Crisis Group was established in 1995 by a group of prominent international citizens and foreign policy specialists who were appalled by the international community’s failure to act in response to major crises at the time. Their aim was to create a new organisation, which would help governments, intergovernmental bodies and the world community at large to prevent, contain and resolve deadly conflict.

www.crisisgroup.org
International Crisis Group

Review of 2012 and Plans for 2013

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Inside back cover: Crisis Group Staff
If 2011 was characterised by the anticipation of states emerging from authoritarian rule, 2012 has revealed the numerous pitfalls facing countries in transition. While such change cannot be expected to come easily, events of the past year in Egypt, Myanmar, and Sudan have demonstrated how the promise of change often brings about increased violence, social unrest, and economic trauma. And as the fighting continues in Syria, the prospect of regime change there sadly seems far from realisation, as both sides radicalise ever further with no hope, as I write this, of a political resolution to the conflict in sight.

The past year has also witnessed the rise of extremist groups, not just in Syria but also notably in the Sahel; that, and the subsequent military response from the international community will be watched extremely closely in the coming months. Meanwhile, the consolidation and formation of armed groups in Central and West Africa has demonstrated how political instability and ethnic differences often provide a fertile environment for extremist and rebel forces.

As more complex and intractable conflicts emerge across the globe, demand for Crisis Group’s unparalleled reports has grown. From our headquarters in Brussels and our field offices around the world, we continue to act as a highly reliable and timely source of analysis – shaping policy and initiating debate on major conflict situations in every corner of the globe. In challenging and often changing conflict landscapes, Crisis Group’s credibility is founded on this ground-level approach, delivering cogent policy advice to those best placed to bring an end to the conflicts.

This would not be possible were it not for the dedication of all our staff, not least our President and CEO, Louise Arbour. We are particularly grateful for her leadership which has seen us grow from strength to strength in recent years.

From a financial point of view, the past couple of years have been especially difficult. We are extremely grateful to our many funders who have helped maintain Crisis Group’s capacity to deliver and who permit us to continue working in our many fields of operation. We thank you all most sincerely for recognising the value of our work through your continuing support, and we hope all of you will join us in making Crisis Group’s work and achievements your own.

Washington DC, 1 February 2013
Ambassador Thomas R. Pickering, Chair
In the course of what proved to be a turbulent year, Crisis Group was instrumental in delivering timely analysis and sound recommendations to leaders the world over. The year ahead promises further uncertainty. Taking just two examples, the Syrian conflict looks set to escalate further, and the repercussions of developments in Mali are far from clear but promise to be significant. Meeting these challenges will require renewed efforts and a profound understanding of the dynamics and drivers of conflict in diverse regions of the world.

As the civil war in Syria intensified in 2012 and consecutive peace efforts failed, our analysts continued to report in an extremely complex environment on the devastating military and humanitarian situation. Crisis Group’s reports on the radicalisation of the conflict and extremist currents among the opposition afforded essential insight. In Central and West Africa, the proliferation of armed extremists and rebel groups reflects the relative ease with which radical forces can exploit the political and institutional weakness of countries in transition. Likewise, several states in North Africa face numerous hurdles in their transition to democracy, with enduring political and economic turmoil in Egypt and continued security threats confronting Libya.

Throughout these conflicts and others, Crisis Group has equipped policymakers with informed judgments and practical advice crucial to the de-escalation and prevention of violence. Our analysis of events over the past year has often proved prescient, while our targeted advocacy efforts have produced real results, including the lifting of sanctions against Myanmar and the passage of a United Nations Human Rights Council resolution criticising the Sri Lankan government’s failure to support reconciliation and account adequately for the deaths of perhaps 40,000 civilians at the end of its civil war. In addition, Crisis Group continues to ensure it pays attention to emerging or forgotten crises: last year we reported for the first time on the troubled North Caucasus region of Russia, as well as rising tensions in the South China Sea and the rise of piracy and organised crime in the Gulf of Guinea.

In the coming year, Crisis Group will further its efforts to address security issues in countries currently facing armed conflict, as well as in those emerging from it and those where instability threatens to erupt into open violence. We will also promote dialogue on a range of security-related issues, including the rule of law, the effectiveness of sanctions and the rights of national minorities, to ensure that these concerns continue to be adequately addressed in security circles.

Of course, at the root of any successful organisation lies the talent and dedication of its staff. I would like to take this opportunity to thank my colleagues for their hard work and congratulate them on the real-life impact they have made in promoting peace and stability throughout the world.

Brussels, 1 February 2013

Louise Arbour, President and CEO
Crisis Group

MISSION AND METHOD: FIELD WORK, ANALYSIS, ADVOCACY

Crisis Group decides which situations to cover based on a number of factors. These include: the seriousness of a situation, whether we can add value to international understanding and response, whether we have or can raise the necessary resources to ensure high-quality reporting and effective follow-through, and whether we can safely operate in the field.

Policy and Operations

► Operating in the field
Crisis Group’s analysts are drawn mostly from experienced former diplomats, journalists, academics and NGO staff, often leading world experts in their areas. Of 147 positions on 1 February 2013, 86 were based in the field in 37 locations. Others worked from our Brussels head office and other key regional offices. Security for our field staff is often an issue, requiring, in some cases, operating on a non-disclosed basis.

► Determining policy
In the initial drafting of reports and briefing papers, field analysts work with our regional program directors. A research and advocacy team in Brussels also provides input, especially on EU and NATO developments, while our Washington and New York advocacy offices assist with U.S. and UN perspectives, supplementing our national and regional advocacy in Beijing, Istanbul, Johannesburg, Jakarta, Nairobi and elsewhere. The policy prescriptions attached to Crisis Group reports are settled with input from field and senior staff, and Board members, as well as consultation with governments, intergovernmental organisations, academics and other think-tanks and NGOs.

► Getting the story out
Strong advocacy means effective dissemination. By the end of 2012, Crisis Group reports and briefing papers were being sent by email notification to over 33,000 specifically targeted recipients (including government ministers, heads of international agencies, diplomats and officials in key roles, and journalists) and a further 131,000 active subscribers signed up through our website. We also maintained top-level public exposure in terms of mentions in traditional media worldwide, extensive social media presence, and influential commentary published in multiple languages.

► High-level advocacy
Much of Crisis Group’s most successful advocacy is done behind closed doors, requiring access to policymakers in major international centres and in the regions where we operate. In 2012, offices in Brussels, Washington and New York continued to ensure Crisis Group has the access and influence at the highest levels of the U.S. and European governments, as well as with the UN, EU and NATO. Our Beijing and Moscow offices ensure Crisis Group’s influence in China and Russia. Our large teams in the Nairobi and Jakarta offices have increased Crisis Group’s access and impact in Africa and South East Asia.
### Crisis Group Approach – Three Basic Elements

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<tr>
<th>1</th>
<th>Expert field research and analysis</th>
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<td>Crisis Group’s credibility is founded on its field-based research. Our analysts are based in or near many of the world’s trouble spots, where there is concern about the possible outbreak of conflict, its escalation or recurrence. Their main task is to find out what is happening and why. They identify the underlying political, social and economic factors creating the conditions for conflict, as well as the more immediate causes of tension. They find the people who matter and discover what or who influences them. And they consider the actual and potential role for other countries and inter-governmental bodies like the United Nations, European Union and African Union.</td>
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<th>2</th>
<th>Practical, imaginative policy prescriptions</th>
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<td>Crisis Group’s task is not merely to understand conflict but to prevent, contain and resolve it. That means identifying the levers that can be pulled and those who can pull them, whether political, legal, financial or ultimately, military. Some of these tools require action by the national government or local actors; others require the commitment of other governments or international organisations. Some will be within the current marketplace of received ideas; others will be over the horizon but nonetheless the right way forward. These policy prescriptions, along with our field-based research and analysis, are presented in succinct, timely and readable reports.</td>
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<th>3</th>
<th>Effective, high-level advocacy</th>
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<td>Identifying the problem and the appropriate response is still only part of the story. All too often the missing ingredient is the “political will” to take the necessary action. Crisis Group’s task is not to lament its absence but to work out how to mobilise it. That means persuading policymakers directly or through others who influence them, not least the media. That in turn means having the right arguments: moral, political, legal and financial. And it means having the ability to effectively deploy those arguments, with people of the right credibility and capacity.</td>
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Crisis Group

OPERATIONS AROUND THE WORLD

Advocacy and liaison offices

**Brussels (HQ)**
Management, research, report production and distribution, communications, EU and international advocacy, institutional donor relations and coordination of all field operations.

**Washington**
Advocacy with the U.S. government and international organisations; media relations; policy input.

**London**
British and other European advocacy and fundraising activities.

**Beijing**
Research and advocacy with the Chinese government, policy banks, think-tanks, media and diplomatic corps.

**Moscow**
Research and advocacy with the Russian government.

**New York**
Advocacy with the UN Secretariat, diplomatic corps and media; private sector funding; policy input.

Covered by field analysts (coverage planned for 2013)

- Afghanistan
- Algeria
- Armenia
- Azerbaijan (including Nagorno-Karabakh)
- Bahrain
- Bangladesh
- Bosnia and Herzegovina
- Burkina Faso
- Burundi
- Cambodia
- Central African Republic
- Colombia
- Côte d’Ivoire
- Cyprus
- DR Congo
- Egypt
- Eritrea
- Ethiopia
- Georgia
- Guatemala
- Guinea
- Guinea-Bissau
- India (Kashmir)
- Indonesia
- Iran
- Iraq
- Israel/Palestine
- Japan
- Jordan
- Kazakhstan
- Kenya
- Kosovo
- Kyrgyzstan
- Lebanon
- Libya
- Macedonia
- Madagascar
- Malaysia
- Mali
- Mauritania
- Mexico
- Morocco
- Myanmar
- Nepal
- Niger
- Nigeria
- North Korea
- Pakistan
- Philippines
- Russia (North Caucasus)
- Saudi Arabia
- Spain (Basque Country)
- Sri Lanka
- Sudan
- Syria
- Tajikistan
- Thailand
- Timor-Leste
- Tunisia
- Turkey
- Turkmenistan
- Uganda
- Uzbekistan
- Venezuela
- Western Sahara
- Yemen
- Zimbabwe

In addition to the above countries, CrisisWatch monitoring covers

- Albania
- Angola
- Belarus
- Bolivia
- Cameroon
- Chad
- China
- Djibouti
- Ecuador
- Equatorial Guinea
- Fiji
- Gabon
- Gambia
- Ghana
- Haiti
- Honduras
- Kuwait
- Lesotho
- Liberia
- Maldives
- Malawi
- Moldova
- Mozambique
- Nicaragua
- Oman
- Papua New Guinea
- Paraguay
- Peru
- Republic of Congo
- Rwanda
- Saudi Arabia
- Senegal
- Sierra Leone
- South Africa
- Spain (Basque Country)
- Swaziland
- Taiwan
- Tanzania
- Togo
- Ukraine
- United Kingdom (Northern Ireland)
- Zambia
During a turbulent year for Mali, we provided consistent analysis and recommendations on how to deal with the conflict’s political, security and socio-economic dimensions. Our report, *Mali: The Need for Determined and Coordinated International Action* (September), urged a comprehensive international response and complemented our advocacy meetings in key international and regional decision-making centres.

The risks of all-out war erupting between Sudan and South Sudan loomed large in 2012. Crisis Group called for diplomatic pressure to push the neighbouring states to negotiate a comprehensive deal. Our report, *Sudan: Major Reform or More War* (November), warned that the South’s secession did not resolve conflict issues driven by the concentration of power and resources in the centre.

As the crisis unfolded in the Democratic Republic of Congo, we continued to brief foreign governments, highlighting the rebel group M23 as a proxy force of Rwanda. A further report warning of the security risks posed by an oil rush attracted the attention of the government, environmental activists and the U.S. State Department. Since publication, several reforms have been implemented by the DRC’s hydrocarbons ministry, while the EU and Belgium backed our recommendations to end oil exploration in the militia-ridden Virunga National Park.

In 2012, we released reports on the Somalia conflict calling for increased international attention to the country’s transition, warning of the risks of Kenya’s military intervention, and reiterating the need for the successful implementation of Somalia’s transition roadmap.

Crisis Group reports focusing on corruption and increasing authoritarianism in Burundi elicited prompt reactions from Western donors. Despite publicly denying the findings, the Burundian government nevertheless implemented our key recommendation to join the Extractive Industries Transparency Initiative.

Amid mounting political tensions and armed incursions earlier this year, our report, *Côte d’Ivoire: Defusing Tensions* (November), warned that conflict would return if the government failed to undertake reconciliation initiatives and judicial and security sector reform.

Crisis Group’s warning of potential political disorder in Guinea-Bissau following President Malam Bacai Sanhá’s death in January was borne out by the April 2012 coup. Diplomats in West Africa, Europe and the U.S. described Crisis Group reports on the country as the only comprehensive and nuanced analysis available.

Reducing tensions ahead of Kenya’s March 2013 elections has been a focus of our advocacy over the past year. In *Kenya’s 2013 Elections* (January), Crisis Group warned of rising ethnic tensions in the run-up to the elections owing to misperceptions surrounding the prosecution of politicians accused of organising violence after Kenya’s flawed 2007 elections.

Crisis Group is a much trusted voice on Guinea-Bissau … one invoked with reverence and respect across the board. In a political environment as complicated as this, that says a lot … and is fully deserved.

Raluca Eddon, Peacebuilding Officer for Guinea-Bissau, United Nations Integrated Peace-Building Office in Guinea-Bissau, February 2013

Above left: 23-year old Ayoub Awab, a Sudan People’s Liberation Movement-North (SPLM-N) soldier, was badly burnt during an air raid on the South Sudan/South Kordofan border, Sudan, May 2012. Crisis Group/Jérôme Tubiana.

Above right: A Malian junta soldier stands guard in the headquarters in Kati, Mali, 3 April 2012. Reuters/Luc Gnago
Central Africa
A report on the military standoff between Rwanda and the Democratic Republic of Congo will analyse the potential for another conflict over the Great Lakes region. Rural security issues associated with pastoralists in Chad, the Central African Republic, DRC and South Sudan will be the subject of a further regional report.

Burundi. A new report will take an in-depth look at recent land reforms and their implications for the peacebuilding process.

Democratic Republic of Congo. Two reports on contested territories in the DRC will focus on local conflicts in the Ruzizi plain and in the Shabunda and Walikale territories, home to conflicting militias and natural resources conflicts.

Horn of Africa
Eritrea. With the country’s political future uncertain, a report will map out six possible scenarios identifying the main risks and opportunities of political transition.

Ethiopia. A briefing will examine the challenges facing the failed peace process between the government and an Ogadeni insurgent group, highlighting the need to prevent ethnic and religious radicalisation.

Kenya. A report will examine the post-elections climate, especially the potential for violence following devolution, using ethnically mixed Nakuru County as a case study.

Somalia. As the political and economic situation in Somalia’s Puntland region deteriorates, a report will assess the risk of conflict. The weakening of the militant group Al-Shabaab has not ended instability; a briefing will look at the depth of insecurity in south-central Somalia, especially Mogadishu.

South Sudan. A post-independence update on the progress made by the new government will assess its impact on peace and stability in the fledging state.

Sudan. A series of reports on Sudan’s Spreading Conflict will consider the likelihood of conflict in eastern Sudan, the situation in South Kordofan and the Blue Nile, as well as the continued failure of the 2011 Doha Document for Peace in Darfur (DDPD).

West Africa
Côte d’Ivoire. Instability in the west of the country, due to a combination of enduring tensions between local communities, recent political conflict and the fragility of neighbouring Liberia, will be the focus of a report offering recommendations on how to restore security.

Guinea-Bissau. The combination of a weak state and the social exclusion of the rural population threatens to push the country closer to conflict.

Mali. A report will focus on the January 2013 military intervention, progress in the political process, the retraining of the Malian army and the deployment of an international support mission.

Nigeria. Tackling insecurity and violence will be the subject of two reports examining the government’s response to the militant Islamist group Boko Haram and the politics of the Niger Delta region.

Southern Africa
Zimbabwe. Reform issues and political infighting threaten to undermine stability, especially in view of a likely transition at the top. Two update briefings will consider recent political developments in the country and preparations for elections expected by the end of 2013.
Our March report, *Kyrgyzstan: Widening Ethnic Tensions in the South*, once again focused attention on the disturbing ethnic situation in southern Kyrgyzstan, and urged both the national government and international community to urgently address the issue. The report garnered considerable interest from the U.S. government, the new Kyrgyz presidential administration and international organisations.

In *Afghanistan: The Long Hard Road to the 2014 Transition* (October), we stressed the importance of a peaceful political transition following the presidential elections in 2014, emphasising the need to clarify election mechanisms. The report received significant attention from the Afghan government in particular, who took issue with some of its findings but nevertheless engaged publicly on several issues we had highlighted. A further report, *Talking About Talks: Toward a Political Settlement in Afghanistan* (March), reviewed efforts to negotiate with the Taliban and assessed prospects for a sustainable political settlement. The report received broad coverage in the international and Afghan press, and Crisis Group was invited to present its findings to UN representatives and scholars in the U.S.

Our report on Pakistan, *No End to Humanitarian Crises* (October), warned that the government’s inadequate response to three successive years of devastating floods gives Pakistan’s radical Islamist groups further opportunities to recruit and increases the potential for conflict.

The ongoing tensions in northern Sri Lanka and the government’s failure to initiate reconciliation policies were the focus of two reports in 2012. In response, foreign governments called for increased demilitarisation and democratisation efforts in the north and east of the country, while the Sri Lankan military has promised to decrease its presence in the north. The reports were widely quoted by international bodies including the United Nations High Commissioner for Refugees.

In April, we published a timely report on reforms in Myanmar, detailing the challenges facing the country’s sweeping reforms and arguing successfully for the lifting of sanctions. A further publication, *Myanmar Conflict Alert: Preventing Communal Bloodshed and Building Better Relations* (June), expressed concern at the ethnic tensions following deadly violence in Rakhine State, while continued fighting, weak institutions and the inevitable economic shocks formed the basis of another report.

As disputes over the South China Sea continued to grow, we published a detailed report noting how the issue had been complicated by internal politics – notably nationalism – in China and elsewhere. A further report analysed the increasing push back against China’s assertiveness and potential repercussions for security in the region. The reports’ findings were widely said to have shaped much of the discussion on the issue, and received considerable praise from governments in the West and in South East Asia.

Crisis Group reports on Indonesia in 2012 included *Indonesia: From Vigilantism to Terrorism in Cirebon* (January) and *How Indonesian Extremists Regroup* (July). The second report in particular was highly commended by diplomats and specialists in terrorism.

Further reporting covered peace negotiations in the southern Philippines, the breakdown of constitutional talks in Nepal, and regime change in North Korea.

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**ASIA SHIFTING POWERS**

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Crisis Group reports on the South China Sea have provided the most thorough analysis available in the public domain of the complex range of factors impacting on conflicting territorial claims in what has now become one of the most strategically significant regions in the world.

Kevin Rudd, 26th Prime Minister of Australia, February 2013
Central Asia
A Crisis Group report will examine the risks to the region of NATO’s 2014 troop drawdown in Afghanistan, as well as the possible response of external powers, including China and Russia.

China in Central Asia. As Russia’s economic and political influence in the region wanes, China is fast becoming the dominant player. A report will analyse both the opportunities and risks facing Beijing as it prepares to play a more assertive role there.

Kazakhstan. Despite its enormous natural wealth, the country needs urgently to address issues of governance, corruption and authoritarian rule.

South Asia
Afghanistan. Reports will focus inter alia on the need to engage the Afghan opposition in political developments, as well as ways to protect the rights and lives of women in post-transition Afghanistan.

Nepal. A report will examine the implications for the politics, identity and human rights agenda of Nepal as it renegotiates its relations with China and India. Meanwhile, the political inclusion of Nepal’s various ethnic groups is essential to achieve stability.

Pakistan. The controversial U.S. drone strikes in Pakistan will be the focus of a briefing assessing the contested claims of military and civilian casualties and examining the social, economic and psychological impact of drone warfare. Another report will look at the impact of violent conflict on women, especially in the Khyber Pakhtunkhwa province and Pakistan’s Federally Administered Tribal Areas.

Sri Lanka. Planned reports include a study of the growing trend towards authoritarianism, illustrated most recently by the impeachment of the country’s chief justice.

South East Asia
Indonesia. The outbreak of a deadly land conflict in Sumatra will be the subject of a report examining the standoff between farmers and agri-business. An update briefing on Indonesian extremism will consider how Islamist civil society has afforded political protection to violent extremism.

Myanmar. A ceasefire between the last remaining armed group and the government is crucial to securing stability in Myanmar. We will offer in-depth analysis of the Kachin conflict, and will examine the obstacles to peace and prospects for the future.

North East Asia
China. Examining the implications of the dangerous confrontation between China and Japan over the Diaoyu/Senkaku islands, a new report will analyse the role of domestic dynamics in each country, and look at how their changing fortunes have intensified the conflict.

Korean Peninsula. A report on the growing missile and space race between South and North Korea will examine various military and security aspects of the programs, as well as potential policy responses. We will also consider the possible shape of North Korean reforms to come.

Opposite left: Female Afghan National Police (ANP) trainees fire their weapons at a training centre in northern Afghanistan, 18 December 2012. Reuters/Fabrizio Bensch.
Opposite right: Indonesia’s anti-terror police stand guard at the site of a shooting in Surab on the island of Bali, Indonesia, 18 March 2012. Reuters/Stringer

Sri Lankan Army soldiers march during a War Victory parade marking the defeat of the Tamil Tigers in Colombo, Sri Lanka, 19 May 2012. Reuters/Dinuka Liyanawatte
Crisis Group began a new project in the North Caucasus region of Russia with two background reports examining the legacy of violence caused by ethnic grievances and the insurgency and counter-insurgency. Over the past year, the North Caucasus project has been particularly active in advocating the work of rehabilitation commissions for former insur- gents, and has briefed international and local media on the conflicts’ causes.

In 2012, Georgia became the first South Caucasus country to experience a peaceful political transition through the ballot box. Our report, Georgia: Making Cohabitation Work (December), recommended how cooperation between governments old and new could be achieved. The report received praise from high-level U.S. and EU officials, and our recommendations on judicial reform and the holding of regular meetings between the president and prime minister are being implemented.

Crisis Group’s report, Armenia: An Opportunity for Statesmanship (June), examined the status and future of reform in the country after the 2012 parliamentary elections. The report’s recommendations for reforms before the 2013 presidential polls were taken up by several high-level U.S. and EU officials during meet- ings with Armenian President Serzh Sargsyan.

In Tackling Azerbaijan’s IDP Burden (February), we described how some 600,000 persons displaced by the Armenia-Azerbaijan conflict over Nagorno-Karabakh remain under Azerbaijani government care two decades after the fighting. Crisis Group continues to be the organisation of reference on the conflict, and officials in Washington, Moscow and Brussels share the concerns described in our 2011 report, Armenia and Azerbaijan: Preventing War, concerning the dangers of an “accidental war”.

Important constitutional reform

In Kosovo and Serbia: A Little Goodwill Could Go a Long Way (February), we provided recommendations on how the two countries can normalise relations and further their EU prospects. Several recommendations were adopted, including the formula we proposed to enable Serbia to welcome Kosovo in regional forums and our suggestion that Kosovo and Serbia open liaison offices in Pristina and Belgrade.

Following Kosovo’s acquisition of full sovereignty in September, we released a report examining the achievements of the young state as well as ongoing challenges, including tensions with Serbia, the situation in North Kosovo, and a recent surge in ethnically moti- vated attacks.

In Bosnia’s Gordian Knot: Constitutional Reform (July), Crisis Group found that implementation of the Sejdić–Finci decision of the European Court of Human Rights (ECHR) – a precondition for Bosnia to advance its EU accession process – is dependent on a comprehensive constitutional reform to improve minority rights and increase politicians’ accountability.

Amid stalling peace talks and rising tensions following the discovery of gas reserves off the Cyprus coast, our report, Aphrodite’s Gift: Can Cypriot Gas Power a New Dialogue? (April), was well received by high-level officials, analysts and oil company representatives, including in small closed-door briefings with European governments.

The deteriorating security situation between Turkey and the Kurdistan Workers’ Party (PKK) was the focus of Crisis Group advocacy for increased civil rights for Turkey’s Kurdish population. Two reports on the situation promoted significant discussion among policymakers and in the media and are helping shape the language of the peace process between the state and the PKK launched in late 2012.

EUROPE: OLD CONFLICTS THAT DEFY RESOLUTION
The Balkans
A briefing paper will look at the role of political Islam and Bosniak nationalism in Bosnia and Herzegovina and among Bosniaks in Serbia. Following up on our 2012 report on the ECHR Sejdić-Finci decision, a report will offer options on implementing constitutional change and suggest how international actors can contribute, given the enduring mistrust between parties and ethnicities.

Serbia and Kosovo. Following the high-level political dialogue between Serbia and Kosovo in 2012, a Crisis Group report will assess the implementation of agreements, review both sides’ positions on contentious political issues, and propose ways to overcome obstacles.

South Caucasus
Armenia and Azerbaijan. Improving International Crisis Prevention in Nagorno-Karabakh will map out the available options for conflict resolution for regional powers, international actors and parties to the conflict to complement or replace the existing OSCE Minsk Group.

Georgia. A change of government in Tbilisi has opened up fresh opportunities for dialogue between Georgian officials and the Abkhaz. A Crisis Group report will offer concrete policy recommendations on how to capitalise on this change, as will a further report detailing opportunities for dialogue with South Ossetia.

North Caucasus
The problematic institutional integration of the North Caucasus region of Russia will be the focus of our third and final background report. A full range of recommendations on how to improve conflict prevention and resolution will be offered.

Other issues addressed in the coming year will include the radicalisation of women in Dagestan, and the successes and failures of efforts to reintegrate former insurgents in the region.

Turkey/Cyprus
Turkey. The spillover of the Syrian conflict into Turkey has intensely affected the region of Hatay. We will propose recommendations for the Turkish government and international partners on preventing the further escalation of tensions.

Cyprus. The election of a new president of the republic should open up fresh opportunities for overcoming the impasse on the island, as outlined in a forthcoming Crisis Group report.

I have always enjoyed Crisis Group’s thorough analysis on Turkey, Turkey-EU relations and Cyprus. Crisis Group’s value lies in the quality of their research and the principled approach behind all of their publications. In today’s turbulent international environment, it is crucial that Crisis Group continues to provide blueprints and recommendations on difficult issues.

Marc Pierini, Carnegie scholar and former EU Ambassador to Turkey, January 2013
Peace talks held in Havana (Cuba) between the Colombian government and the Revolutionary Armed Forces of Colombia (FARC) could herald the end of the Western Hemisphere’s longest running internal armed conflict. In our report, *Colombia: Peace at Last?* (September), we argued that there is a stronger willingness to reach an agreement than on previous attempts as both sides have realised that military means alone cannot end the conflict. The report immediately became a reference point for local and international media reporting on the peace process. Presentations to policymakers and civil society representatives in Bogotá, Brussels, Oslo, Berlin and Washington resulted in several invitations for confidential discussions with key government and international actors. Our June report, *Dismantling Colombia’s New Illegal Armed Groups: Lessons from a Surrender*, analysed the controversial partial surrender to justice of Popular Revolutionary Anti-Terrorist Army of Colombia (ERPAC) to propose more comprehensive policies to disband New Illegal Armed Groups and strengthen the rights of their victims.

In *Dangerous Uncertainty Ahead of Venezuela’s Elections* (June), we outlined the obstacles facing any kind of democratic transition in the country given Hugo Chávez’s legacy of highly personalized rule and the lack of rule of law and credible public institutions. The report was well received and quoted in the local and international media, while Crisis Group was widely consulted by international actors on the legitimacy of the polls and the country’s uncertain political future.

Our report, *Police Reform in Guatemala: Obstacles and Opportunities* (July), examined the new president’s attempt to reform Guatemala’s civilian police force, citing problems such as corruption, underfunding and low public trust. The report was widely cited in the media, especially in the debate over the militarisation of law enforcement.

Recent successes in combatting organised crime in Mexico, including the alleged death of Los Zetas leader Heriberto Lazcano in October and the arrest of cell members of several large cartels in December, have only scraped the surface of the country’s drug cartel violence problem. Although the murder rate seems to be stabilising, the new administration of Enrique Peña Nieto has a daunting task ahead. In 2012, we set in motion a new Mexico project and are due to publish our first reports on organised crime in the country, an issue with global and regional security implications.

The report, *Towards a Post-MINUSTAH Haiti: Making an Effective Transition* (August), demonstrated how a phased withdrawal of the UN Stabilisation Mission in Haiti could bring about stronger institutions and lasting development, although much depends on the political will of the Haitian government. Crisis Group closed its operations in Haiti with a report on national consensus that was published in January 2013.
Colombia/Andes

Colombia. Crisis Group will closely follow the peace process with papers on two key issues of the negotiation agenda. The first report will examine ways of solving the dilemma posed by the need to strike a peace deal while respecting the rights of victims to truth, justice and reparation. Recommendations will be derived from an examination of the national and international legal context, lessons from past transitional justice efforts and extensive interviews with victims organisations.

The second report will look at FARC's future as a civilian political force. Bringing the guerrillas into the democratic political arena is a stated goal of the peace talks. The report will analyse obstacles and propose measures to guarantee the effective participation of FARC or its political expression after the conclusion of peace talks.

If talks result in a peace deal in the second half of 2013, as currently seems possible, we will begin analysing post-conflict dynamics in Colombia, focusing on the policy and humanitarian challenges posed by ongoing violence in both urban and rural areas.

Venezuela. With the death of Chávez in March 2013, Venezuela's constitutional crisis has come to a head. An update briefing will analyse the ensuing constitutional and political crisis, in particular the potential for violence during the upcoming elections and prospect of continued instability. In order to face these challenges, the interim government must respect the rule of law and undertake measures to ensure a peaceful political transition.

Mexico/Central America

Mexico. Crisis Group will publish its first background report on Mexico during the first trimester of 2013, focusing on the structure and operations of major criminal organisations responsible for drug cartel violence in recent years, as well as its social damage and humanitarian impact. The report will offer policy recommendations for the new government on how to tackle the violence, including the reforms needed to strengthen justice and security in the country.

A separate policy report will take a detailed look at the attempted modernisation of Mexico's police force and the potential advantages and shortcomings of the creation of a National Gendarmerie.

Guatemala. In 2013, we will examine rising tensions in impoverished indigenous communities over such issues as the cost of electricity, access to land and large-scale mining projects. Additional reports will explore insecurity in border areas, where transnational criminals traffic drugs and other illicit goods, as well as in impoverished urban areas, where gangs run extortion rings, recruiting youths as their bagmen and hired assassins.

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The police are the DNA of a democratic state. Their conduct and performance determine whether the state carries out its primary constitutional mission of protecting society. This is exactly what Crisis Group reminds us in its well-documented, comprehensive report on police reform.

Edgar Gutierrez, Guatemala’s special envoy for drug policy reform, former foreign minister, January 2013

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A member of the Kaibil, an elite group of the Guatemalan army involved in the fight against Mexican drug cartels, participates in an urban operation exercise in Poptün, Guatemala, 12 May 2012. Reuters/William Gularte

An anti-drug policeman stands guard after burning a cocaine laboratory belonging to the Revolutionary Armed Forces of Colombia (FARC), in Puerto Concordia, Colombia, 25 January 2012. Reuters/John Vizcaino
In the face of mounting obstacles, Crisis Group has continued to pursue extensive field work in Syria covering its escalating conflict. Numerous reports published in 2012 discussed developments on the ground and provided in-depth analysis of key aspects of the conflict, including Syria’s fundamentalist opposition. In our advocacy work, we continue to shape the debate on Syria and offer timely and detailed analysis for the international press.

The impact of the Syrian conflict was the focus of our reporting on Lebanon, which examined responses to the conflict and highlighted the opposing positions of Lebanon’s rival coalitions as a potential source of instability.

In 2012, Crisis Group reporting on Israel and Palestine focused on the local impact of the Arab uprisings and on the future of the peace process. In The Emperor Has No Clothes: Palestinians and the End of the Peace Process (May), we advocated efforts to initiate a new approach that aims to confront neglected issues, incorporate excluded constituencies and develop a different strategy toward Palestinians. In Light at the End of their Tunnels? Hamas and the Arab Uprisings (August), Crisis Group offered in-depth analysis of changes occurring within the Islamist Palestinian movement. Our recommendations spurred debate among senior European officials on the future of the peace process, while our rapid-response report following Operation Pillar of Defence in November became required reading for UN and U.S. staff in Jerusalem.

In Egypt, a Muslim Brotherhood victory in the presidential elections failed to secure political and economic stability, as the country continues to face numerous social and ideological divisions. Our report, Lost in Transition: The World According to Egypt’s SCAF (April), examined the military leadership’s role in Egypt’s political transition and established Crisis Group’s reputation as a source of objective and thorough analysis on the country.

We continue to be the “go-to” organisation on Yemen. Our report, Yemen: Enduring Conflicts, Threatened Transition (July), was the first in-depth assessment of the country’s transition and was well received by political stakeholders and foreign diplomats alike.

Crisis Group is a respected voice of authority on Iraq, and 2012 saw numerous high-level advocacy meetings, including with Prime Minister Nouri al-Maliki. Our reporting highlighted the ongoing conflict between Baghdad and the Kurdish-controlled north, as well as Turkey’s potential ability to influence the dispute.

Following a year of intensive nuclear diplomacy, our reporting on Iran has focused on ways to engage the government in Tehran and salvage diplomacy.

As argued in our December 2011 report, Holding Libya Together: Security Challenges after Qadhafi, successful negotiations between the government, local authorities and militias hold the key to resolving Libya’s ongoing instability. The report became required reading for international officials and NGO representatives working on Libya, and we briefed over 300 key officials and institutional representatives on the issue. A further report examined Libya’s communal conflicts in part fuelled by the absence of credible state institutions in the country.

Our reports on Tunisia’s security sector issues and socio-economic situation generated a flurry of interest in the media, while the violent socio-economic unrest in November and December threw Crisis Group’s analysis back into the spotlight.

What sets Crisis Group’s work apart is the focus on policy options. Your reports provide entirely new options while assessing the various options on the table. Given the uncertainty inherent in political-military affairs, your work is worth its weight in gold.

Gerard Lucius, Deputy Head of Mission, Embassy of the Netherlands in Iraq, September 2012
Israel/Palestine

Major political changes in the region demand a fresh approach to conflict resolution. Crisis Group reports will continue to focus on neglected constituencies whose influence will increase with the continuing stalemate in negotiations.

Egypt, Syria and Lebanon

**Egypt.** The role of Islamist groups in the political life of the country will be the focus of Crisis Group reporting in 2013. The Muslim Brotherhood’s evolution and political strategy since the uprising will be the subject of one report, while a separate report will examine the growing role of the Salafi community on Egypt’s political scene.

**Syria.** As both the regime and opposition continue to radicalise their forms of attack, increasing anti-Alawite feelings are intensifying the sectarian dimension of the conflict. Crisis Group reports will examine the conflict’s evolution and evaluate the challenges facing the Syrian opposition in a transition scenario.

**Lebanon.** With the country experiencing spillover effects from Syria, Crisis Group will look at possible triggers of conflict and how to tackle them.

Iraq, Iran and the Gulf

**Bahrain.** While major protests in the capital have subsided, months of violent suppression have demolished trust in the regime and heightened the sectarian divide.

**Iran.** A Crisis Group report will examine the extent to which sanctions imposed on Iran are undermining the regime and fulfilling the objective of weakening the country’s nuclear capacity. Reaching a diplomatic settlement on the nuclear issue will be the subject of a separate briefing.

**Iraq.** The conflict in Syria holds the potential to reignite sectarian conflict in neighbouring Iraq. The country’s upcoming provincial and national elections will be an important indicator of Iraq’s ability to avoid conflict and internal strife in the future.

**Yemen.** A 2013 report will focus on the reform of the country’s military and security services and examine challenges to reform in a politically unstable environment.

The ongoing Huthi conflict in northern Yemen will be the subject of a report analysing the impact of the 2011 uprising on the demands and alliances of major players in the conflict.

**North Africa**

**Libya.** Upcoming reports will focus on ways to enhance Libya’s weak government infrastructure as well as the constitutional debate.

**Morocco.** Crisis Group will analyse the impact of Morocco’s protest movement on politics, the country’s socio-economic dynamics and the government’s efforts to forestall domestic strife by initiating reforms.

**Tunisia.** A report will examine challenges facing the ruling moderate Islamist party in its bid to satisfy both the secular parties in the coalition and hardline Salafis. Future reporting will focus on the issue of accountability and improving the judicial and media environment.

Below left: Hamas militants speak with the media during a news conference in Gaza City, Gaza, 22 November 2012. Reuters/Ahmed Zakot. A protester cheers as items are ransacked from an office of the Muslim Brotherhood’s Freedom and Justice Party in Alexandria, Egypt, 23 November 2012. Reuters/Stringer
Operations
In 2012, Crisis Group reported on some 50 different crises and conflicts, producing its third highest output in published reports since being founded seventeen years ago. Our focus ranged over the entire spectrum of conflict situations. We looked at emerging tensions, whether in the South China Sea or the Sahel. We continued to focus on countries challenged by political transition, be it in Egypt and Tunisia or in Myanmar. We remained preoccupied by the nightmare being played out in Syria, on which our coverage has been as nuanced as it has been prescient. Likewise, we drew attention to the risks being courted by the stand-off over Iran’s nuclear program and the threat of military action against Tehran, Syria and Iran, along with a range of other crises – most notably perhaps the situation in Democratic Republic of Congo – raise questions about the efficacy and integrity of the international framework for conflict prevention and resolution, an issue we shall continue to highlight. Along with Congo, we also continued to spotlight those conflicts which can appear intractable, such as in Afghanistan and Sudan, ensuring that fresh thinking was brought to each.

In the past year we successfully advocated for the lifting or easing of sanctions in Myanmar and Zimbabwe, while Crisis Group reports on Ethiopia, Gaza, and the prospects for peace in Somalia all proved remarkably timely. Finally, amid the gloom, we have been tracking with cautious optimism the growing prospects for political, social and economic life, and it is thanks to their courage and political vision that significant steps towards resolving protracted conflicts have been realised. Renowned journalist Katty Kay will serve as Master of Ceremonies for the evening.

Output
In 2012, Crisis Group published a record number of 94 reports and briefings. We also published 61 translations in sixteen languages, including Arabic, Bosnian, Burmese, Chinese, Greek, Indonesian, Korean, Portuguese, Russian, Serbian, Spanish, Thai and Turkish. By the end of the year, the number of targeted recipients of our reports, including government ministers, diplomats and journalists, rose to over 33,000, with a further 131,000 active subscribers receiving our weekly updates.

Crisis Group staff and Board members also contributed a further 223 commentary articles in ten different languages to major media outlets. All Crisis Group publications and commentary can be found on our website, which in 2012 received over 1.7 million visits and over 5.5 million page views.

On 22 April 2013, Crisis Group will hold the In Pursuit of Peace Award Dinner in New York, where we will pay tribute to our supporters and recognise outstanding contributions to advancing peace and security worldwide. Our honourees will be Luiz Inácio Lula da Silva, the 35th President of Brazil, and President U Thein Sein of Myanmar. Their leadership has brought about momentous changes to their countries’ political, social and economic life, and it is thanks to their courage and political vision that significant steps towards resolving protracted conflicts have been realised. Renowned journalist Katty Kay will serve as Master of Ceremonies for the evening.

Support
With the world economy still suffering, 2012 proved a difficult year for Crisis Group financially. For this reason, we are all the more grateful for the generous contributions of our donors, including governments, foundations and individual and corporate supporters, who have helped us navigate these troubled waters. We have continued our efforts to maintain and strengthen our relationships with our donors, while also seeking to diversify our income through the cultivation of prospective new donors. As in recent years, unrestricted contributions represented the mainstay of Crisis Group’s income in 2012, representing 86 per cent of total income.

Crisis Group launched an initiative in early 2013 to double the membership of its President’s Council and increase the funds available towards maintaining our capacity and deepening our impact worldwide. The President’s Council is made up of outstanding individuals and corporations generously donating a minimum of $100,000 each year, and the aim of the campaign is to attract ten new members to meet a $1,000,000 matching challenge by March 2014.

Events
On 18–19 October 2012, Crisis Group held its fourth Global Briefing: a two-day, high-level private event led by senior staff and Board members and attended by more than 100 delegates from international diplomacy, business and civil society.

I very much appreciate the work that International Crisis Group is carrying out around the world. Your continuous monitoring of the situation in the most fragile, conflict-prone and conflict-affected countries and regions is highly valuable for the European External Action Service (EEAS).

Catherine Ashton, High Representative of the European Union for Foreign Affairs and Security Policy/Vice-President of the European Commission, July 2012
Crisis Group’s website (crisisgroup.org) continues to be our most important public advocacy tool, with over 1.7 million visits and a total of 5.5 million page views annually. It is not only a broad distribution channel for publications – including reports, urgent alerts, commentary articles, speeches and blogs – but it also hosts audio podcasts and video and multimedia presentations.

Social media are unquestionably an essential part of Crisis Group’s advocacy work, with an ever increasing number of referrals to our website coming from Facebook and Twitter in particular. This year we reached over 21,000 “likes” on our main Facebook page, while pages for Latin America, South East Asia, Indonesia, Russia, Turkey and the Arab world allow us to better reach those audiences.

Our organisational Twitter account now has over 40,000 followers, and our key staff using the medium adds over 20,000 more, leveraging individual professional networks for public advocacy impact. Together these accounts attract attention and retweets from foreign policymakers and those who influence them. As an example, a single Crisis Group tweet announcing the publication of a report on Syria in August was retweeted 264 times and reached over 1,276,930 people on Twitter.

Our Tumblr blog now has over 23,000 followers and a very active community “liking” and reblogging our posts. We also maintain Pinterest, LinkedIn, YouTube and Flickr accounts, which are all popular with the online community and contribute to promoting Crisis Group’s advocacy efforts.

Crisis Group produced 34 podcasts of analyst interviews in English, French and Spanish in 2012. Some of these were featured in international news outlets, including CNN and Foreign Policy to supplement their own reporting and analysis. These emerging relationships represent an important shift in the journalistic landscape, as news outlets are featuring our material wholly unedited, underscoring their need for reliable content and further illustrating the trend toward journalism-NGO partnerships.

In 2012, we also released an innovative video describing our work and impact titled “We are the International Crisis Group”. We then initiated a new series of videos, “Crisis Group at Work”, demonstrating how we carry out our research and advocacy, and describing the impact we have made on particular conflict situations.

Crisis Group’s traditional media impact in 2012 continued to be strong, with more than 5,000 newspaper articles, TV/radio programs and new media outlets in numerous languages, citing our publications or quoting our analysts. Our analysts published 223 commentary articles in major international newspapers last year. Crisis Group has developed long-term relationships with the editorial boards and commentators at many influential outlets, and we have thus helped to guide their own editorials on a significant number of occasions.
We are deeply grateful for the generous support of our public and private partners, which enables Crisis Group to carry out its mission of preventing and resolving deadly conflict around the world. The majority of our funding (86 per cent) comes in the form of crucial core support and many of our major donors make multi-year commitments to Crisis Group, thus reinforcing our independence and enabling us to focus sustained, long-term attention on the world’s most difficult conflicts.

Governments continue to be the mainstay of our financial support, representing 50 per cent of our revenue in the 2011–2012 financial year, followed by the private sector at 28 per cent and institutional foundations at 22 per cent. We are especially fortunate to count on the continued engagement of our donors in this climate of budget austerity and global economic uncertainty, and in the coming years we will work harder than ever to demonstrate our impact on the front lines of global conflict. We have also launched a special initiative to grow our base of support in the private sector, both through a campaign to double the membership of our President’s Council as well as an effort to strengthen corporate participation in the International Advisory Council. Council members regularly use our analysis and field-based research in their geopolitical risk assessments, exchange views with Crisis Group staff and with each other on critical conflicts, and attend Board of Trustees meetings and other high-level events such as trips to the field and the annual Global Briefing.

Council supports pre-election Advocacy in Zimbabwe/RSA

Field report by Comfort Ero, Crisis Group Africa Program Director

In November 2012, Crisis Group Council members accompanied CEO Louise Arbour and my team on a week-long trip in Zimbabwe and South Africa, focused on strengthening our high-level advocacy channels in the lead-up to Zimbabwe’s 2013 presidential elections. The Council delegation met with Prime Minister Morgan Tsvangirai, the Zimbabwe Elections Commission and Minister of State Jameson Timba, as well as civil society groups; war veterans; ambassadors from across the African continent, Canada, Europe and the U.S.; and experts on the political, economic and security situation in the country. We listened to the views of our interlocutors while also signaling Crisis Group’s recommendations in support of a fair and peaceful election. Louise and I met separately with Vice President Joice Mujuru. We then presented our findings to the EU’s diplomatic delegation in Pretoria, and we held meetings with a number of journalists and executives in Johannesburg that were arranged by Crisis Group Trustee Cheryl Carolus.

I found it deeply motivating to share my daily work with our Council members and see them come away with a new understanding of Zimbabwe’s plight and promise. Crisis Group is fortunate to have donors who are true participants in advancing the change they support – I look forward to our next trip.

Please contact us for information on Council membership or travel opportunities with Crisis Group.

Income and Expenditure in 2012

- Governments 50%
- Individual and Corporate 28%
- Institutional Foundations 22%
- Operations 52%
- Advocacy 22%
- Administration 21%
- Development 5%

Total income for annual operations for the financial year ending 30 June 2012 was $22.9 million, of which 86% was unrestricted core contributions. Total expenditure for the financial year ending 30 June 2012 was $23.8 million. Contributed services comprising various professional services are reflected in the unrestricted core contributions and administrative expenditure totals. The value of these contributions for the year ended 30 June 2012 was $3.1 million. Without these contributions the expenditure ratios would be as follows: Development: 6%; Administration: 9%; Advocacy: 25%; Operations (Programs): 60%.
At Statoil, a leading energy company present in over 30 countries, conflict risk considerations are a foremost concern. We are pleased to support the International Crisis Group as members of the International Advisory Council. Since joining in 2007, we have frequently turned to Crisis Group experts for analysis on geopolitical developments in regions where we work or are considering expansion. Each autumn, our country specialists gain vital insights from the Global Briefing on issues potentially affecting our overseas operations.

We regard Crisis Group’s Global Briefing as a platform for dialogue on what’s next on the global agenda, an essential event for internationally-minded organisations and companies invested in fragile markets.

Pål R. Moen, Vice President of Political Risk Analysis at Statoil, sums up his experience this way: “I find the exchanges at the Global Briefing very valuable and participating in the Council has helped Statoil assess risk in key regions and countries. In particular, I value the Global Briefing as an opportunity to interact in a more informal setting with Crisis Group analysts and Board members and experience their expertise first-hand.”

Corporate Council members receive a 50 per cent discount on Global Briefing registration for all participating employees. Join us in Brussels on 24 and 25 October for the 2013 Global Briefing.

Contact globalbriefing@crisisgroup.org for details.

From upper left to right, at Crisis Group’s Global Briefing, October 2012: Rosemary Nuamah Williams; Trustee Wu Jianmin; Trustee George Soros; Marc Otte, a briefing participant and Trustee Javier Solana; Trustees Nahum Barnea and Sandy Berger with Crisis Group staff Joost Hilterman and Ali Vaez; Trustee Ghassan Salamé and Lyse Doucet. Photos: Charles Andrea/Antonio di Vico
## Government and Foundation Donors

### Governments
- Australia (Australian Agency for International Development)
- Austria (Austrian Development Agency)
- Belgium (Ministry of Foreign Affairs)
- Canada (Canadian International Development Agency; Foreign Affairs and International Trade Canada; International Development Research Centre)
- Denmark (Ministry of Foreign Affairs)
- European Union (Instrument for Stability)
- Finland (Ministry of Foreign Affairs)
- Germany (Federal Foreign Office)
- Ireland (Ministry of Foreign Affairs and Trade)
- Liechtenstein (Ministry of Foreign Affairs)
- Luxembourg (Ministry of Foreign Affairs)
- The Netherlands (Ministry of Foreign Affairs)
- New Zealand (Ministry of Foreign Affairs and Trade)
- Norway (Ministry of Foreign Affairs)
- Sweden (Ministry of Foreign Affairs; Swedish International Development Cooperation Agency)
- Switzerland (Federal Department of Foreign Affairs)
- Turkey (Ministry of Foreign Affairs)
- United Kingdom (Department for International Development)
- United States (U.S. Agency for International Development)

### Foundations
- Adessium Foundation
- Carnegie Corporation of New York
- The Charitable Foundation
- Humanity United
- John D. & Catherine T. MacArthur Foundation
- Oak Foundation
- Open Society Foundations
- Ploughshares Fund
- Rockefeller Brothers Fund
- The Elders
- The Henry Luce Foundation
- The William and Flora Hewlett Foundation
- Tinker Foundation Incorporated
- VIVA Trust

Listings for governments and foundations reflect contributions received between 1 July 2011 and 30 June 2012.

## Individual and Corporate Donors

### Private donators and supporters contributing US$100,000 or more annually:
- Anonymous
- Frank Caufield
- Dow Chemical Company
- Frank Holmes
- Steve Killelea
- George Landegger
- McKinsey & Company
- Ford Nicholson & Lisa Wolverton
- Harry Pokrandt
- Shearman & Sterling LLP
- Ian Telfer
- White & Case LLP
- Neil Woodyer

### Private donators and supporters contributing between US$25,000 and US$99,999 per annum:
- Anonymous
- Anglo American Ltd
- APCO Worldwide Inc.
- Ryan Beedie
- Stanley Bergman and Edward Bergman
- BP
- Chevron
- Neil & Sandra DeFeo Family Foundation
- Equinox Partners
- Neemat Frem
- FTI Consulting
- Seth & Jane Gins
- Alan Griffiths
- Rita E. Hauser
- George Kellner
- Faisal Khan
- Zelmira Koch Polk
- Harriet Mouchly-Weiss
- Näringslivets Internationella Råd (NIR) – International Council of Swedish Industry
- Grif Norquist
- Kerry Propper
- Michael L. Riordan
- Shell
- Nina Solarz
- Statoil
- Talisman Energy
- Tilleke & Gibbins
- Yapi Merkezi Construction and Industry Inc.
- Stelios S. Zavvos

### Other Individual and Corporate Support
- **US$500,000 or more**
  - Anonymous
  - Frank Giustra
  - Bob Cross
  - Sir Joseph Hotung
  - Jeannette and H. Peter Kriendler Charitable Trust
  - Pierre Keller
  - Shini Yoshiki
  - Catharine Hawkins
  - Foundation
  - Willem Kok
  - Amy and Max Lehman
  - and the New Prospect Foundation
  - Melrose Fund
  - Natembea Foundation
  - Nicholas Paumgarten
  - Helen Raffel
  - Richard & Michele Ruble
  - Simon Schwab
  - H.E. Ardeshir Zahedi
  - Daniel Zhou

- **US$100,000 or more**
  - Anonymous (2)
  - Paul Reynolds
  - Anonymous (2)
  - Edgar Bachrach

- **US$25,000 or more**
  - Long Island Community Foundation – Stanley & Marion Bergman Family Charitable Fund

- **US$10,000 or more**
  - Anonymous (2)
  - anonymous
  - Frank Giustra
  - Anonymous
  - Frank Caufield
  - Dow Chemical Company
  - Frank Holmes
  - Anonymous
  - Anglo American Ltd
  - APCO Worldwide Inc.
  - Ryan Beedie
  - Stanley Bergman and Edward Bergman
  - BP
  - Chevron
  - Neil & Sandra DeFeo Family Foundation
  - Equinox Partners
  - Neemat Frem
  - FTI Consulting
  - Seth & Jane Gins
  - Alan Griffiths
  - Rita E. Hauser
  - George Kellner
  - Faisal Khan
  - Zelmira Koch Polk
  - Harriet Mouchly-Weiss
# Statement of Activities

For financial years ended 30 June 2012 and 2011 (in U.S. dollars)

## Revenues and other support ($)

<table>
<thead>
<tr>
<th></th>
<th>Year ended</th>
<th></th>
</tr>
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<tbody>
<tr>
<td></td>
<td>30 June 2012</td>
<td>30 June 2011</td>
</tr>
<tr>
<td>Contributions</td>
<td>20,265,810</td>
<td>20,761,041</td>
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<tr>
<td>Interest income</td>
<td>159,374</td>
<td>62,618</td>
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<tr>
<td>Miscellaneous income</td>
<td>11,586</td>
<td>751</td>
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<tr>
<td><strong>Total</strong></td>
<td>20,436,770</td>
<td>20,824,410</td>
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</table>

## Expenses ($)

### Africa Program

<table>
<thead>
<tr>
<th>Region</th>
<th>Year ended</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30 June 2012</td>
<td>30 June 2011</td>
</tr>
<tr>
<td>Central Africa</td>
<td>791,119</td>
<td>671,236</td>
</tr>
<tr>
<td>Southern Africa</td>
<td>327,507</td>
<td>178,994</td>
</tr>
<tr>
<td>West Africa</td>
<td>775,935</td>
<td>768,688</td>
</tr>
<tr>
<td>Horn of Africa</td>
<td>828,843</td>
<td>628,224</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,723,404</td>
<td>2,247,142</td>
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### Asia Program

<table>
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<tr>
<th>Region</th>
<th>Year ended</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30 June 2012</td>
<td>30 June 2011</td>
</tr>
<tr>
<td>Pakistan/Afghanistan</td>
<td>1,230,213</td>
<td>1,066,474</td>
</tr>
<tr>
<td>South East Asia</td>
<td>1,071,851</td>
<td>878,579</td>
</tr>
<tr>
<td>Central Asia</td>
<td>486,470</td>
<td>457,475</td>
</tr>
<tr>
<td>North East Asia</td>
<td>813,264</td>
<td>558,076</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>305,916</td>
<td>558,061</td>
</tr>
<tr>
<td>Nepal</td>
<td>340,452</td>
<td>384,368</td>
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<tr>
<td><strong>Total</strong></td>
<td>4,248,146</td>
<td>3,903,033</td>
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### Europe Program

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</thead>
<tbody>
<tr>
<td></td>
<td>30 June 2012</td>
<td>30 June 2011</td>
</tr>
<tr>
<td>South Caucasus</td>
<td>451,659</td>
<td>448,051</td>
</tr>
<tr>
<td>North Caucasus</td>
<td>284,853</td>
<td>–</td>
</tr>
<tr>
<td>Balkans</td>
<td>531,545</td>
<td>521,352</td>
</tr>
<tr>
<td>Turkey/Cyprus</td>
<td>260,790</td>
<td>258,130</td>
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<tr>
<td><strong>Total</strong></td>
<td>1,528,847</td>
<td>1,227,533</td>
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### Middle East Program

<table>
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</thead>
<tbody>
<tr>
<td></td>
<td>30 June 2012</td>
<td>30 June 2011</td>
</tr>
<tr>
<td>Iran and the Gulf</td>
<td>466,299</td>
<td>233,333</td>
</tr>
<tr>
<td>North Africa</td>
<td>698,808</td>
<td>332,690</td>
</tr>
<tr>
<td>Iraq, Syria and Lebanon</td>
<td>722,747</td>
<td>661,840</td>
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<tr>
<td>Israel/Palestine</td>
<td>803,586</td>
<td>867,857</td>
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<tr>
<td><strong>Total</strong></td>
<td>2,691,440</td>
<td>2,095,720</td>
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### Latin America Program

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<th>Region</th>
<th>Year ended</th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30 June 2012</td>
<td>30 June 2011</td>
</tr>
<tr>
<td>Andes</td>
<td>509,312</td>
<td>473,158</td>
</tr>
<tr>
<td>Guatemala</td>
<td>319,449</td>
<td>220,931</td>
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<tr>
<td>Haiti</td>
<td>271,616</td>
<td>219,641</td>
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<tr>
<td><strong>Total</strong></td>
<td>1,100,377</td>
<td>913,730</td>
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### Total program expenses

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<tr>
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<th>30 June 2012</th>
<th>30 June 2011</th>
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<tbody>
<tr>
<td><strong>Total</strong></td>
<td>12,292,214</td>
<td>10,387,158</td>
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### Advocacy

<p>| | | |</p>
<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>Total</strong></td>
<td>5,192,165</td>
<td>4,597,424</td>
</tr>
</tbody>
</table>

### Administration

<table>
<thead>
<tr>
<th></th>
<th>30 June 2012</th>
<th>30 June 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fundraising</td>
<td>1,267,560</td>
<td>1,425,244</td>
</tr>
<tr>
<td>Administration</td>
<td>5,077,011</td>
<td>3,890,668</td>
</tr>
<tr>
<td><strong>Total administration expenses</strong></td>
<td>6,344,571</td>
<td>5,315,912</td>
</tr>
</tbody>
</table>

### Total expenses

<table>
<thead>
<tr>
<th></th>
<th>30 June 2012</th>
<th>30 June 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total expenses</strong></td>
<td>23,828,950</td>
<td>20,300,494</td>
</tr>
</tbody>
</table>

### Change in net assets before other items

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>(3,392,180)</td>
<td>523,916</td>
</tr>
</tbody>
</table>

### Other items

<table>
<thead>
<tr>
<th></th>
<th>30 June 2012</th>
<th>30 June 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net unrealised/realised gains/(loss) on investments</td>
<td>(572,487)</td>
<td>(24,759)</td>
</tr>
<tr>
<td>Net unrealised/realised gains/(loss) on exchange</td>
<td>(1,449,837)</td>
<td>2,464,709</td>
</tr>
<tr>
<td>Change in net assets</td>
<td>(5,414,304)</td>
<td>2,963,866</td>
</tr>
<tr>
<td>Net assets at beginning of the year, as restated</td>
<td>49,744,340</td>
<td>46,780,474</td>
</tr>
<tr>
<td><strong>Net assets at end of year</strong></td>
<td>44,330,036</td>
<td>49,744,340</td>
</tr>
</tbody>
</table>

### Net assets comprise

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted net assets</td>
<td>5,083,944</td>
<td>7,903,382</td>
</tr>
<tr>
<td>Temporarily restricted net assets</td>
<td>12,166,770</td>
<td>14,881,636</td>
</tr>
<tr>
<td>Permanently restricted net assets</td>
<td>100,000</td>
<td>–</td>
</tr>
<tr>
<td>Securing the Future Fund</td>
<td>26,979,322</td>
<td>26,959,322</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>44,330,036</td>
<td>49,744,340</td>
</tr>
</tbody>
</table>

Contributions and grants for both program and multi-year funding agreements are recorded in full as revenue in the year that notification is received from the donor of the commitment. The amount of income from such agreements which was available for use in the year ended 30 June 2012 was $16,542,849 (2011: $13,896,134). Full audited financial statements are available on request, and accessible on Crisis Group’s website www.crisisgroup.org.
Acknowledgements

Special Thanks  Crisis Group is pleased to thank the following for making a variety of in-kind and other special contributions in 2012:

<table>
<thead>
<tr>
<th>aLanguageBank</th>
<th>PT Geoff Forrester Indonesia (GFI)</th>
<th>Bonang Mohale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stanley &amp; Marion Bergman</td>
<td>Susan Gibson &amp; Mark Bergman</td>
<td>Thandi Orleyn</td>
</tr>
<tr>
<td>Cherly Carolus</td>
<td>Frank Giustra</td>
<td>Nina Solarz</td>
</tr>
<tr>
<td>Shaila Dami, President, SDC Associates</td>
<td>Institute for Southeast Asian Studies (ISEAS)</td>
<td>Ambassador Lisa Stadelbauer</td>
</tr>
<tr>
<td>Herman De Bode</td>
<td>Pierre Keller</td>
<td>Sari Sudarsono</td>
</tr>
<tr>
<td>Lara Dauphinee</td>
<td>Mandarin Oriental Jakarta</td>
<td>Jusuf Wanandi</td>
</tr>
</tbody>
</table>

Senior Advisers  Crisis Group gratefully thanks our Senior Advisers, former members of the Board of Trustees who maintain an association with Crisis Group and whose advice and support are called on from time to time (to the extent consistent with any other office they may be holding at the time):

<table>
<thead>
<tr>
<th>Martti Ahtisaari</th>
<th>Mong Joon Chung</th>
<th>Shimon Peres</th>
</tr>
</thead>
<tbody>
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<td>Chairman Emeritus</td>
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<td>Victor Pinchuk</td>
</tr>
<tr>
<td>George Mitchell</td>
<td>Gianfranco Dell’Alba</td>
<td>Surin Pitsawan</td>
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<td>Cyril Ramaphosa</td>
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<td>Alain Destexhe</td>
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<td>President Emeritus</td>
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<td>Uffe Ellermann-Jensen</td>
<td>Michel Rocard</td>
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<tr>
<td>Adnan Abu Odeh</td>
<td>Gernot Erler</td>
<td>Volker Rühe</td>
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<tr>
<td>H.R.H. Prince Turki</td>
<td>Marika Fahlén</td>
<td>Güler Sabancı</td>
</tr>
<tr>
<td>al-Faisal</td>
<td>Stanley Fischer</td>
<td>Mohamed Sahnoun</td>
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<tr>
<td>Hushang Ansary</td>
<td>Malcolm Fraser</td>
<td>Salim A. Salim</td>
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<td>Öscar Arias</td>
<td>Swanne Hunt</td>
<td>Douglas Schoen</td>
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<td>Aleksander Kwasniewski</td>
<td>Thorvald Stoltenberg</td>
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<td>Zainab Bangura</td>
<td>Todung Mulya Lubis</td>
<td>Leo Tindemans</td>
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<tr>
<td>Shlomo Ben-Ami</td>
<td>Allan J. MacEachen</td>
<td>Ed van Thijn</td>
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<tr>
<td>Christoph Bertram</td>
<td>Graça Machel</td>
<td>Simone Veil</td>
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<td>Alan Blinken</td>
<td>Jessica T. Mathews</td>
<td>Shirley Williams</td>
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<tr>
<td>Lakhdar Brahimi</td>
<td>Nobuo Matsunaga</td>
<td>Grigory Yavlinski</td>
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<tr>
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<td>Miklós Németh</td>
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<td>Naresh Chandra</td>
<td>Christine Ockrent</td>
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<tr>
<td>Eugene Chien</td>
<td>Timothy Ong</td>
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<tr>
<td>Joaquim Alberto Chissano</td>
<td>Olara Otunnu</td>
<td></td>
</tr>
<tr>
<td>Victor Chu</td>
<td>Lord (Christopher) Patten</td>
<td></td>
</tr>
</tbody>
</table>

Consultants & Former Staff  We warmly thank the consultants and former staff members who worked for Crisis Group (along with others who cannot be named) in 2012. **Former Staff:** Saad Adoum, Saifullah Ahmadzai, Titi Ajayi, Zaid Al-Ali, Post Basnet, Kate Carey, Peter Cole, Edward Dalby, Sakhi Darwish, Laurence Dath, Nick Grono, Mahfil Hararap, Abdirashid Hashi, Fouad Hikmat, Elisabeth Ingram, Gauthier Jacob, Mariz Kelada, Malissa Khattab, Kristine Kwek, Hugh Lovatt, Pierre Michel, Conor Prasad, Liwen Qin, Srirne Rancher, Jacob Rinck, Bernice Robertson, Candace Rondeau, Cali Salih, Michael Shaikh, Heather Sonner, Nora Sturm, Charlotte Swinnen, Robert Tempelier, Zachary Vertin and Aly Zaman. **Consultants:** Joanna Baker, Rachel Bending, Noah Bonsey, Lorne Cook, Jonathan Cook, Zoe Flood, Ioan Grillo, Phil Gunson, Luisa Fernanda Guzmán, Richard Horsey, Yusif Ismail, Ashfaq Khan, Mathew LeRiche, Marc Henry Michel, Rashid Minhas, Charlotte Nicol, Mathieu Pellerin, Melissa Rudderham, Daniel W. Smith, Claire Verville, Chris Whitehouse, Katherine Wright and Haider Zaidi.

Pro Bono Legal Services  Crisis Group very gratefully thanks our primary pro bono counsel for their enormous continuing pro bono commitment to providing legal services during 2012: **Shearman & Sterling LLP**  **White & Case LLP**

Crisis Group was established in 1995 by a group of prominent international citizens and foreign policy specialists who were appalled by the international community’s failure to act in response to major crises at the time. Their aim was to create a new organisation, which would help governments, intergovernmental bodies and the world community at large to prevent, contain and resolve deadly conflict.

www.crisisgroup.org