



Watch List 2021

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Every year Crisis Group publishes two updates that complement its annual Watch List for the European Union, most recently published in January 2021. The publications identify major crises and conflict situations where the EU and its member states can generate stronger prospects for peace. The two updates include five crises and conflict situations which can cover those identified in the annual Watch List or present a new focus of concern. For each of the five cases included in this update, Crisis Group provides field-based analysis and specific policy advice to the EU and its member states, with the aim of guiding and improving their efforts to prevent, mitigate or end conflicts.

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Preventing War. Shaping Peace.

Thinking Through the Dilemmas of Aid to Afghanistan

Afghanistan is in the throes of a humanitarian crisis – driven by displacement, drought, the COVID-19 pandemic and a struggling economy – that has sharply [worsened](#) since the Taliban’s takeover and the prior government’s collapse on 15 August. A fundamental challenge is the country’s extreme dependency on external funds, much of which are now suspended due to understandable foreign concerns about the Taliban government’s direction. Humanitarian aid continues to arrive, but other disbursements that before the political upheaval were used to underwrite development programs, pay civil servants, provide public services and keep government functioning have ceased. Joblessness and poverty are climbing as a result. Afghanistan’s dire straits mean that donors, including the European Union (EU), have to grapple with the dilemma of how to support a population in growing distress while adhering to principles – including protection of fundamental freedoms, equal rights for women and the rule of law – that conflict with emerging Taliban government policies and practices. Although the Taliban’s transition from insurgency to governance is at an early stage, the group’s history and its actions in government so far indicate that there will likely be a wide gap between the nature of their rule and donors’ values. This gap looks set to limit the extent to which the EU and member states can provide a funding lifeline that would inevitably accrue to the benefit of Taliban regime consolidation.

The EU has [framed](#) its criteria for engaging the Taliban government around five benchmarks. These entail the Taliban: (i) allowing the safe, secure and orderly departure of all foreigners and Afghans who wish to leave the country; (ii) promoting, protecting and respecting human rights, particularly for women and minorities, the rule of law and fundamental freedoms; (iii) enabling free access for humanitarian operations (including for female staff) in line with international humanitarian law; (iv) preventing anyone from financing, hosting or supporting terrorist activity from inside Afghanistan and ceasing all ties with international terrorism; and (v) lastly, establishing an inclusive and representative government through negotiations. Brussels has made clear that it will continue “operational engagement” – interactions with the Taliban on practical matters like evacuations and humanitarian operations that do not imply recognition or the resumption of normal diplomatic relations, though the concept is deliberately ambiguous to give the EU greater flexibility.

Consistent with this framework, the EU and its member states should:

- ❑ Maximise humanitarian assistance. The EU has already answered a portion of a UN flash appeal for additional such aid. It could now take a lead role in funding the UN appeal for the rest of 2021, by making further contributions and rallying other donors. Particular attention is needed to ensure that the health care system, already in a precarious state, does not completely fall apart. Donors in this area will likely have to work with and through the Taliban’s health ministry to some extent, in addition to funding international NGOs still present in Afghanistan.

- ❑ Adhere to the EU Council's five-part framework for engagement with the Taliban but interpret it flexibly enough – meaning the EU should work towards the achievement of the five principles rather than using them as prior conditions – to help prevent the collapse of essential, life-saving public services, particularly health care, even though the Taliban are unlikely to meet all the conditions in the framework. Preventing such collapse will require provision of funding for some civil servants' salaries, such as for health care providers.
- ❑ Through diplomatic engagement with the Taliban, keep making clear the benchmarks that the new government would need to meet in order to receive European development assistance. The EU and European governments should set a small number of specific objectives drawn from the five-part framework for particular diplomatic focus, tied to a modest volume of development aid, as a means of testing the prospects for using aid as leverage. Because of its importance, educational access for girls and women could be a benchmark for the delivery of non-humanitarian aid. Earmarking aid for girls' and women's education is less likely to motivate the Taliban government to make changes than making aid available for other purposes of more interest to the group.
- ❑ Emphasise in engagement with the Taliban that they should follow through on promises they themselves have made, such as their public assurances that restrictions on girls' education will only be temporary.
- ❑ Prepare for the possibility of increased migration to Europe of Afghan asylum seekers as the humanitarian situation deteriorates. Preparation predominantly should include increasing reception capacity in EU member states. Afghanistan's neighbours, particularly Pakistan and Iran, already host millions of Afghans and are unlikely to welcome additional large numbers, even if Europe offers financial support.

A Severe Humanitarian and Economic Crisis

Since the Taliban seized power, the overall level of violence in the country has dropped considerably. But more than 3.5 million people remain internally [displaced](#), and [many of them](#) have little prospect of returning home, due to property damage, crop failure and fear of Taliban revenge killings as well as fresh violence related to newly shifting power relations among tribes, clans and ethnic groups.

Meanwhile, the country's economic woes are deepening. The Taliban have put at the helm of economic policymaking individuals without relevant experience or qualifications, and the suspension of non-humanitarian foreign aid has starved the public sector of resources. Before the Taliban took over, public spending was about [75 per cent financed](#) by foreign donors; without such assistance, the vast majority of civil servants are not being paid. The Afghan National Defence and Security Forces had been a major employer, providing income to many rural families, but are now defunct. Most of the Afghan central bank's reserves, managed by the U.S. Federal Reserve, are now frozen and unlikely to be released soon, contributing to a liquidity crisis.

The UN made a flash appeal for humanitarian aid that was the focus of a 13 September donors' conference in Geneva, seeking \$606 million to meet immediate

needs. The EU increased its planned humanitarian aid spending for 2021 from €57 million to €200 million, almost a fourfold increase – but more money is needed. The UN’s appeal is only about [35 per cent funded](#) as of early October.

This aid may help Afghanistan avert severe food insecurity, but with non-humanitarian assistance suspended, it is unlikely to prevent a sharp economic downturn. Whether or not to restart that assistance – and in what circumstances – presents the EU and other donors with a true conundrum.

EU Aid to Afghanistan and Conditionality

The EU has been one of the main financial backers of the heavily aid-dependent Afghan state, with €1.4 billion committed between 2014 and 2020. Brussels sent much of this aid as budget support for the Afghan government, to help finance agriculture and rural development programs, health care, policing, the justice system, anti-corruption initiatives and democratisation projects. Even before the Taliban seized power in August, however, the Afghan government’s uneven commitment to EU [aid conditions](#) (particularly enhancing governance and public institutions, fighting corruption, and fostering human rights and fundamental freedoms, especially for women, children and minorities) led the EU to slow or withhold the release of some of its assistance.

The Taliban takeover prompted the EU to suspend non-humanitarian aid altogether and re-evaluate its conditionality framework. On 21 September, the EU Council [defined](#) five benchmarks, outlined above, that would guide any future engagement with the Taliban government, though the EU has made it clear that for now it intends to keep what it is calling operational lines of communication to the movement open. Neither the EU nor any of its member states have yet clarified how stringently these benchmarks will be used as aid conditions. Yet, even as humanitarian aid for 2021 has been significantly increased, so long as the EU is not able to verify progress on the benchmarks, the €1 billion that Brussels was planning to deliver from 2021 to 2027 for development assistance will stay in European coffers.

Taliban Priorities and Reactions to EU Conditionality

The Taliban have not publicly responded to the EU’s conditionality framework. Indeed, few of the Taliban interlocutors who spoke with Crisis Group had even studied it. They were, however, aware of the broad contours of EU demands, given that various regional and other states have been pushing similar agendas to varying degrees.

The Taliban appear to have an optimistic set of objectives for what they want from the EU and its member states: formal recognition, normalised diplomatic relations and unconditional aid to the country. As an immediate priority, the Taliban are pressing for the establishment of a working relationship with the EU. They see the possibility of Europeans re-establishing diplomatic presences in Kabul as a stepping stone to formal recognition. The Taliban see these measures as warranted because they have unchallenged authority in Afghanistan and because they believe the country remains strategically important to the EU. Some Taliban interlocutors warn that if Western states shun their government, they could increasingly fall under the influ-

ence of meddling neighbours, particularly Pakistan. They also caution (whether genuinely or opportunistically is difficult to say) that if Western countries do not quickly display good-will, the group will assume that they are hostile and defer to hardliners who wish to reinforce the group's Islamist and jihadist credentials.

Be that as it may, the Taliban leadership is increasingly cognisant they are unlikely to receive any time soon formal recognition or anything like the financial aid flows the previous government enjoyed. Their most pressing priority seems to be removal of sanctions. The Taliban leadership is aware that to maintain Afghanistan's public services machinery and ward off state collapse, they will require financial and technical assistance that enables them to restructure their security and intelligence forces and build fiscal management, technological and service-delivery capacity. Without sanctions relief, almost none of that help is attainable. The Taliban's leaders appear to believe that if they can get even a fraction of the aid the country previously received, then they would be able to run a functioning government. The Taliban seem to want to extract as many benefits as possible while offering little in return.

The Taliban will accept financial aid only if there are minimal conditions. However bad the situation in Afghanistan, at least so far they appear willing to forego assistance if it entails stringent conditions. [Publicly](#), top government officials have emphasised the need to remove conditions for providing aid. Privately, Taliban interlocutors acknowledge the futility of asking for aid with no strings attached but stress that they will be unable to fulfil strict conditions. They say donors should set realistic goals, though have not defined what they would regard as realistic.

Conversations with Taliban interlocutors suggest that the group's policies are first and foremost driven by concerns internal to the movement, particularly maintaining its cohesion, followed by broader domestic considerations, with demands by outside powers, especially faraway ones, coming a distant third. In practice, the group may frame its actions as ways to address EU concerns, where those concerns align with the Taliban's own goals. Where they diverge, however, the movement will put internal and domestic imperatives ahead of EU demands.

The Taliban appear to believe they have already fulfilled some of the EU benchmarks. The group cites its cooperation during the post-15 August evacuation of foreign citizens and many Afghans as an example showing it can be a responsible, constructive counterpart. Interlocutors argue that with the main airports again operational, foreign citizens are free to enter and exit the country. Although concerned about brain drain, they say they are prepared to allow Afghans who want to leave the country to do so and they have facilitated some flights, even though there are also anecdotal indications to the contrary. For such cooperation to continue, they will want something in return. Taliban interlocutors also believe they are on track to meet the benchmark regarding humanitarian operations. The Taliban generally attribute occasional interference in humanitarian organisations' work to lack of discipline among the rank and file, and the group claims to be taking steps to curb such behaviour. At the same time, it is likely that the Taliban will use engagement on humanitarian operations as an opportunity to maximise interactions with foreign states in the hopes of building informal diplomatic relations and implicit recognition.

On counter-terrorism issues, the Taliban believe that compliance with their February 2020 Doha agreement with the United States (which they claim to be honour-

ing) is sufficient to meet this benchmark. The Taliban argue that the Doha agreement set up a framework whereby their government will treat foreign fighters as refugees, with all the rights and obligations this status entails. They say they will take action against any foreign militants who seek to abuse this status. Yet Taliban interlocutors are also keen to emphasise – probably at least in part to deflect responsibility – that they would require continued security and intelligence cooperation from the EU and U.S. to detect and stop threats emanating from the country. Given the increasingly dire challenges the Taliban face, they are unlikely to place a high priority on countering militant groups that they do not see as a threat to themselves. The Taliban also do not appear to have a comprehensive understanding of counter-terrorism obligations under international law and practice, including the obligation to cut off terrorist group financing. The group appears to believe that the Doha agreement, rather than Afghanistan's broader international obligations, defines its commitments in this area. Taliban interlocutors say they believe the group would require the removal of sanctions as well as financial and technical assistance to fulfil financial counter-terrorism obligations.

The Taliban also argue that outside powers should interpret their latest appointments, which only slightly [diversified](#) the ethnic composition of their Pashtun-dominated government, as a sign of their willingness to form an inclusive government. Interlocutors claim that inclusion will be effectuated slowly and incrementally, as the group seeks to balance its fighters' sensibilities against the need to fulfil its "obligations" to foreign countries. They also suggest that the government is preparing to form a specific ministry for women that will be led by a woman. If their conduct so far is any guide, however, it is likely that the Taliban will at best bring in one woman in a symbolic position, akin to the inclusion of a Hazara as a deputy public health minister, in order to claim that the government has now become inclusive.

One area in which the Taliban have not come anywhere close to meeting European conditions is the protection of rights and fundamental freedoms for women and girls. Taliban interlocutors insist that women will have the right to work and get an education, but they are studiously vague about when, and under what circumstances, women will be able to exercise these rights. On paper, the Taliban have extended girls' schooling up to the sixth grade to all parts of the country, including the south, where, as an insurgency, local commanders forbade girls to attend even primary school. Anecdotal evidence about women's access to university education is mixed; while some reports indicate that women have been allowed to attend classes in some places, other reports say new restrictions have made that practically impossible in others. At present, however, girls are not being allowed to attend school from the sixth grade through the twelfth, despite the fact that boys of equivalent grades have resumed schooling. The Taliban have claimed that the exclusion of girls is temporary. But they have set no timeline for when girls will be able to resume their studies, making vague excuses for the delay. The group has also curtailed women's ability to work outside the home. They have allowed women to resume working in the health and education sectors as well as in a limited number of security roles that involve interaction with other women (such as at airports). Beyond that, the Taliban have generally barred women from going to work until further notice. While Taliban interlocutors told Crisis Group that these restrictions are temporary, the Taliban's history

gives reason for doubt. Scepticism is all the more warranted given many powerful Taliban commanders' opposition to girls' education beyond the sixth grade.

On some issues the Taliban see themselves as performing a balancing act between appeasing (as they see it) Western donors and not antagonising their hardline elements. This is seen in spheres such as media and moral policing. The Taliban have so far let many media outlets continue broadcasting. At the same time, numerous journalists report being harassed, arrested and even severely beaten by the Taliban. In the resulting climate, most media outlets are forced to self-censor lest they draw the Taliban's ire. In deference to hardliners, the group has also reinstated the Vice and Virtue Ministry, feared under the Taliban regime of the 1990s for its harsh and often violent moral policing. The ministry has thus far abstained from regulating citizen's behaviour nationwide. There have been reports, however, of ministry officials banning music, the shaving of beards and Western hairstyles, particularly in Helmand province, although the government has [rejected](#) these reports as fabricated. As the Taliban government wrestles with a multitude of governance and security challenges, there is a risk that it will reverse these meagre concessions to international opinion – and to the views of many Afghans – to placate hardliners.

What the EU Can Do

The immediate priority should be making sure that Afghanistan gets as much humanitarian aid as it needs. The EU and its member states should contribute additional funds to the UN humanitarian appeal for the rest of 2021 and urge other donor governments to follow suit. In addition to addressing immediate needs, it will be crucial to find ways to prevent the health care system from collapsing. Although this can be partly achieved by providing funds to international NGOs that remain active in the country, it is unlikely that donors will be able to entirely avoid working with and through the Taliban health ministry in doing so, as even if they scale up their operations, these NGOs alone will never be capable of providing health services across the country without some kind of collaboration with the government-run national health system.

Although humanitarian assistance may be able to stave off disaster for the Afghan population, it will not replace the provision of public services. Nor will it prevent the country's further impoverishment. Should the Taliban make sufficient progress toward the benchmarks set by the EU Council, the European Commission should at least prioritise resuming development assistance in the health sector. At the same time, the EU could evaluate the feasibility of a more expansive development aid program.

While aid conditionality is not likely to shape Taliban policies to any great degree, it is not impossible that renewed aid with conditions could bring some small improvements. The Taliban's practices are driven primarily by ideology and the group's perceived need to consolidate its grip on power. The group's leaders generally appear to believe that, as the military victors, they need not compromise. They seem inclined to blame the country's economic woes on Western donors, whom they regard as inflexible and bearing grudges, even if it is clear that their own policies and actions, many of which are anathema to European values, are the chief factor obstructing the resumption of non-humanitarian aid. Nevertheless, the EU should continue to test

through engagement whether renewed aid with conditionality could bring worthwhile changes, all the while sticking to its five-part framework. It should also keep reminding the Taliban government of its own commitments, such as its statements that the suspension of girls' secondary education is only temporary.

Lastly, the EU member states should prepare for large numbers of Afghans potentially fleeing the country. Even if humanitarian aid can stave off the worst in the approaching winter, the prospect of repeated humanitarian crises and possibly renewed violence in Afghanistan means that Afghans will continue to seek to migrate abroad. Many will probably head for Pakistan and Iran, the countries next door, where millions of refugees already reside. So far, the EU has suggested it will fund neighbouring countries to host Afghan refugees. But Afghanistan's neighbours are baulking at accepting new arrivals. Moreover, past attempts to increase the reception capacity of other countries have not prevented large numbers of Afghans from attempting the risky journey to Europe. The EU and its member states should accordingly prepare – politically and operationally – to welcome large numbers of Afghans themselves.

An Opportunity for the EU to Help Steer through Reform in Burundi

After years of strained ties, the European Union (EU) and Burundi again are on speaking terms. The country's president, Evariste Ndayishimiye, in power since June 2020, started talks with Brussels in [February](#) that could eventually lead the EU to resume direct budgetary support for Burundi. In 2016, due to concerns about Burundian government abuses, the EU [invoked the suspension provisions in Article 96 of the Cotonou Agreement](#) – its partnership pact with various African, Caribbean and Pacific states – as the basis for cutting that support amid the violent turmoil following former President Pierre Nkurunziza's contested 2015 election bid. At roughly the same time, Brussels also [sanctioned several Burundian officials](#) for their repressive practices and their role in stoking the country's political crisis. But President Ndayishimiye has sought to put relations between Burundi and its donors on a better footing. By loosening restrictions on civil society and taking a hard line against government corruption, he has tried to [allay fears](#) that he will govern like his late predecessor, Nkurunziza, while leaving the door open for dialogue.

Brussels can take heart that several rounds of negotiations with Gitega, Burundi's official seat of government, have yielded a general Burundian commitment to embark on human rights and good governance reforms. The EU should not open the floodgates of aid money, however, until it can agree with Burundian authorities on more precise benchmarks for these reforms, in light of continued, widespread and destabilising abuses. [In the past months](#), and notwithstanding President Ndayishimiye's willingness to rein in repression, the intelligence services have cracked down harder on government opponents. The Imbonerakure, the youth militia of the ruling Conseil national pour la défense de la démocratie – Forces pour la défense de la démocratie (CNDD-FDD), which is dominated by the majority Hutu ethnic group, also continues to harass civilians and target dissenters. Certain members of the minority Tutsi ethnic group are at particular risk. Though Ndayishimiye may be open to addressing alleged abuses, ruling-party hardliners could press him to resist reforms that might loosen the party's grip on power.

For Brussels to steer Burundi toward reform, it will need to adopt a consistent negotiating position with Gitega, and make sure it has the ability to monitor the latter's adherence to the agreements it makes. Two obstacles could derail those efforts. First, EU diplomats themselves appear to hold different views as to how hard they should push for reform. Secondly, the pending conclusion of multilateral observer and monitoring missions, partly due to Ndayishimiye's charm offensive, means that the EU will no longer have important sources of information about Burundi's performance in meeting its commitments. Perhaps most importantly, the UN Commission of Inquiry on Burundi is likely to wind down its multi-year efforts after it reports to the UN Human Rights Council, which rounds off its 48th session on 8 October.

In negotiations with Burundi, the EU and its member states should thus:

- Propose precise benchmarks concerning respect for human rights and political freedoms that they expect Gitega to meet before Brussels again provides budgetary support. These should include a plan for the Burundian authorities to rein in the Imbonerakure's abuses and hold to account those of its members responsible for grave human rights abuses.

- ❑ Ensure that the authorities' compliance with any agreement to which Burundi's government commits is monitored. In the event the UN Human Rights Council creates a new special rapporteur position to take the place of the Commission of Inquiry, which is likely to be disbanded, Brussels should provide the support needed to make it a meaningful oversight mechanism. In the event that the Council does not create this new position when it votes on 7 or 8 October, Brussels should as a fallback strengthen its own monitoring capacity. Brussels should also press Burundian authorities to cooperate with whatever monitoring mechanism it is relying on.
- ❑ Maintain a clear, fixed negotiating position based on the precise benchmarks and monitoring mechanism being sought and avoid sending mixed messages to the Burundian authorities as regards EU expectations.

Challenges for Reform

Despite President Ndayishimiye's attempts to convince international actors that he is serious about reform, the ruling party's machinery of repression is still firmly in place. According to [Human Rights Watch](#) and the [UN Commission of Inquiry](#), the Imbonerakure and intelligence services continue to violate human rights, mainly by targeting opposition members, young Tutsi and members of the army's old guard, also mostly Tutsi, whom the CNDD-FDD sees as security threats.

The authorities [often use](#) the youth militia to supplement or replace the security forces, particularly in rural areas, giving them free rein to terrorise the population. The militia, which Ndayishimiye oversaw when he was CNDD-FDD secretary general, is known for shaking down, torturing, abducting, sexually abusing women and killing opposition members and ordinary citizens alike. Its members conduct night patrols and house visits to demand funds for CNDD-FDD coffers or personal gain. They also prevent the opposition from organising, by disrupting meetings and vandalising offices. While Ndayishimiye has taken some steps to reel in the Imbonerakure, for example by directing its members to stop extorting [financial contributions](#) from the population, he has achieved mixed results at best. The intelligence services, meanwhile, have stepped up abductions and arrests of people considered government opponents, often using internal and cross-border security incidents as [cover for round-ups](#).

Any attempt by Ndayishimiye to roll back these practices is likely, however, to meet resistance from top generals in the CNDD-FDD, which started its life as a rebel outfit but has held power since 2005, when it transformed itself into a political party. Several top party and military figures, including many who enriched themselves during former President Nkurunziza's fifteen years in power, are deeply suspicious of Ndayishimiye's tentative rapprochement with the EU and balk at the notion of conditions attached to renewed budgetary aid. The president will also likely take flak from hardliners who were Nkurunziza allies, such as Prime Minister Alain-Guillaume Bunyoni and Interior Minister Gervais Ndirakobuca, who is [under EU sanctions](#) for his role in the 2015 political crisis. Both of these powerful party chiefs supported Nkurunziza's preferred candidate, Pascal Nyabenda, in the 2020 presidential elec-

tion. Having appointed them to top posts, Ndayishimiye nevertheless faces a struggle to retain their loyalty.

Ndayishimiye's engagement with Western, regional and other diplomats, meanwhile, has contributed to their support for a drawdown of multilateral oversight bodies tasked with reporting on Burundi, making it hard to establish whether change is genuine and sustainable. In December 2020, the [UN Security Council](#) removed Burundi from its agenda, noting improved security in the country and acknowledging Ndayishimiye's reform efforts. The [African Union Human Rights Observers and Military Experts Mission](#) and the [Office of the UN Secretary-General's Special Envoy](#) in Bujumbura, both established to monitor the situation in the country and find a way to end the violence, closed in May 2021.

The UN Commission of Inquiry is the only internationally mandated body still active in the country monitoring human rights abuses and the risk of further conflict. But the UN Human Rights Council will likely not renew its mandate, and it remains to be seen whether there is sufficient Council support for replacing it with another oversight mechanism. This matter will be resolved on 7 or 8 October when the Council votes on its Burundi resolution, which includes an EU proposal to create a new mandate for a special rapporteur who could take over some of the Commission of Inquiry's monitoring functions.

What the EU Can Do

It is good news that Burundi and the EU are back in regular contact. Diplomats tell Crisis Group that the Burundian authorities have become significantly more forthcoming since President Ndayishimiye assumed office. Burundian officials show a clear appetite for dialogue, and the reasons why are readily apparent. The country needs financial support. Its economy is shattered following the 2015 political crisis and years of dysfunctional government. It never fully compensated for the loss of the EU as its biggest donor by turning to less traditional partners, such as China, Russia and Turkey, who offered only limited assistance. Even some CNDD-FDD hardliners may thus be inclined to continue negotiation.

This situation presents an opportunity for the EU, which should use negotiations to encourage the Burundian authorities to make reforms that can help bolster long-term stability and avoid the return to armed violence. Moving forward, the EU should focus on three priorities to ensure it can steer Burundi toward meaningful reform.

First, the EU should propose clear benchmarks on human rights that Burundi needs to meet if it is to receive renewed budgetary support from Brussels. The roadmap of reforms prepared by the Burundian authorities is an important first step, but it is not sufficient. A copy reviewed by Crisis Group details steps the government should take to adopt policies and strengthen institutions but makes no reference to the Imbonerakure. Nor does it define what authorities should actually do to curb abuses by the youth militia and intelligence services.

The EU should push for benchmarks that are consistent with the concerns expressed in the 2016 European Council decision to suspend aid in the first place, focusing in particular on setting out further commitments to corral abuses by the

Imbonerakure, the main tool of CNDD-FDD's repression, including by holding accountable those responsible for egregious abuses. Brussels should also draw upon the latest UN Commission of Inquiry reports, using the rights violations and other abuses documented as its reference points for the situation that Gitega must remedy. Benchmarks should also reflect the expectation that Burundi will cooperate with human rights monitoring mechanisms backed by Brussels.

Secondly, in the event that the UN Human Rights Council disbands the UN Commission of Inquiry and – as contemplated by the draft resolution on the calendar for 7 or 8 October – replaces it with a special rapporteur on Burundi, the EU and its member states should put their efforts behind making this reporting mechanism meaningful. The EU, which drafted the resolution that would provide the special rapporteur with his or her mandate, should also allocate sufficient resources to finance the work of local non-governmental organisations on which previous reporting mechanisms have relied heavily for information. In the event there are not enough votes for the special rapporteur position on 8 October, a fallback would be for the EU to strengthen its own capacity to monitor the authorities' compliance with any agreement to which Burundi's government commits.

Finally, when entering negotiations, EU officials should present a united front. At present, some EU delegates seem keen [to turn the page and reach political normalisation with Burundi sooner rather than later](#). But other officials in Brussels appear convinced that Burundi requires meaningful reforms if it is to avoid further protracted crises, and thus are prepared for lengthy negotiations to see that Gitega adopts the best possible practices. Moreover, in order to revoke the suspension of financial assistance under Article 96, member states in the EU Council will need to adopt a legal act that requires unanimity, which may take time, particularly in the event of enduring concerns about Burundi's progress.

The EU's internal dissonance has distorted perceptions of the EU position in Burundian circles and could complicate talks going forward. Indeed, [in June](#), after a meeting between Ndaysihimiye and the EU delegation's head, the Burundian authorities wrongly announced on the presidency's [official Twitter account](#) that Article 96 had been revoked. National and regional media reported this statement as fact, undermining the public's understanding of the negotiations. Going forward, it will be important for Brussels to run a tight ship, with a coordinated position and messaging discipline, if it is to achieve its important goals in the negotiations.

Iran: Push to Revive the Nuclear Deal, but Prepare for Worse Outcomes

The fate of the Joint Comprehensive Plan of Action (JCPOA), the 2015 deal placing limitations on Iran's nuclear program in exchange for sanctions relief, looms large in the country's relations with Europe. The three European parties to the accord – European Union (EU) member states France and Germany, as well as the UK – have helped keep it alive, if not exactly thriving, since the U.S. unilaterally withdrew in 2018 and Iran subsequently began breaching its own obligations. Since April, with the U.S. wishing to rejoin the pact, the EU has coordinated six rounds of indirect talks between Tehran and Washington through the three European parties plus Russia and China (the other two JCPOA parties). The negotiations yielded considerable progress toward Washington and Tehran resuming mutual compliance with the JCPOA, but they stalled in mid-June as Iran held an election and inaugurated a new president. The urgency of compromise is growing as Iran's nuclear program continues to expand and become less transparent with Iran limiting UN inspectors' access to nuclear sites, potentially rendering a return to the existing agreement meaningless. Should the JCPOA collapse, the knock-on effects could hinder nascent efforts at de-escalating tensions in the Gulf and the wider Middle East.

The EU and its member states should:

- ❑ Support the JCPOA's full restoration, including through proactive steps aimed at bringing Iran meaningful sanctions relief.
- ❑ Prepare contingency plans for the eventuality that JCPOA talks break down, including parameters for an interim arrangement to freeze mutual escalation, as well as a potential shift to "better-for-better" negotiations in which both sides gain benefits that go beyond the original agreement's terms.
- ❑ Encourage efforts at regional dialogue, particularly between Iran and Gulf Arab states.
- ❑ Engage with Iranian authorities on Afghanistan, notably on areas of common interest, including helping refugees and interdicting narcotics.
- ❑ Explore opportunities for strengthening maritime security in the Gulf, including through military-to-military hotlines.

The Nuclear Deal: Heading for Revival or Ruin?

No issue on Iran's foreign policy agenda is more consequential than the JCPOA, which has steadily unravelled since the Trump administration pulled out of it in 2018 and faces deeply uncertain prospects of restoration. Although the Biden administration and the Iranian government agree in principle on the need to revive the accord, progress has been halting. Beginning in early April, negotiators convened for six rounds of talks in Vienna, tackling the specifics of what the U.S. would offer in terms of sanctions relief, what Iran would do to reverse its breaches and in what order the parties would take these steps. Though significant gaps remained, a text was emerging when the sixth round of talks concluded on 20 June.

Since then, however, Iran, which had a presidential transition in August that completed a conservative takeover of all centres of elected and unelected power, has moved slowly to resume negotiations. Iranian officials indicate they plan to return to the table in the near future, but have not offered an exact timeframe. In the meantime, Iran has continued to expand its nuclear activity while limiting verification and monitoring by the International Atomic Energy Agency (IAEA). The U.S. sanctions architecture set up under President Donald Trump also remains substantially in place, with deleterious consequences for ordinary Iranians, especially [women](#), who have seen their gains in employment, advances to senior management positions and promotions to leadership roles in multiple sectors reversed by the economic downturn. Exacerbated by the impact of the COVID-19 pandemic, these pressures have also reduced women's capacity to pursue legal reforms and protections. The impasse in negotiations is concerning, particularly as Iran's advances in nuclear capability risk making the JCPOA's restoration ineffective as a non-proliferation arrangement within a matter of weeks or, at best, months.

If and when the parties resume talks, there are three scenarios for how Tehran might approach them. At one end of the spectrum, it may continue constructive deliberations based on the progress made in the previous six rounds; at the other, it may push for an altogether new negotiating paradigm that jettisons the JCPOA as a frame of reference. In between, and for now this scenario is most likely, it may enter the fresh talks with maximalist demands that could deepen the present impasse.

The JCPOA standoff occurs against the backdrop of a mixed bag of regional developments of significance to Tehran, as well as to its friends and adversaries. The most positive recent news is that Iraqi mediation has facilitated three confirmed rounds of talks between Iran and Saudi Arabia, a positive development that could help ease frictions between the long-time rivals. But success is far from assured, especially if relations between Washington and Tehran grow increasingly adversarial and reinforce a zero-sum contest in the region. As for more concerning developments, tensions between Iran and Israel are running high on several fronts, with tit-for-tat attacks, including covert [operations](#) against Iranian nuclear facilities and maritime [intrigue](#) that could rapidly escalate. In Afghanistan, the return of Taliban rule raises major strategic concerns for Iran, even as Tehran cautiously comes to terms with a government led by men who were once its bitter foes but with whom it has built better, if still uneasy, relations over the past decade. The UN refugee agency has warned that as many as half a million people could leave Afghanistan for neighbouring countries by the end of 2021, including an estimated 150,000 to Iran.

Brokering between Rivals

Wishing to avoid another destabilising crisis in the Middle East, Europe has a clear interest in seeing the JCPOA restored. But while the two central protagonists in such an effort are the U.S. and Iran, whose respective sanctions policy and nuclear program are the core issues that must be addressed, the EU and its member states are not mere bystanders. European actors can contribute to diplomacy in two important ways.

The first will be relevant in the event of a revived agreement. In this scenario, the EU should move swiftly to put in place measures to give Tehran an economic shot

in the arm, including through EU lending institutions. Exploring avenues for such institutions to work with Iran could facilitate project financing and private-sector engagement.

In addition, the EU and member states can support the deal's long-term viability by shielding European trade with Iran from the risk that the U.S. again pulls out of the deal and reimposes unilateral economic sanctions. The impact of the Trump administration's "maximum pressure" strategy on Iran-EU trade was and remains substantial. Such trade dropped in value from around €20 billion per year after the JCPOA went into effect to just €5 billion in 2019 and 2020, thus nullifying much of the economic relief Tehran had expected in return for its JCPOA compliance. The dropoff in trade exposed the limits of efforts to retain private-sector interest in Iran, including through the Instrument of Support of Trade Exchanges to facilitate commerce notwithstanding the Trump administration's reimposition of economic sanctions, but it should not dissuade the EU from preparing further initiatives aimed at insulating legitimate Iran-EU commerce from a future U.S. withdrawal. Brussels could, for example, put in place a new and upgraded blocking statute (a law that shields EU companies from U.S. sanctions by prohibiting compliance as a legal matter) linked to the [anti-coercion instrument](#) that the EU plans to establish as part of its new trade strategy.

The second contribution that the EU and member states could make, particularly in the absence of direct U.S.-Iran talks, is to ready options for the parties in the event that JCPOA negotiations continue to sputter or break down altogether. For example, the Europeans could propose an interim agreement in which Tehran suspends some of its most proliferation-sensitive activities (eg, uranium enrichment above 3.67 per cent, advanced centrifuge work or uranium metal production) in return for limited relief from sanctions on oil sales and/or access to frozen assets. This temporary deal might head off an escalatory spiral and buy time for a more comprehensive understanding. Such a JCPOA-minus arrangement could be a way station toward a JCPOA-plus pact. That sort of deal, in turn, would put more substantial sanctions relief on the table in return for longer-term nuclear restrictions than Iran agreed to in the 2015 deal as well as more rigorous monitoring. By expanding the original agreement into a better-for-better framework, Western powers would secure stronger non-proliferation terms while Iran would reap larger economic benefits.

Beyond the JCPOA, the EU and member states can also help bolster diplomacy among the six Gulf Cooperation Council states, Iran and Iraq in locally led, internationally backed dialogue. European support can be particularly useful in facilitating discussions about certain areas of mutual concern to the parties, including public health and water scarcity. While the recent conference in Baghdad, in which most of Iraq's neighbours, including Iran, participated along with France, was a step in the right direction, an inclusive and focused sub-regional dialogue among states on both sides of the Gulf has a better chance of achieving regional de-escalation by opening regular channels of communication between officials of similar rank, brief and expertise.

The EU and member states should also work with Iran to develop a common approach to the humanitarian crisis in Afghanistan. The inclusion of Iran in the group of states the EU seeks to work with to address the spillover of the Afghanistan crisis,

along with other neighbouring countries, is a positive step in this regard. Still, given the prospect of increased numbers of refugees crossing into Iran as they flee Taliban rule in the coming months, and with Iran still struggling to contend with the COVID-19 pandemic, Tehran will need all the help it can get from the EU and member states.

Finally, the EU should seek to prevent further deaths like those of a UK and a Romanian national in a July drone attack upon the MT *Mercer Street* tanker off Oman's coast, which the [EU](#), [U.S.](#), and [G7](#) have all determined bore Iranian fingerprints. The nine European states participating in the European-Led Maritime Awareness in the Strait of Hormuz could increase coordination or merge with other international efforts, including the International Maritime Security Construct, a parallel naval [operation](#) established in 2019 with U.S. and UK participation alongside six other members, to make key shipping routes safer. If the participating states are transparent about their intentions, Tehran need not see these measures as yet another way to exert pressure on Iran. Still, as a precaution, the European and other Western states should supplement the maritime security efforts with structured military-to-military communication with the Iranian side, including through a hotline that might be created to reduce the risk of miscalculation or misunderstanding that could lead to confrontation.

Helping Stabilise the New Status Quo in Nagorno-Karabakh

Almost a year after a Russian-brokered ceasefire ended the 2020 war in Nagorno-Karabakh, Azerbaijan and Armenia remain at loggerheads. With Armenian forces withdrawn, Russian peacekeepers now patrol the part of Nagorno-Karabakh that remains outside Azerbaijani control, but they are operating without a detailed mandate and risk being stretched too thin. Meantime, Baku and Yerevan have not begun to talk about resolving post-war tensions, much less wrestle with the political status of the breakaway region, over which Azerbaijan and Armenia fought a war in 1992-1994. The Organization for Security and Co-operation in Europe (OSCE) Minsk Group, charged with managing the peace process, stands ready to help, but Baku has been recalcitrant, saying that after the 2020 war that format is no longer relevant.

The situation thus remains unstable, with soldiers fortifying positions along the new front lines that separate Azerbaijani troops from local forces under the control of Nagorno-Karabakh's de facto authorities. Tensions are also running high along the new, undemarcated sections of the border between Azerbaijan and Armenia, where opposing forces regularly exchange fire, resulting in casualties. Meanwhile, politicians on all sides trade barbs addressed both to their own constituencies and to one another.

This status quo affords international actors little space for engaging the conflict parties. Nonetheless, the European Union (EU) should keep facilitating the communication necessary to dampen tensions, as it has been doing since combat ended. It should also devise incentives that could, at some point, help bring real progress. To this end, it will need to work with Moscow, which has peacekeepers on the ground and the most leverage over the conflict parties.

The EU and its member states should:

- ❑ Press Baku and Yerevan to begin talks to address post-war issues, including demarcation of the new borders between Armenia and the regions reclaimed by Azerbaijan in the 2020 war and other measures to stabilise the situation on the ground.
- ❑ Urge the sides to enable aid to reach people in Nagorno-Karabakh who need it, even if resolution of the region's long-term status remains elusive.
- ❑ Work with Russia, France and the U.S. to keep possibilities open for the OSCE Minsk Group's return to a mediating role, and continue shuttle diplomacy to mitigate tensions and resolve immediate problems.
- ❑ Explore the extension of development assistance to uncontested border areas, beginning with a comprehensive needs assessment. Based on that assessment, be prepared to support separate projects in Armenia and Azerbaijan, cross-border cooperation on non-political issues, or both.

Continued Tensions

Six weeks of fighting from 27 September to 9 November 2020 took over 7,000 lives in and around the disputed region of Nagorno-Karabakh – an ethnic Armenian-majority enclave in Azerbaijan that declared its independence in 1991 and has been at the centre of tension and conflict between Yerevan and Baku. The 2020 hostilities fundamentally changed the situation on the ground. Azerbaijan regained control of a key town, Shusha, along with some of Nagorno-Karabakh's mountainous areas and most of seven adjacent territories that Armenian troops had seized in the 1990s. Two weeks after the Moscow-brokered ceasefire came into effect on 9 November, Armenia withdrew its soldiers from the remaining adjacent territories, leaving them in Azerbaijan's hands. Russian peacekeepers deployed to the parts of Nagorno-Karabakh that remained outside Azerbaijan's control and along the road corridor that connects the region to Armenia through Lachin, the main town in one of the adjacent territories returned to Baku.

While the 9 November ceasefire ended the fighting, it did not bring a stable peace or resolve the longstanding questions about Nagorno-Karabakh's political status that underlie regional instability. Before the ink had dried on the ceasefire statement, Azerbaijani and local forces under the direction of the de facto Nagorno-Karabakh defence ministry began building new barracks and digging trenches along their new, much longer front line. The peacekeepers Moscow has deployed have kept things fairly quiet in the spots where they are stationed. But in places where there are no Russian forces, including along some sections of the Azerbaijani-Armenian state border, troops regularly exchange fire, leaving casualties on both sides.

The area between Armenia's Gegharkunik region and the neighbouring Kelbajar district, now regained by Azerbaijan, has been the most volatile. In May 2021, as the snows began to melt, Azerbaijani soldiers established new observation posts in the mountains overlooking the new, but as yet undemarcated, border between the two regions. Armenia accused the Azerbaijanis of invading its territory and deployed its own soldiers forward. In late July, clashes culminated in a six-hour battle, with the sides using small arms, machine guns and grenades. While the bullets that strayed into nearby villages did not kill any civilians, the fighting left seven soldiers dead and eight wounded before calls from the Russian general staff to counterparts in Baku and Yerevan brought it to a halt. The casualty count from this and other clashes subsequent to the 9 November ceasefire is ten dead and twelve wounded.

More fighting seems likely if Azerbaijan and Armenia do not demarcate a border that takes into account changes in territorial control following the 2020 hostilities. But talks on this and other issues require a go-ahead from political leaders in both countries, and that approval has thus far not come. Baku and Yerevan are also impeding the delivery of humanitarian aid by each insisting that access arrangements must mirror their respective visions for the region's political status. Armenia wants aid to flow both through its territory and Azerbaijan's, while Azerbaijan insists on treating the territory as under its sovereignty and fully controlling access. Both governments refuse to budge, fearing that acquiescing in these matters would prejudice the eventual resolution of the territory's status. This inflexibility when it comes to issues that touch in any way on the region's status not only has humanitarian impli-

cations but creates risks for civil society actors on the two sides, who may be painted as traitors for wishing to engage one another and to tone down the increasingly antagonistic rhetoric in both countries.

Relations are so strained that the very framework for negotiations is now in limbo. For over 25 years, the OSCE Minsk Group co-chairs (Russia, the U.S. and France) have mediated between Azerbaijan and Armenia. But in the aftermath of the 2020 war, Azerbaijani President Ilham Aliyev declared the Nagorno-Karabakh conflict “resolved” and the OSCE Minsk Group process created to mediate it was therefore obsolete. Russia, the U.S. and France disagreed and convened the first meeting of the Armenian and Azerbaijani foreign ministers since the war under the auspices of the OSCE Minsk Group on the sidelines of the UN General Assembly on 24 September. Nevertheless, it remains to be seen whether they will be able to sway Azerbaijan to rejoin talks.

The two sides’ failure to talk about borders or Nagorno-Karabakh has forced Russian, U.S. and European diplomats to engage in painstaking shuttle diplomacy, by telephone and in person, to make incremental progress on basic humanitarian issues like sharing information about the location of landmines and detainee exchanges.

Meanwhile, the renewed fighting has imperilled plans for broader regional cooperation, in particular the reopening of transport and commercial links between Azerbaijan and Armenia promised in the 9 November ceasefire deal. Such cooperation is the one thing that Azerbaijani and Armenian leaders have tentatively begun discussing since the 2020 war, participating in Russia-led talks on the subject. But even this dialogue was derailed for some months following the recent clashes. After three months of no meetings, representatives from Russia, Armenia and Azerbaijan met in August to discuss transport and communications – but further fighting could stall progress once more.

Engagement with Purpose

The goal for the EU, its member states, Russia and the U.S. is to coax Baku and Yerevan to the negotiating table to discuss immediate post-war issues such as border demarcation and other measures to stabilise the situation on the ground, with a view to the potential launch of talks to normalise relations among the conflict parties. Pending such talks, however, they must do what they can to help defuse what remains a dangerous situation.

To both ends, Brussels and its member states should persevere in the careful shuttle diplomacy they have already undertaken. For all the inherent challenges, the EU is well placed to play this role. For years, the institution’s engagement in Nagorno-Karabakh negotiations was limited because it was not a formal part of the OSCE Minsk Group. Today, Baku’s rejection of that process renders EU involvement crucial. Brussels’ direct channels with Baku and Yerevan have already helped, for example, make possible a June exchange of fifteen Armenian detainees for maps of Armenian-laid mines in the territories Azerbaijan regained in the war.

But EU engagement does more than fill gaps left by Baku’s rejection of the OSCE Minsk Group. EU diplomacy with Baku and Yerevan can also help define what role, if any, the OSCE Minsk Group might have in future discussions, whether concerning

borders, Nagorno-Karabakh's political status or humanitarian issues. The EU special representative for the South Caucasus is particularly well placed, and indeed mandated, to continue this work.

Given Moscow's many roles in this conflict, including as mediator and peacekeeper, the EU will be required to work closely with Russia. Fortunately, and in sharp contrast to the many regions where European and Russian interests clash, Russia is amenable to collaboration with Western states when it comes to Nagorno-Karabakh. While it has taken the undisputed lead in setting the post-war agenda for Armenia and Azerbaijan, and is the only state with peacekeepers on the ground, it has also consistently reached out to the other OSCE Minsk Group co-chair countries, the U.S. and France, sharing information and coordinating calls and meetings. Paris and Moscow discuss Nagorno-Karabakh directly at the highest levels. In August, Russia appointed a new representative to the OSCE Minsk Group, Ambassador Igor Khovayev, who has sought to re-energise the format by travelling to the region to meet with and urge both sides to return to negotiations. He will likely welcome the EU's help in doing so – and perhaps also in nudging Armenia and Azerbaijan to agree to a clear mandate for Moscow's peacekeepers.

The EU should also seek to work with Russia to facilitate border demarcation. Moscow has tried to press Baku and Yerevan to begin talks on the subject, and Brussels can help define incentives to bring them to the table. In June, foreign ministers from Romania, Austria and Lithuania visited the South Caucasus to discuss confidence-building and border issues with Armenian and Azerbaijani leaders. The EU has followed up with offers of assistance. In addition to expertise on border management gleaned in the Balkans and between member states, the EU can offer to help mediate and provide technical support for the increasingly urgent challenge of water sharing across the new borders and lines of separation and other critical environmental and climate matters.

Then there is aid. The EU is already a substantial supporter of post-war rehabilitation efforts. Brussels allocated €7 million during the war to support direct humanitarian aid. In the spring of 2021, it promised €10 million more, to assist with post-conflict needs, including demining. Baku and Yerevan would welcome more help, but there are complications.

Azerbaijan would like more support to demine and rebuild in the seven regions it regained in the war, so that those displaced from those regions in the 1990s (and their families) can return. Per recent EU pledges, it will likely get more help with demining. But the EU prefers to offer development support in the form of loans, which Baku has long rejected, preferring grants.

Moreover, Brussels is leery of granting such support to these territories absent two things. One is a better understanding of what Baku plans for both reconstruction and resettlement of the previously displaced in earlier phases of the conflict. The second is a clear path to assist the nearly one third of Nagorno-Karabakh's ethnic Armenian population displaced from territory now controlled by Azerbaijan as a result of the mid-2020 fighting, many of whom still lack sustainable housing. This last matter requires Azerbaijani-Armenian agreement on rules for international organisations' access to the conflict zone. The impasse shows no sign of ending, but Brussels can and should keep the topic on its agenda with both capitals.

There are also things the EU can do right away, even as Baku and Yerevan remain unwilling to talk about most items. In July 2021, Brussels announced an ambitious multi-year assistance program in the EU's eastern partnership countries, including Armenia and Azerbaijan. The EU's support for Armenia includes potential financing of a road cutting deeper through Armenia's mountainous territory and bypassing the existing route crisscrossing the border with Azerbaijan that has proven problematic. In September, Azerbaijani police established a new checkpoint on that main transit road, which is used by Iranian truckers shipping goods to Armenia and other parts of the Black Sea region.

Additionally, around €80 million in EU funding is allocated for investment in the economic development of the southern border region of Armenia, which not only suffered in the 2020 war, but now hosts both people displaced from Nagorno-Karabakh and new military positions that put civilian settlements at risk. The EU could consider expanding these development programs along the uncontested parts of the border between Azerbaijan and Armenia. Brussels would have to work out with Armenia what additional programs might be needed. It would also have come to terms with Baku both on what the EU is to offer Azerbaijan and how to resolve the problems of grants vs. loans and access to territories on its side of the line. But unlike activities in Nagorno-Karabakh, border region assistance raises no questions of status. For starters, the EU could offer a comprehensive needs assessment mission in the border regions. Based on this beginning, it could support separate projects in Armenia and Azerbaijan, cross-border cooperation on non-political issues, or both.

Nicaragua: Dealing with the Dangers of a One-sided Poll

An unrelenting crackdown on the political opposition by the Nicaraguan government has turned November's elections into a potential flashpoint and spurred a sharp deterioration in relations between President Daniel Ortega and other Latin American nations, the U.S. and the European Union (EU). At the start of 2021, almost three years after security forces met mass protests with violence – over 300 people, most of them demonstrators, died in the unrest – Ortega appeared to have consolidated his hold on power, in spite of the pandemic, and reaffirmed his political supremacy over a weak and fragmented opposition. Even so, the government has proven unwilling to take the risk of confronting an electoral challenge, opting instead for the iron fist. In recent months, state repression in Nicaragua has reached levels unseen in Latin America since the region's dictatorships waned in the 1980s, with the government arresting at least 37 high-level opponents, including seven presidential hopefuls, and compelling many others to flee into exile. The government has also proscribed the parties on whose ticket the opposition candidates would have run.

These draconian steps have brought Nicaragua back into the international spotlight, and on to the EU's radar, but as of yet outside powers have not mounted a concerted response capable of swaying Managua. Nor are they likely to do so. To date, neither punitive measures from Western governments nor the more diplomatic approaches of left-leaning Latin American states like Mexico and Argentina have made inroads with Ortega, who has reacted furiously to what he perceives as interference. As election day draws nearer, it seems increasingly likely that Ortega will stroll to victory in a one-sided election, creating the conditions for further instability, humanitarian crisis and emigration, and setting a dangerous precedent for a region seeing increasing movement toward greater authoritarianism.

Against this backdrop, the EU has called on Ortega to halt his autocratic drift and imposed individual sanctions on eight of his allies, bringing the total of sanctioned persons since 2018 to fourteen. The Nicaraguan government has pushed back hard. Member states who have been vocal in their criticism of Ortega have been condemned publicly by Nicaraguan officials or received private threats that Managua will expel their ambassadors. The European Parliament has called on the EU to increase pressure on Ortega, including by suspending Nicaragua from its association agreement with Central America, which establishes a free trade area with the region.

With the aim of mitigating the risks of repression, deepening instability, diplomatic isolation and a migrant exodus from Nicaragua, the EU and its member states should design a sequenced approach comprising the following steps:

- ❑ Continue to press the government to stop arresting opponents, release political prisoners and meet certain basic electoral standards, such as allowing opposition campaigning, civil society observation of the polls and free press coverage of the process, with a view to rebuilding relations with European countries. The EU should also liaise with governments that still have communication channels open with Ortega in an effort to drive this message home to him.
- ❑ Work with the U.S., Canada and other regional governments on a coordinated response at the bilateral and multilateral levels in the event of a non-credible election, potentially including expanded targeted sanctions and disciplinary

measures by the Organization of American States (OAS) so long as these are calibrated to mitigate their humanitarian impact.

- ❑ In coordination with the U.S., Canada and other regional governments, draw up a roadmap including clear conditions for lifting sanctions and restoring better working relations with Ortega's government. The roadmap should include the resumption of dialogue with opposition forces on humanitarian and electoral issues, as well as a general framework for future political coexistence.
- ❑ Step up humanitarian aid and technical support to neighbouring countries facing a rise in arrivals of Nicaraguan migrants and refugees, as well as support to humanitarian agencies liaising with migration authorities, shelters and processing systems in those countries.

An End to Electoral Competition

Since mid-2019, when the second round of talks between the Ortega government and the Civic Alliance, an opposition umbrella organisation, ended, the tug of war between the government and its political opposition has been frozen. But the balance of power between the sides has progressively shifted. Despite their initially egregious mishandling of COVID-19, the ruling couple of President Ortega and his wife, Vice President Rosario Murillo, managed to reestablish a firm grip on the country by late 2020. Infighting between the two main opposition blocs, spearheaded by the Civic Alliance and the Blue and White National Unity, hindered efforts to create a cohesive political front that could stand up to the government. Meanwhile, most foreign governments engaged with Nicaragua became absorbed in their own pandemic-related woes.

Notwithstanding its already strong hand, the government has sought to quash anyone who might pose an electoral challenge to its rule. Mindful of the 1990 election, in which the Sandinistas led by Ortega suffered a surprise defeat at the tail end of a decade-long civil war, the government has rolled out an unabashed strategy of coercion and intimidation. Between late 2020 and early 2021, the Sandinista-controlled National Assembly took a number of steps to entrench the current government's power. It passed laws relating to foreign agents, cybercrime and treason that expanded its powers. It also extended the permissible pre-trial arrest period from 48 hours to 90 days. As 2021 proceeded, it appointed new loyalist magistrates to the Supreme Electoral Council.

At first, many observers assessed that the new legislation would be little more than a latent threat. But, starting in late May, judicial authorities proceeded to order the detention of 37 high-level opposition figures, including seven possible presidential candidates, on conspiracy and treason charges, while the Supreme Electoral Council stripped three parties of their legal accreditation and the National Assembly did the same to 45 civil society organisations, including six international NGOs. The government has also targeted the free press: press associations have privately reported attacks on at least 98 reporters in the first semester, including 35 women who were also victims of gender-based threats and harassment. The arrested men and women were held incommunicado for months, until authorities finally allowed brief

family visits in late August. The state held their hearings [in secret and sometimes in the absence of their lawyers](#), and relatives have alleged that prisoners are facing physical and psychological mistreatment – [particularly women](#), according to the UN and Inter-American human rights organisations.

With politicians, business leaders, dissident Sandinistas and journalists among those detained, opposition groups find themselves in complete disarray. Most of their leaders are either in jail or in exile, while the remaining five candidates set to run against Ortega in November come from parties that most opposition forces consider to be government collaborators. The few opposition leaders who remain in Nicaragua have fallen silent and seem unable to agree on whether to boycott the polls or to ask supporters to spoil their ballots.

The Consequences of a Rigged Election

Ortega's authoritarian moves risk stirring up the grievances at the heart of the country's unresolved crisis. Enjoying only roughly half the popular support he enjoyed before 2018 ([surveys show](#) his ratings are stable at around one third of the population) and having damaged, perhaps irreparably, relations with the [private sector](#) and the [Catholic Church](#) after the crackdown on mass protests, Ortega is operating in an increasingly hostile environment. Three consecutive years of recession have piled ever more hardship on a population that was already among the poorest in Latin America.

The recent wave of arrests has fuelled discontent among Ortega's adversaries and may raise the prospect of episodic political violence, which tends to increase in election years. Urnas Abiertas, a civil society organisation that monitors elections, [recorded](#) 1,375 acts of political violence, most of them harassment, between 1 October 2020 and 15 August 2021. Even though mass protests are unlikely to resurface in the short term given the highly repressive climate, state violence and economic despair could rekindle the "protest spirit", in the words of a Nicaraguan security expert. An additional uncertainty is that Ortega, who turns 76 in November, has reportedly been suffering health problems. His sudden demise could spark unrest as potential successors jockey for power, given that he has no heir apparent with strong support in Sandinista ranks.

The combination of economic stress and political persecution is also likely to prompt yet more Nicaraguans to flee. After three years in which Nicaragua's GDP contracted by more than 3 per cent, the [World Bank predicts](#) the country to be the third worst economic performer in the Western Hemisphere in 2021, behind Venezuela and Haiti, though its recent update is more optimistic. A rigged election would only isolate the government further, driving away more private investment (which has already nosedived in recent years) and hindering Managua's access to multilateral loans, as the U.S., the EU and other stakeholders are likely to vote against their disbursement.

Already, these conditions plus stepped-up repression are having an effect: [more than 16,000 Nicaraguans booked hearings](#) to file asylum requests in Costa Rica between June and August, marking the start of a second wave of arrivals, according to a UN official. But with Costa Rica's migration system overwhelmed since 2018 with a

backlog of 89,000 unresolved asylum requests, Nicaraguans are increasingly looking to other destinations, above all the U.S. The number of Nicaraguans apprehended at the U.S. southern border has dramatically increased in 2021, from 575 in January to 13,391 in July, when it topped the number of Salvadorans for the first time in decades. The Nicaraguan surge toward the U.S. border [is set to hit a record for the 2021 fiscal year](#), with [43,327 apprehensions so far](#), many of them people travelling in family units.

Events in Nicaragua could well resonate beyond its borders. Other political leaders in Central America may feel emboldened to follow in Ortega's footsteps, particularly if the U.S. prioritises cooperation on migration control and counter-narcotics and imposes few costs for democratic backsliding. In El Salvador, President Nayib Bukele has already been concentrating power and chipping away at judicial independence; among other things, the Salvadoran Constitutional Court – newly packed with the president's political allies – has overturned a constitutional prohibition on presidents running for immediate re-election at the end of their term. In Honduras, voters will also head to the polls within weeks of the Nicaraguan elections to choose a successor to President Juan Orlando Hernández, who has been cited several times as a co-conspirator in drug trafficking trials in New York courtrooms – including that involving his brother, sentenced to life imprisonment in March. (Hernández has denied all accusations of involvement in the drug trade.) Although he is not eligible to stand for election again and has publicly ruled out doing so, Honduran analysts fear that Hernández may meddle in presidential politics, either to impose his preferred candidate, Nasry Asfura, or to keep a grip on state and judicial institutions.

The Way Forward: A Sequenced, Coordinated Approach

Against this backdrop, the EU and its member states, along with other outside actors with influence in Managua, should step up their engagement in Nicaragua. While there is little if anything outside actors can do to change Ortega's immediate electoral strategy, looking away is not a good option, either. A failure to criticise increasing repression or impose costs for election fixing would send a dangerous signal, and increase the risk that other Latin American leaders resort to destabilising anti-democratic tactics in their own countries. Although the targeted sanctions and critical messaging that the EU has deployed to date have prompted a bristling response from Managua, Brussels should not back down. It should, however, choreograph its next steps carefully.

First, Brussels and EU member states should work with the U.S. and regional partners to prioritise the demands that they will be making in advance of the elections. They should continue to call on Ortega to halt the crackdown against political dissent; to release political prisoners; and to allow national and foreign journalists and civil society organisations to monitor the election. They should work through their few remaining diplomatic channels and with parties to which Managua might be receptive (including the Vatican and friendly regional governments such as Bolivia and Peru) to persuade Ortega that his best interests lie in meeting minimum electoral standards in order to restore working relations with foreign partners and financial institutions, and to warn that without improvements in these areas, they will re-

spond robustly – including with additional targeted sanctions – to credible accounts of election rigging. Imposing additional sanctions before the polls, on the other hand, runs the risk of fuelling Ortega’s ire and attacks on the opposition rather than taming them. Once the vote has been cast and he has achieved his goals, the president’s calculations are likely to be different and pressure tools of greater use.

Meanwhile, the EU should work with the U.S. and others to prepare a firm and coordinated response to the election if (as is likely) it does not meet minimum international standards. That response should include the expansion of the existing sanctions framework to include targeted measures against individuals, businesses and institutions that contributed significantly to the election-related crackdown. Brussels and member states should additionally explore with the Organization of American States the possible activation of procedures for Nicaragua’s temporary suspension on the grounds of Ortega’s interruption of the country’s democratic order. But the EU and its partners, including the U.S., should calibrate the measures they take to mitigate the humanitarian impact they might have, particularly in light of Nicaragua’s ailing economy. In particular, they should refrain from ejecting Managua from free trade agreements such as the EU association agreement and the Central America Free Trade Agreement (CAFTA), which would severely affect the country’s export-oriented economy and could spur migrants to leave at an even greater pace. Because further migration seems inevitable, donors should also scale up financial and technical assistance – such as legal counselling to migrants – and humanitarian aid to neighbouring countries’ shelters and civil society organisations, as well as to multilateral agencies that support migration authorities and Nicaraguan migrants and refugees.

At the same time, the EU, U.S. and OAS countries should draw up a roadmap for how Ortega can revitalise declining diplomatic relations, including eventual reintegration in the Inter-American system (should Nicaragua be suspended) and the lifting of sanctions. The milestones that they set forth should draw on the [requests made by the EU](#) upon adopting its sanctions framework in October 2019, namely: government compliance with the agreements struck with the Civic Alliance in March 2019, including respect for civil and political rights and release of political prisoners; access to Nicaragua for international human rights bodies; and resumption of talks with the opposition. These objectives should be coordinated with other concerned states, and all should make clear that their focus is on persuading Managua to end the crackdown and restart talks with the opposition.

As for future negotiations between the government and opposition, these should aim not only to address the country’s humanitarian emergency and achieve electoral reforms, but also to forge an agreement on political coexistence that could enable the two sides to begin overcoming their enmity. The sides could decide to create a truth commission with a broad mandate going beyond the events of 2018, for instance; such a body would have to ensure fair representation from both the government and opposition as well as international experts among its members. Signs of progress in negotiations facilitated by Norway in Mexico to heal deep rifts between the Venezuelan government and opposition may help lure Ortega into contemplating a similar process.