition. While dramatic, these developments are juxtaposed with the intact military capacity of the Syrian government. The opposition keeps challenging the government, but is unable to hold key areas when under shelling and air attacks. On the diplomatic front, the resignation of Kofi Annan signals the end of a chapter. Unilateral intervention in Syria by the competing external powers is expected in the short term. The opposition outside Syria continues to struggle in uniting, despite, or perhaps because of, competing external influences. In the competition for leadership, the Council of Syrian Revolutionary Trustees, an offshoot of the Syrian National Council, even announced plans to form a transitional government.

**Turkey:** The sectarian and ethnic divisions in Syria are stoking similar tensions in Turkey. Alawites in Turkey are concerned that framing of the Syrian conflict as Sunnis versus Alawites encourages similar divisions in Turkey. The Kurdish issue is even more combustible. Turkey accused the Syrian government of ceding territory in the northeast of the country to a Syrian Kurdish party allied to the Kurdistan Workers Party (PKK) and sent reinforcements to the border.

**Yemen:** On August 6th Yemeni president Abed Rabbu Mansour Hadi decreed the reintegration of the armed forces—divided since the beginning of the uprising between supporters and detractors of former president Abdullah Saleh. Implementation of the decree is essential to the ongoing political transition, and any refusal to implement the degree will trigger penalties under UN Security Council Resolution 2051.

**Trends:** The Organization of Islamic Cooperation (OIC) and the Non-Aligned Movement summits, taking place respectively in Saudi Arabia and Iran this month, offer opportunities for public and private discussions on pressing regional issues. The OIC summit, against the strong opposition of Iran represented by President Ahmedinejad, on August 15 suspended Syria.

## South and Central Asia

**Afghanistan:** Afghanistan's long-serving defense minister, Rahim Wardak, submitted his resignation to President Hamid Karzai on August 7<sup>th</sup> after the Parliament passed a vote of no confidence against him and the current minister of the interior, Bismullah Khan Mohammadi, on August 4<sup>th</sup>. A third member of the Karzai cabinet, Minister of Finance Omar Zakhiwal is also under pressure to step down, at least temporarily, as charges of embezzling government funds are hanging over him. Former General Wardak has been the minister of defense since December 2004 and seemed to be a permanent fixture in the Karzai security cabinet at the helm of Ministry of Defense. In contrast, the Ministry of Interior and Finance posts have changed hands several times. While remaining in an acting position until a replacement is named, the departure of Wardak, a Pashtun, during the ongoing drawdown of NATO ISAF forces will be significant. Karzai's choices are limited, since they involve maintaining political and ethnic balance for his domestic constituencies and finding an acceptable partner for international allies not tainted by corruption or past human rights abuses.

**India:** Two consecutive massive failures in India's electric grid for several hours on July 30<sup>th</sup> and 31<sup>st</sup> made global headlines, as an estimated 350 million went without power on July 30<sup>th</sup> and 600 million on the July 31<sup>st</sup>. The timing was unrelated but notable as former Finance Minister Chidambaram returned to the finance ministry on August 1<sup>st</sup>, replacing Pranab Mukherjee who was elected to the mostly ceremonial post of president on July 22<sup>nd</sup>. The financial press has for weeks, if not months, complained about weaknesses in the economic and financial policy making. Chidambaram, returning to the finance post almost simultaneously to the grid failure, was well received by financial and economic experts watching India. Chidambaram is expected to follow through on much needed tough reforms, and there is nothing like a major infrastructure failure to serve as an impetus for overdue decision making.

**Pakistan:** The United States and Pakistan continue to find fault with each other's policies and actions. The undiplomatic public exchange between the Pakistani Ambassador to the United States Sherry Rehman and the US Deputy National Security Adviser for Afghanistan General Lute on July 27<sup>th</sup> over who is to blame for ongoing cross-border attacks in both directions between Pakistan and Afghanistan highlights underlying, festering tensions. This ongoing, bilateral fencing has a similarly tense domestic backdrop as the Supreme Court continues its drive to hold President Asif Ali Zardari responsible

for his alleged history of graft and corruption. The Pakistani government is appealing the Supreme Court's August 8<sup>th</sup> decision holding Prime Minister Raja Pervez Ashraf in contempt of the court for failing to act on the corruption matter. This is a replay of the court's action against former Prime Minister Yousuf Raza Gilani, who was forced out of office in June 2012 on the same issue.

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