Analysis selection for JCC

November 2021

Ethiopia's expanding conflict

30 Nov 2021 - Country Risk | Strategic Report

The Ethiopian government declared a six-month state of emergency on 2 November, citing "a grave and imminent danger against the existence and sovereignty of the country" from the opposition Tigray Defence Forces (TDF), which captured two strategic cities in Amhara region – Dessie and Kombolcha – in the preceding days. Also on 2 November, the authorities in capital Addis Ababa called on the city's inhabitants to organise into neighbourhood self-defence groups. On 5 November, the US embassy ordered the departure of all non-essential US government staff and their family members from Ethiopia, and on 7 November, it urged "[US] citizens in Ethiopia to depart now using commercially available options". By 27 November, the TDF had advanced along the A2 highway, through Amhara region's Oromia zone and into North Shewa zone, to positions approximately 170 kilometres by road from where the A2 reaches Addis Abba.

- **In our most likely scenario, the TDF will probably continue its offensive operations in Afar and Amhara regions with the aim of forcing Prime Minister Abiy Ahmed's resignation or removal and compelling a subsequent administration to negotiate on its terms; however, we assess that significant offensive operations into Addis Ababa by insurgent forces remain unlikely.** The TDF's capture of Dessie and Kombolcha has facilitated its attempts to advance along the B11 and Weldiya-Chifra roads towards the A1 highway, which connects Addis Ababa with Djibouti, although pro-government forces have so far prevented the TDF from reaching the highway. The A1 highway is the key import-export corridor for Ethiopia, and disrupting it would cause acute shortages of basic goods in Addis Ababa. The TDF will also likely continue pushing farther south through Amhara region's Oromia zone, where the TDF-allied Oromo Liberation Army (OLA) launched offensive operations following the TDF's encroachment on Dessie and Kombolcha, into Amhara region's North Shewa zone. Heavy fighting is likely along the section of the A2 highway that runs through Amhara region's Oromia zone (south of Kombolcha) and towards Debre Birhan, with pro-government forces likely to attempt a determined resistance around the town of Debre Sina, North Shewa zone. Both sides will likely continue making use of tanks, heavy artillery, and rockets. Among insurgent forces, these will likely remain in the hands of the TDF rather than the OLA. The Ethiopian military will continue to launch airstrikes against insurgent targets. The TDF and OLA advancing further down the A2 highway in this manner would allow them to threaten the Amhara regional city of Debre Birhan and (subsequently) Addis Ababa. The TDF may also attempt to push southwest, along the B21 and B31 roads or smaller roads, to reach the A3 highway that approaches Addis Ababa via Oromia region's North Shewa Zone, where the OLA is active; this would avoid Debre Birhan.

- **Widespread hostility among the population of Addis Ababa towards the TDF (and the OLA) would pose a significant threat of widespread popular resistance, together with the resistance of the state security forces.** In our view, this is one of the factors making unlikely the launching of offensive military operations into the city by the insurgents. Instead, it is more likely that the TDF will seek to force negotiations with Ethiopia's government – by threatening the cities of Debre Birhan and, subsequently, Addis Ababa – in preference to launching offensive operations into the capital. On 5 November, the formation of the United Front of Ethiopian Federalist and Confederalist Forces (UFEFCF) was announced by representatives of the alliance in the United States. The UFEFCF claims to include nine Ethiopian opposition groups, including the OLA and the Tigray People's Liberation Front (TPLF), which dominates the TDF-aligned Government of Tigray (GoT). However, the TDF and OLA will likely remain the leading entities within the UFEFCF alliance, with several of the other armed groups having little fighting capability or significant presence inside Ethiopia. Ethiopian Attorney-General and Justice Minister Gedion Timothewos dismissed the alliance as a "publicity stunt".

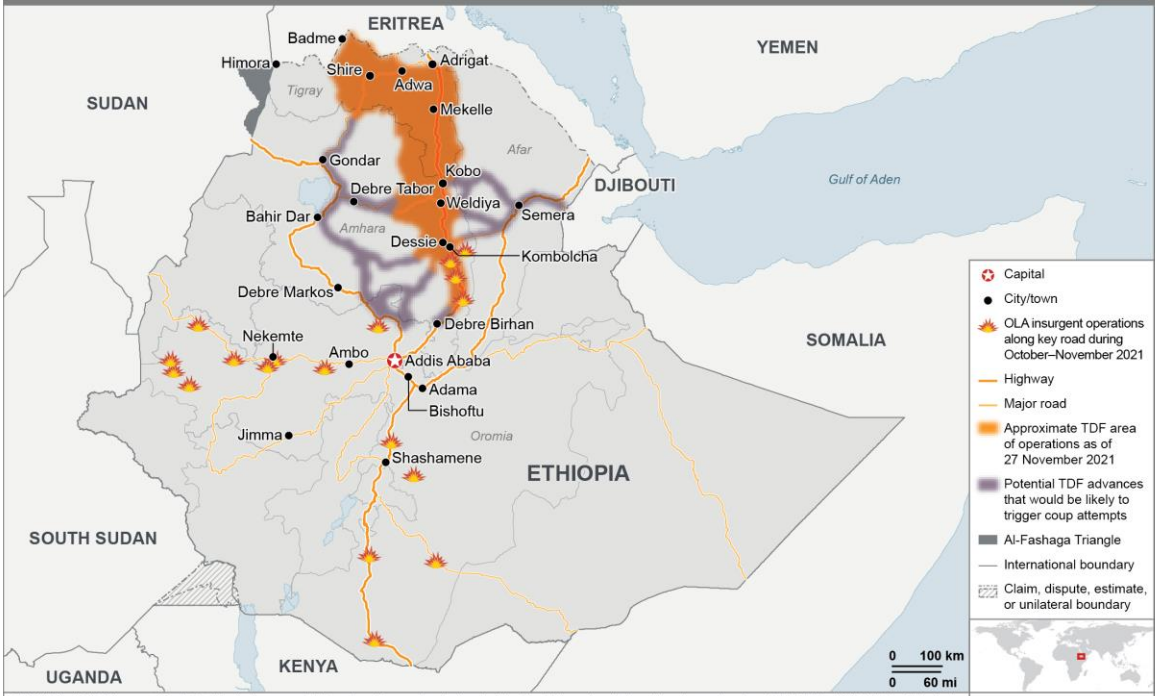
- **The OLA will likely increasinglyattempt to take open control of larger towns and cities in Oromia, particularly along the A4 highway west of Addis Ababa, but will only likely succeed if Oromia regional security forces decrease their resistance to OLA operations.** In Nekemte and Ambo, restricted telecommunications and internet services in early November likely indicated the Ethiopian government's concern over a deteriorating security situation, most likely offensive operations by the OLA. Unconfirmed reports have stated that hundreds from the Oromia region's security forces have defected to the OLA, which, if true, would indicate an increasing likelihood of Oromia security forces retreating to barracks and not seeking to actively oppose OLA fighters entering towns.The OLA will also likely attempt to expand its operations to launch small-arms ambushes along the stretch of the A2 highway that passes through Oromia region between Addis Ababa and Amhara region. This would facilitate further TDF advances along the Amhara stretch of the A2 highway and disrupt supplies into the capital. The OLA is probably similarly attempting to gain leverage for use in negotiations with a post-Ahmed administration. Ad-hoc expropriation of vehicles, fuel, supplies, heavy equipment, and properties for use by belligerents in the conflict is very likely, particularly in government-controlled parts of Amhara region and TDF-controlled territory more widely.

- **If TDF-OLA advances into Amhara region continue and Prime Minister Ahmed refuses to enter into negotiations, an attempted change of government in Ethiopia will be likely in the three-month outlook.** This would probably occur through either Ahmed's forced resignation, a coup attempt, or (less likely) insurgent forces conducting significant operations in Addis Ababa. If the TDF advanced to capture Gondar, Bahir Dar, Semera, or Debre Birhan – the capture of the latter probably jointly with OLA forces – this would increase the likelihood of elements of the security forces attempting a coup against Ahmed, although this would be more difficult while Ahmed is with troops on the Afar front (where he travelled to in November, leaving Addis Ababa). The aim of the coup would likely be to install a new administration that would negotiate a ceasefire with the TDF and OLA. Such negotiations would entail de facto recognition by the post-coup national administration of the autonomy of the OLA and the TDF-aligned GoT in the territory they control. However, the TDF would be unlikely to withdraw immediately from the territory it controlled in Amhara region, and TDF troops in these areas would likely face insurgent-style attacks by Amhara forces and militias in these areas even during a nationally declared ceasefire. This, in turn, would increase the risk of reprisal killings targeting local Amhara populations alleged to be supporting the insurgents.

- **In our less likely scenario, pro-government forces would succeed in retaking ground along key roads in Amhara region's North Wollo or South Wollo zones, encircling TDF and OLA forces farther south, causing the TDF to agree to a ceasefire and negotiations with Prime Minister Ahmed, although further recurring fighting would likely follow.** Key for pro-government offensive operations are likely Weldiya, Kombolcha, and Kobo on the A2 highway, and Gashena on the B22 road, to the west of Weldiya. Pro-government forces taking and holding these locations against probable TDF counterattacks would cut TDF supply lines to its offensive operations in Amhara's North Shewa zone and towards the A1 highway. Pro-government forces recaptured the town of Chifra, Afar region, and key locations around the town of Bati, Amhara region, according to state media announcements on 27 and 28 November; Chifra is located on the Weldiya-Mille road and Bati on the B11 road, both of which connect Amhara region to the A1 highway. In a 30

November statement, Prime Minister Ahmed made a statement (from the Afar front) that new offensive operations towards Gashena would follow.

Conflict in Ethiopia



Source: IHS Markit: 2004648

Indicators of changing risk environment

Increasing risk

- Protests in government-controlled areas of Oromia region against alleged forced recruitment of youths into the security forces would indicate a rising probability of local populations co-operating with the OLA and Oromia security-forces personnel defecting to the group, likely widening the OLA's areas of operation and increasing its fighting capacity.
- An outbreak of widespread anti-government protests in Addis Ababa, Oromia, or Amhara region would indicate an increasing likelihood of a coup attempt against Prime Minister Ahmed.
- Multiple cabinet ministers resigning in quick succession, or legislators defecting from the ruling Prosperity Party (PP) would indicate an increasing likelihood of an anti-Ahmed coup attempt
- Combined TDF-OLA forces capturing and holding the city of Debre Birhan against pro-government counterattacks would increase the risk of insurgent forces advancing to Addis Ababa.
- Mass arrests targeting ethnic Tigrayans in government-controlled cities, or of Amhara civilians accused of supporting pro-government forces in TDF-controlled areas, would indicate an increasing risk of ethnically targeted killings by armed forces.
- In the event that insurgents push pro-government forces out of Debre Birhan, this would increase the likelihood of ethnically targeted violence against Tigrayan civilians in the city and in Addis Ababa, likely triggering retaliatory TDF violence against Amhara civilians.
- If the US government officially alleges that the Ethiopian government is complicit in genocide, further trade and financial sanctions are likely to be enacted in the three-month outlook.

Decreasing risk

- Pro-government forces securing control of the cities of Dessie and Kombolcha and forcing the TDF to retreat away from them would decrease the likelihood of a forced change of government, through either a coup or further insurgent advances towards Addis Ababa.
- Pro-government forces recapturing Gashena town on the B11 road and a stretch of the A1 highway around Kobo would increase the likelihood of a mutually agreed ceasefire.
- Prime Minister Ahmed agreeing to GoT negotiation preconditions, particularly regarding humanitarian access to Tigray, would increase the likelihood of a ceasefire.
- The US and the European Union enacting sanctions on senior TDF commanders would increase the likelihood of the GoT agreeing to negotiate with Prime Minister Ahmed, if the latter was offering to meet their other negotiation preconditions.
- If the Ethiopian government and the TDF reach a ceasefire agreement ahead of peace negotiations before 31 December, the US will be likely to delay the implementation of the exclusion of Ethiopia from the African Growth and Opportunity Act (AGOA), due to take effect on 1 January.
- The US delaying the implementation of the exclusion of Ethiopia from AGOA, due to take effect on 1 January, would indicate a decreasing likelihood of further escalation of US sanctions against the Ethiopian government.
- The Ethiopian parliament removing its designation of the TPLF as a terrorist organisation would indicate an increasing likelihood of negotiations between the GoT/TDF and the Ethiopian government.

Russia–Ukraine war risks

1 Dec 2021 - Country Risk | Strategic Report

Ukraine and Russia have each conducted military exercises in recent days with evidence of continued Russian military build-up along the Ukrainian border, involving approximately 100,000 Russian military personnel. Russia began naval drills of the Black Sea fleet in and around occupied Crimea on 24 November and conducted ground forces exercises in the Southern Military District involving 10,000 personnel on 30 November in direct proximity to Ukraine's border. In turn, Ukraine conducted exercises of its forces in Donetsk region in the east and along the border with Belarus in the north on 25 November. On 1 December, the spokesperson for the Russian Foreign Ministry, Maria Zakharova, claimed that the Ukrainian armed forces concentrated 125,000 troops in close proximity to the line of contact (LoC) in the Donbas conflict zone; IHS Markit was unable to verify this Russian assessment despite the recent Ukrainian exercises.

- **We maintain our assessment that the Russian military concentration on Ukraine's borders is most likely intended to intimidate Ukraine, as well as to test Western responses, as part of pressure to force acceptance of Russian terms for a resolution of the Donbas conflict, ongoing in eastern Ukraine since April 2014.** Its intent is unlikely to be in preparation for an imminent invasion of Ukrainian territory. The Russian military build-up near Ukraine's borders currently appears to be nearly as large as in March–April 2021, during snap exercises of the Russian armed forces (see table below). After those exercises, Russian troops eventually returned to their usual bases, although some heavy equipment was left in the exercise areas. Russia denies having concentrated troops in its western regions, despite publicly available satellite and social media footage evidence showing a military build-up in Belgorod, Bryansk, Krasnodar, Kursk, Rostov, Smolensk, and Voronezh regions. Multiple news reports have claimed – in our view credibly – that Russia has the offensive military capabilities in place to invade Ukraine from the south (Russian-controlled Crimea), from the east (the Russian–Ukrainian border) and also from the north (from Belarus), advancing deep (by approximately 100–250 km/60-150 miles) into Ukrainian territory. Combined Russian armed forces of 900,000 personnel greatly outnumber Ukraine's 220,000-strong armed forces. While the capability is present, IHS Markit assesses that clear political motives for an impending new Russian incursion into Ukraine, aimed at gaining more territory, are currently lacking, especially as Russia would face the task of controlling territory with a hostile population, which would mean a costly occupation.

- **Russian military activity is not confined to the border with Ukraine, with some concentrations closer to Belarus; this is likely in part intended to cause confusion and to condition the West into accepting Russian troop deployments into sensitive areas as a routine pattern of activity, increasing the prospects of achieving strategic surprise if the Kremlin decides on a military option against Ukraine at some future date.** The current Russian military build-up is likely to be in response to growing Western military support of Ukraine, as well as to Ukraine deploying new weapons in the Donbas conflict zone. Bayraktar TB-2 uncrewed aerial vehicles (UAVs) were used in October 2021 and advanced Javelin anti-tank guided missiles in November 2021 in combat operations for the first time, demonstrating improved Ukrainian defence capabilities against the pro-Russian separatist militias of the self-proclaimed Donetsk People's Republic (DPR) and Luhansk People's Republic (LPR), which are formally separate from the Russian armed forces but are under de-facto control of the Russian military command. The Russian build-up is likely to be aimed at sending a signal to Ukraine not to attempt to significantly change the status quo in the Donbas conflict zone, especially by retaking any territory from the militias, and to agree to the conflict resolution on its terms. Russia is increasingly dissatisfied over the inability to compel Ukraine to agree to Moscow's interpretation of the Minsk II ceasefire agreement, signed in February 2015. Russia has also expressed its opposition to increased NATO presence in the Black Sea, including the deployment of the US Sixth Fleet's warships to the Black Sea earlier in November.

- **Robust Western messaging and provision of material support to Ukraine, including the threat of new Western economic sanctions against Moscow, as well as the demonstration of military support by the West, will likely serve as a deterrent to Russia on its involvement in Ukraine, reducing the likelihood of an imminent Russian military invasion.** During November, the US, UK, EU, and individual EU member states, including Germany and France, have confirmed their support of Ukraine's territorial integrity and sovereignty. Since 2014, the US has delivered approximately USD2.5 billion in military assistance to Ukraine, including advanced weapons such as the Javelin, which can now be deployed by the Ukrainian armed forces in the Donbas conflict zone. On 22 November, international media reported that the US administration was planning to send US military advisers and more military equipment to Ukraine, including more Javelins, mortars, air defence systems, such as Stinger surface-to-air missiles, and Mi-17 helicopters, originally purchased for the Afghan armed forces. Similar messaging by NATO and individual NATO member states, as well as by the EU and the US on the risk of new economic sanctions in the event of further Russian military involvement in Ukraine, will likely contribute to deterring even limited Russian military action aimed at gaining control of more territory in eastern Ukraine, even in the Donbas conflict zone. With the Nord Stream 2 gas pipeline from Russia to Germany still awaiting certification, potentially delayed up to January–May 2022, any large-scale military conflict in Ukraine would have potential to disrupt natural gas supply from Russia to the EU, via Ukraine's gas transportation network.

Ukrainian military intelligence comparison of Russian troop deployments in April and November 2021

Forces/troops	28 April 2021	20 November 2021
Battalion tactical groups (BTGs)	53	40
Military personnel	105,000	94,000
Tanks	1,300	1,200
Armoured fighting vehicles (AFVs)	3,400	2,900
Operational tactical military systems (OTMS)	34	28
Artillery	1,800	1,600
Aircraft	330	330
Helicopters	240	240

Ships/boats	91	75
Submarines	6	6
Source: Ukraine's National Defence and Security Council, based on Ukrainian military intelligence assessments, 20 November 2021© 2021 IHS Markit		

Indicators of changing risk environment

Increasing risk

- Russian state-owned and state-influenced media increasing their coverage of Ukraine-related events and expanding their disinformation campaigns, citing the threat of imminent Ukrainian military offensives against DPR- and LPR-controlled areas and the Russian-administered Crimea, as well as of violations of rights of Russian speakers in Ukraine would indicate higher likelihood of a renewed Russian incursion into Ukraine
- Social media reports indicating increased concentrations of Russian forces, including heavy military equipment, in the Rostov region, in the immediate vicinity of the Donbas conflict zone, would mean increased military capabilities of DPR and LPR militias, including for offensive operations.
- Western embassies in Kyiv issue travel warnings to citizens of their countries currently in Ukraine urging them to evacuate from areas close to the Donbas conflict zone, vicinity of Crimea and the Russian border would suggest Western military intelligence on the growing likelihood of a Russian incursion into Ukraine. The US embassy on 24 November issued a caution for its citizens in these areas.
- Leaked or released Western intelligence reports of forward basing of combat aircraft or similar strategic assets in the Western and Southern Military Districts of Russia and in Crimea would indicate increased offensive military capabilities to be used in an incursion into Ukraine.
- Reports of the presence of Russian 'strategic' assets, particularly VDV air assault units and Spetsnaz in areas close to the border with Ukraine would suggest growing Russian preparedness for offensive military operations.
- Russia offering partial or full recognition to DPR and LPR – either as 'self-proclaimed autonomous regions of Ukraine' or as independent states – would elevate likelihood of Russian troops' overt movement into Donetsk and Luhansk regions.
- A security incident involving deaths and injuries of a large number of Russian-passport holders in the DPR- or LPR-controlled areas close to the line of contact (LoC), allegedly attributed to the Ukrainian armed forces or intelligence would elevate likelihood of Russian troops' overt deployment into Donetsk and Luhansk regions.
- The DPR and LPR militias increasing their harassment of the observers of the OSCE's Special Monitoring Mission in the Donbas conflict zone thus disrupting or preventing their monitoring activity would indicate likely movement of heavy weapons by the militias or Russian armed forces to forward positions near the LoC.
- The DPR and LPR political leadership urging Russia to send Russian forces in a peacekeeping role to be deployed along the LoC in the Donbas conflict zone would indicate imminent Russian troop deployment to Donetsk and Luhansk regions.

Decreasing risk

- Russian state-owned and state-influenced media reducing their reporting of Ukraine-related events and abandoning disinformation campaigns on potential Ukrainian military offensives against DPR- and LPR-controlled areas and the Russian-controlled Crimea would reduce the likelihood of an imminent new Russian military incursion into Ukraine.
- Russian military redeployments in December 2021 remaining static inside military training areas, with troops and military equipment returning to their usual bases within the next several weeks would indicate a lower likelihood of war.
- If Russia agrees to renew negotiations in the Normandy Four format on the Donbas conflict resolution, including on new de-escalation zones along the LoC, and opening of new checkpoints on the LoC for civilian crossings, the outlook for a political resolution of the Donbas conflict would improve.

- The US offering high level bilateral diplomatic engagement with Russia over Ukraine, such as another in person or online bilateral summit between presidents Joseph Biden and Vladimir Putin, would be likely to lead to Russian troops redeployment away from the areas close to Ukraine's border.
- If Ukraine's Western partners continue supplying advanced weapons to the Ukrainian armed forces, thus improving their defence capabilities, and increase intelligence-sharing with Ukraine on Russian military activity in border areas, in Belarus and in the Black Sea, the likelihood of another new Russian military invasion would be reduced, shifting Russian focus to other methods such as political interference and disinformation operations in Ukraine.
- Western countries, including the US, UK, and the EU, agreeing on the parameters of new economic sanctions to be introduced in a co-ordinated manner against Russia if it attempts another military incursion into Ukraine aimed at gaining additional territory, would reduce likelihood of a renewed Russian military incursion.

Global migration risks and drivers

1 Dec 2021 - Country Risk | Strategic Report

The French government announced on 30 November that Prime Minister Jean Castex will write to UK Prime Minister Boris Johnson with proposals for a “balanced agreement” between the United Kingdom and the European Union, amid the growing irregular migration crisis in the English Channel. A group of 27 migrants transiting from Calais, France, to the United Kingdom across the English Channel drowned on 24 November after their boat sank. National and regional level trends indicate increased population movements with developed economies as frequent end destinations. Traditional drivers of irregular migration including security and conflict remain, raising risks in target countries across Europe and the United States, but also in transit countries elsewhere, including to policy agendas, labour markets, supply chain resilience, and civil unrest frequency. Alongside these longstanding drivers, new push factors including the coronavirus disease 2019 (COVID-19)-virus pandemic and stalled economic and health recoveries, as well as climate risks and environmental stressors, are likely to account for an influx in international migration in the year ahead.

- **Belarus has emerged as a new gateway for migrants attempting to enter the European Union since June 2021, raising the likelihood of security incidents at its borders, particularly with Poland and Lithuania.** According to reports by credible Belarusian media, there are up to 10,000–15,000 migrants, largely originating from the Middle East, mostly from Syria and Iraq, currently in Belarus, attempting to cross into Poland, Lithuania, and Latvia. Since the irregular migration intensification began in June 2021, at least 10,000 have already crossed into the EU and thousands more have been prevented from entering by Polish, Lithuanian, and Latvian border guards. Middle Eastern migrants arrive in Belarus by air from airports in the Middle East after purchasing “tourist packages” from state-owned Belarusian tourism firms for entry. Upon arrival in Minsk, migrants are driven to the borders of EU and NATO member states – Poland, Lithuania, and, in fewer numbers, Latvia. The governments of all three countries have accused the Belarusian administration of Alexander Lukashenka of "weaponising migration" in response to EU sanctions and their political support for Belarusian opposition groups, which the Belarusian authorities have denied. A continued influx of Middle Eastern migrants in Belarus expedited approval of new EU sanctions being introduced against the country, including the civil aviation sector, to be formally introduced on 2 December. Several airlines stopped boarding passengers travelling on Afghanistani, Iraqi, Syrian, and Yemeni passports to Minsk. Additionally, Iraqi Airways repatriated some 1,800 Iraqi nationals from Minsk airport by 30 November. Poland and Lithuania are also likely to deploy additional military and police forces to areas bordering Belarus to prevent further unauthorised entry by irregular migrants. However, this will elevate the likelihood of violent incidents at the border, involving unauthorised migrants, and cross-border shoot-outs by border guards, such as near the Terespol-Brest border crossing on the Belarus-Poland border on 30 November.

- **Following the Taliban's takeover of Afghanistan in August 2021, irregular arrivals into the EU at entry points in Greece, Bulgaria, and Cyprus are likely reach up to 10,000 per month.** There are multiple potential drivers of migration in Afghanistan, including security issues and food shortages with the economy being a significant immediate challenge for the new Taliban government. In the absence of international recognition, foreign aid flows are likely to decline sharply. Iran and Turkey will remain the most frequented transit countries for irregular Afghan migrants trying to reach Europe. Their ability – and political willingness – to absorb an additional influx of migration and/or prevent large inflows towards Europe would be constrained by their respective economic and social challenges, especially amid the currency crisis in Turkey. The number of irregular arrivals into Europe, however, will likely be considerably less than in 2015, when more than 1 million irregular migrants reached Europe, according to United Nations and Frontex data. However, increased migrant flows from Afghanistan is likely to exceed the capacity of Turkish, Bulgarian, Greek, and other authorities in the Balkans to detect all irregular border crossings.

- **Moderate cargo disruption from March–April 2022 across the Balkans and Central Europe is probable, with localised violent confrontations between irregular migrants and border forces also being likely, especially at the Greek-Turkish land border.** In the one-year outlook, most probably after March–April 2022 when weather conditions for irregular migration sea-crossings improve, cargo delays of up to a couple of days are likely to increase at the EU's external borders and across the Western Balkans. Authorities are likely to use tear gas and batons at the Greece-Turkey, Greece-North Macedonia, and Romania-Hungary border crossings, with the main risks of injury and death posed to irregular migrants, NGO workers, and journalists around those borders. There is a moderate risk of right-wing and far-right groups in countries such as Greece and Serbia physically assaulting people perceived as refugees and migrants in city centres and near refugee facilities.

- **Water scarcity is likely to become a key migration driver in Latin America amid the prevalence of structural political factors.** Despite Latin America possessing roughly 30% of the world's freshwater resources, overexploitation, mismanagement, pollution, and the impacts of climate change are rapidly increasing the region's water insecurity. The trend is particularly salient for Central America's Northern Triangle countries, and is likely to become one of the key drivers of unauthorised northbound migration in the following years. Government instability and poor economic prospects in Haiti and Nicaragua have also caused a significant increase in migration flows from those countries towards the US during 2021. According to the Famine Early Warning Systems (FEWS) network, all of these countries are likely to face high food-insecurity stress in the one-year outlook, mostly due to severe droughts or floods, resulting in high crop losses, particularly for self-subsistence farming communities. A slow or stalled economic recovery from the COVID-19 virus pandemic and regional governments' unwillingness to contain outflow migration flows amid the reopening of the US land border on 8 November are currently the key drivers of northbound migration. Without changes in these factors, water stress is likely to exacerbate the instability of the sub-regional political landscape and increasingly fuel migration in the following years.

Indicators of changing risk environment

Increasing risk

- Belarus authorises more flights from airports in the Middle East, and expands sales of "tourist packages" to travellers from Middle Eastern countries, thus facilitating further inflow of migrants.
- The Taliban government makes no meaningful progress towards protecting women's rights and human rights, undermining the prospect of formal recognition by the EU and/or other international partners. The consequent lack of economic support for the Taliban government exacerbates Afghanistan's economic crisis and increases the Taliban's incentive to facilitate migration outflows.
- Turkish far-right parties increase their domestic criticism of refugee numbers and escalate the frequency of violent attacks against them, precipitating further mass movement towards Europe.

- In Syria, a breakdown in security arrangements between Russia and Turkey leads to an escalation of conflict in Idlib. Syrian government forces recapture Idlib. This triggers a fresh refugee flow to Turkey, further reducing domestic willingness to absorb additional Afghan refugees.

Decreasing risk

- Recognition of the Taliban government by external actors that have more established relations with the Taliban – including China and Russia – leads to economic support and eases Afghanistan's economic crisis.
- The EU extends legal pathways to accommodate larger groups of Afghan migrants, including those located in third countries such as Turkey, and increases financial support to Turkey for hosting migrants and refugees.
- The EU introduces new sanctions against Belarus, including the civil aviation sector, banning lease of aircraft by the EU first to Belarusian state-owned airlines, such as Belavia. This would reduce the fleet of Belavia from 29 to 9 aircraft, reducing flight capacity and likely decreasing the inflow of migrants via the Belarusian route.
- Third-country airlines reduce the number of their flights from the Middle East to Belarus and introduce restrictions for travel affecting citizens of Afghanistan, Iraq, Syria, and Yemen, thus decreasing the flow of attempted irregular migrants.
- Airlines from Iraq and Syria conduct repatriation flights to return their nationals from Belarus, reducing the overall number of irregular migrants attempting to use the Belarusian migration route to the EU.

Sudan's new transitional government

23 Nov 2021 - Country Risk | Strategic Report

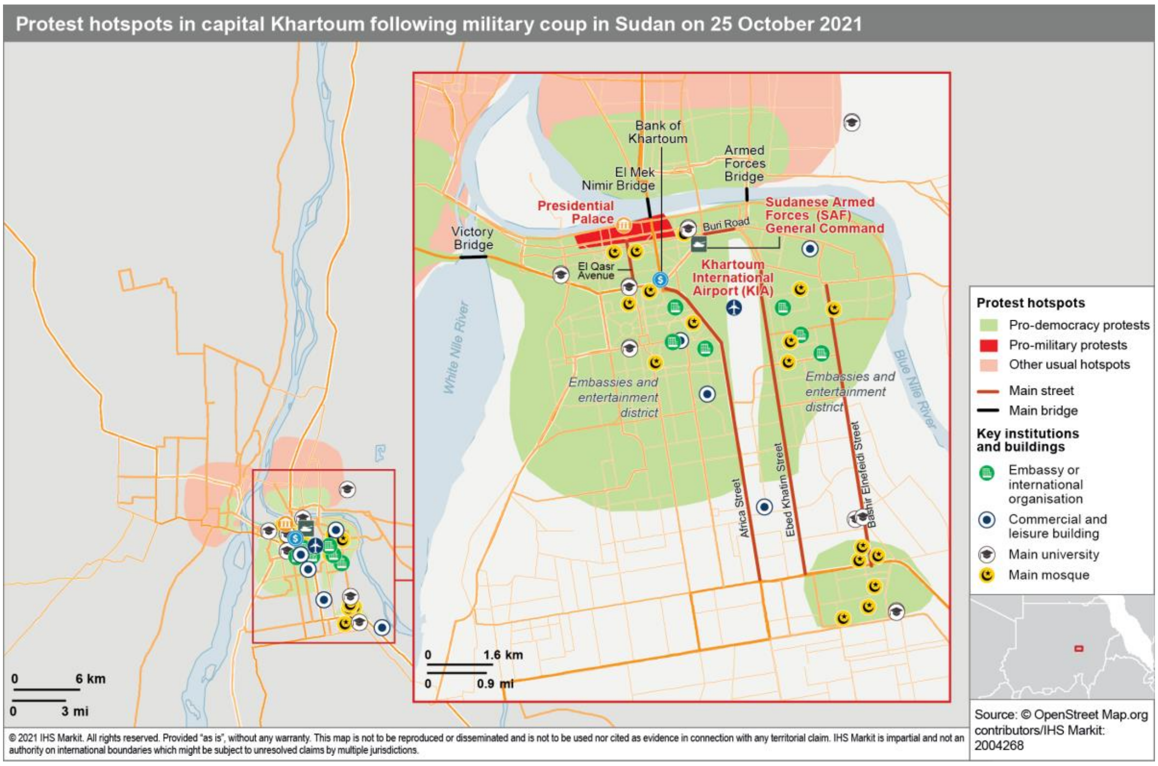
Former Prime Minister Abdullah Hamdok signed an agreement with coup leader General Abdel Fattah al-Burhan on 21 November to resume his position as prime minister and head of the cabinet. Key organisations that have led mass protests and civil disobedience campaigns against Burhan's 25 October coup have rejected Hamdok's decision. Burhan is attempting to form a new government, on 11 November announcing a new transitional Sovereign Council. He has retained his position as head of state and leader of the Council and many of his allies also kept their positions.

- **The agreement places Hamdok at the head of the cabinet, responsible for government administration, which he is tasked to fill with technocrats, and has secured the release of political and militia leaders opposed to the coup.** Political leaders released from detention in the 21 November deal include Sadiq al-Mahdi, leader of the Umma Party; Omer Eligair, Sudanese Congress Party leader; Ali Alrayah Alsanhouri, Sudanese Ba'ath Party leader; and Yasir Arman, deputy leader of the Sudan People's Liberation Movement-North (Agar faction) and adviser to Hamdok. Members of the previous cabinet were removed from their positions during the coup, and most of Hamdok's preferred candidates for cabinet positions have already rejected the prospect of co-operating with the coup's leaders and refused to take part in a government led by the military. As a result, Hamdok is likely to appoint publicly unpopular figures close to former president Omar al-Bashir, ousted in 2019, including hardline Islamist members of the former ruling National Congress Party (NCP). Burhan reportedly wants Islamists from parties such as Reform Now and Popular Congress Party to be included in the cabinet, and their inclusion would undermine Hamdok's efforts to dissolve patronage networks related to former president Bashir, his now-disbanded NCP, and the military.

- **Several pro-democracy organisations have previously reiterated a stance of no negotiation with the military.** These include 'resistance committees', youth groups, and, most importantly, the powerful Sudanese Professionals' Association, which led the mass protests that toppled Bashir in 2019, as well as the civilian opposition coalition, the Forces of Freedom and Change (FFC). Instead, they demand a return to the pre-coup constitutional status quo as a precondition for negotiations. Pro-democracy supporters who perceive Hamdok to have given legitimacy to a coup they oppose vehemently are likely to organise daily protests and marches, as well as civil disobedience campaigns, largely consisting of cross-sector solidarity strikes. These will likely continue to disrupt severely the banking, transport, utilities, and healthcare sectors, while ensuring that the public has at least intermittent access to vital services such as withdrawing money or buying staple foods such as flour. The ongoing protest campaign has been joined by key unions, including the unions representing pilots and workers at national oil company Sudapet. Protesters are likely to continue to use sit-ins, burning tyres, and barricades to block major bridge crossings that connect Khartoum's three main neighbourhoods of Khartoum 1, Khartoum 2 and Omdurman and main access roads in Khartoum 2, such as Africa Street, Army Road, and Al-Imam Al-Mahdi Road leading to the armed forces' headquarters. The ongoing use of force by security personnel – most recently, a 16-year-old was killed with live ammunition in Omdurman on 21 November – is likely to reinforce popular rejection of any power-sharing arrangement with the coup leaders, particularly Burhan.

- **Foreign governments and donors are likely to try to extract further concessions by withholding aid financing and threatening targeted sanctions against Sovereign Council members.** European governments, the United States, and organisations such as the United Nations and the International Monetary Fund (IMF) have maintained a position of only recognising Hamdok's premiership and his deposed government, so his reappointment goes some way towards repairing very poor bilateral relations. The African Union, the United Nations Transition Assistance Mission in Sudan (UNITAMS), and US Secretary of State Anthony Blinken have all welcomed Hamdok's appointment as a positive development. However, the abstention of many other civilian groups and scepticism about the Sovereign Council's commitment to a civilian transition mean that these donors remain unsatisfied. In October, the World Bank suspended disbursements of the USD2 billion pledged in financial support to Sudan, and the African Union announced the immediate suspension of Sudan "until the effective restoration of the civilian-led Transitional Authority". The US had also suspended USD700 million in aid, with National Security Advisor Jake Sullivan saying that the administration was considering further economic measures, although no further action had been taken as of 22 November.

- **Sanctions are only likely to force meaningful concessions by the coup leaders if they affect financial support from Saudi Arabia and the United Arab Emirates (UAE), given Sudan's reliance on these bilateral donors.** Although the UAE is likely to support calls for a return to power sharing, it would very likely suspend any support if Burhan were to attempt to form a transitional authority with prominent participation of Islamists, which is an increasingly likely scenario. To build wider domestic appeal, Burhan is likely to continue to strengthen alliances internally with influential tribal groups in resource-rich and strategic areas such as Darfur and Eastern Sudan to increase his leverage when negotiating with civilians and to secure key sources of income. However, this is unlikely to be sufficient to compensate for any comprehensive suspension of external funding.



Protest hotspots in capital Khartoum following military coup in Sudan on 25 October 2021

Indicators of changing risk environment

Increasing risk

- The paramilitary Rapid Support Forces (RSF), loyal to General Hemedti, use indiscriminate lethal force against protesters and carry out mass arbitrary detentions.
- Senior ranking members of the Sudan Armed Forces (SAF) attempt to flee the country, indicating widening internal divisions over an uneasy alliance with RSF and Bashir loyalists.
- Hamdok is unable to form a cross-partisan cabinet by mid-December, increasing the likelihood of protracted diplomatic isolation and a counter-coup.
- Some senior army leaders oppose the military and an alternative leader to Burhan emerges, indicating increased risks of a counter-coup in support of a civilian-led government.

Decreasing risk

- The UAE withdraws financial support, likely pressuring the security leadership to engage pro-democracy groups in dialogue, even if not with intent to restore civilian governance.
- Influential and most-capable armed groups, which previously signed the Juba Peace Agreement, withdraw their support to civilians and decide to back the military coup in an attempt to safeguard their interests. This would decrease the risk of an armed conflict and undermine the cohesion of the FFC.
- Foreign governments and international institutions, including the US, signal steps to initiate targeted sanctions and asset freezing against coup leaders.

Labour strikes over wage cuts likely to result in cargo disruption at Namibia's Walvis Bay port

25 Nov 2021 - Country Risk | Headline Analysis

The Namibian auditor-general published the 2019/20 financial report for the capital city of Windhoek on 22 November, warning of likely default on payments to its creditors over the next six to 12 months, citing a high public-sector wage bill, among other things. The municipal councils of Windhoek and Walvis Bay, the second largest city, have proposed a simultaneous tax increase for residents and wage cut for public-sector workers to help ease pressure on their respective budgets. Walvis Bay hosts an economically important port, which facilitates imports and exports for Botswana, the Democratic Republic of the Congo (DRC), and Zambia.

Significance: The likely default increases non-payment risks for creditors and contractors in Windhoek and Walvis Bay. IHS Markit assesses that the construction and transportation sectors, in particular, are likely to be affected by this in the next six months, as there is ongoing extensive road resurfacing work in Windhoek and construction work related to the expansion of Walvis Bay port. Both the Namibia Public Workers' Union (NAPWU) and the popular leftist political movement Affirmative Repositioning (AR) have condemned the council proposals for tax increases and public-sector wage reductions. Public-sector strikes by port workers employed by the Namibian Port Authority, including go-slows and a stay-away, are likely during the course of the negotiations over the next two to four weeks. This will most likely result in delays to cargo movement from the port – which moves close to one million containers per year, mostly by rail and road – into the region for up to three days. Cargo trucks are unlikely to be looted or vandalized; however, roadblocks may detain them for up to three hours before authorities clear the roads. The relaxation in October of coronavirus disease 2019 (COVID-19) pandemic-related government restrictions on movement will likely aid in facilitating largely peaceful AR-led protests over tax increases at the municipal council's head offices in Windhoek over the next two weeks. These protests would likely result in traffic disruption, mostly along the B1 national road leading into the business district, for more than three hours at a time. Police would very probably use water canon to disperse crowds if protests became unruly, with a very low likelihood of damage to surrounding property from vandalism and looting.

Risks: Protests and riots; State contract alteration; Tax inconsistency

Sectors or assets affected: Construction; Public sector; Ground cargo

Government's plans to exclude unvaccinated Kenyans from public services likely to increase risk of protests, police violence

23 Nov 2021 - Country Risk | Headline Analysis

Kenyan Cabinet Secretary for Health Mutahi Kagwe stated on 21 November that, from 21 December, the public must provide proof of vaccination against the coronavirus disease 2019 (COVID-19) virus to access public services such as hospitals, schools and universities, public transport, port facilities, and national parks, as well as administrative buildings and venues such as bars and nightclubs. Data from the Africa Centres for Disease Control and Prevention, an African Union agency, show that, as of 17 November, only 4.17% of Kenyans have received a full course of COVID-19 vaccination, below the African average of 6.48%. However, Kenyan government data, as of 22 November, show that 8.8% of the population is fully vaccinated. The government plans to vaccinate only 10 million of Kenya's roughly 30 million adults by the end of December. Despite plans for a mass vaccination drive beginning in late November, government officials have complained publicly about slow uptake of COVID-19 vaccines.

Significance: If implemented, the government's plans for COVID-19 vaccine 'passports' would exclude millions of Kenyans from accessing public services legally. Police would be likely to enforce these restrictions violently and demand bribes from those found to be breaking the rules. While police enforced a night-time curfew between March 2020 and October 2021 to curb the spread of the COVID-19 virus, bribe demands were reported to be widespread. According to the Independent Policing Oversight Body, 15 people were killed by police enforcing the curfew in the first couple of months of enforcement. Police violence and high incidence of bribe demands or fines would increase the likelihood of protests against the rules and police. Following the deaths of two men after they were arrested for allegedly breaking the curfew in August, protesters blocked roads for several days in their hometown of Embu, and one person was killed after police used live rounds to disperse the crowd. The government measures would depress economic activity in the services sector, which was hindered severely until October 2021 by the long-lasting COVID-19 curfew. However, most foreign tourists arriving in Kenya are likely to be fully vaccinated, so hotels and national parks are unlikely to experience a significant shortfall in earnings.

Risks: Protests and riots; Regulatory burden

Sectors or assets affected: Hotels and accommodation

Sustained protests over insecurity in Burkina Faso likely in three-month outlook, increasing likelihood of coup attempt

22 Nov 2021 - Country Risk | Headline Analysis

Four people were injured on 20 November when French and Burkinabé soldiers fired warning shots and tear gas to disperse thousands of local residents who were blocking a 60-vehicle French military convoy in Kaya, capital of Burkina Faso's Centre-Nord region. The convoy, which was en route from Côte d'Ivoire to Niger, had already been stopped in Burkina Faso's second-largest city of Bobo-Dioulasso and the capital, Ouagadougou, over local rumours that France is arming jihadist groups. The demonstrations followed the latest mass killing by suspected jihadists on 14 November, in which 49 gendarmes and four civilians were killed in an attack on a military post near the northern Inata gold-mining site. The incident sparked opposition protests, in which hundreds turned out in Ouagadougou to demand the resignation of President Roch Kaboré, mirroring a similar reaction in June after at least 160 people were killed by jihadists in the northern village of Solhan.

Significance: Following the Solhan killings, President Kaboré removed the defence and security ministers and assumed the defence portfolio himself. Similarly, two senior commanders in the north were removed from their posts after the Inata killings. Kaboré's apparent lack of progress in tackling the jihadist insurgency since those killings, however, is likely to sustain opposition calls for his resignation, spearheaded by Eddie Komboigo, leader of the main opposition Congress for Democracy and Progress (Congrès pour la démocratie et le progrès: CDP) party. Protests are likely to continue in major cities in the three-month outlook and will probably attract thousands of participants, causing minor property damage and traffic disruption impeding cargo, with security forces using tear gas to disperse demonstrators. Mounting calls for Kaboré's resignation, especially if another serious attack occurs, increase the likelihood of his forced removal in a military coup driven by the protests, with the imposition of an interim military government likely. The Burkinabe authorities have yet to make an official comment about the blockade in Kaya, and failure to do so would suggest that Kaboré is taking advantage of the anti-French sentiment to shift the blame for his government's continued inability to reduce jihadist attacks.

Risks: Protests and riots; Government instability; Death and injury

Sectors or assets affected: Security and defence forces; Individuals; Property; Transport

Bolivian ruling party protest call likely to cause violent confrontations with counter-protesters, cargo disruption around La Paz

19 Nov 2021 - Country Risk | Headline Analysis

Former president Evo Morales, the leader of Bolivia's ruling party Movement for Socialism (Movimiento al Socialismo: MAS), has called for a protest march between 23 and 29 November in support of President Luis Arce's administration. The march will leave from Caracollo in Oruro province on 23 November and is scheduled to arrive in La Paz on 29 November. Morales has said that the march aims to take back control of the government, although the MAS party has a majority in both houses. The march follows the repeal of a bill expanding anti-money laundering (AML) measures on 16 November, which was revoked after a nine-day national strike by civil society groups allied to the opposition.

Significance: Given that the national strike was successful in pressuring the administration to overturn the AML law, it is likely to encourage further strikes of this kind. In response, it is also probable that counter-protests will become more frequent over the next year. With Morales rather than President Arce leading the call for protests, Morales is seeking to re-energise grassroots support for MAS. The call is in response to a strengthening opposition movement, which is increasingly uniting disparate groups across the country and successfully challenging government policies. Social organisations supporting the ruling party MAS, including civic committees and the Bolivian Workers Centre (Central Obrera Boliviana: COB), the country's largest trade union, are expected to join the march. The number of participants is likely to increase from a few hundred in the earlier stages to around a thousand further along the route. This is likely to cause temporary cargo and transport disruption around the march as it moves between the two cities, although protesters are unlikely to target cargo trucks. Civil society organisations supporting the opposition are likely to confront protesters, most likely in La Paz, resulting in an elevated risk of collateral property damage to local businesses caused by projectiles or fires. The police response is likely to primarily target counter-protesters owing to the main protest participants' support of the government, and will probably include the use of tear gas.

Risks: Protests and riots; Property damage; Death and injury; Ground cargo

Sectors or assets affected: All

Azerbaijan's introduction of customs controls on Goris-Kapan highway increases disruption risks for cargo between Iran and Armenia

16 Nov 2021 - Country Risk | Headline Analysis

Armenia's National Security Service announced on 14 November that, starting from 15 November, Azerbaijan would introduce customs and border controls on the Goris-Kapan highway, which in several locations intersects the border between Azerbaijan and Armenia's Syunik province. On 15 November, Armenia's Security Council issued a press release in which it agreed that certain sections of the Goris-Kapan and Kapan-Chakaten roads, based on Soviet-era maps, were not part of Armenia. According to this document, the Armenian authorities were taking steps to create "a new network of alternative roads in Syunik province," which would be ready in "the nearest time." The Armenian government has issued contradictory information about the bypass road, which circumvents 21 km of Azerbaijani-controlled sections of the Goris-Kapan highway. On 11 November, Armenian Prime Minister Nikol Pashinyan noted that the paving of the Tatev-

Aghvani section of the bypass road was completed and that about 100 cargo trucks had already travelled on it, including from Iran. However, he also noted that the new road still needed further improvements to make it more suitable for cargo trucks.

Significance: The Armenian government's decision to close the old Goris-Kapan road and to reroute traffic via the new bypass road increases the likelihood of delays as the alternative route passes through mountainous terrain, is not suitable for heavy goods vehicles, and is more likely to become impassable in winter conditions. It also isolates at least three villages along the old route – Vorotan, Shurnukh, and Bardzravan. Construction works are now under way on new roads – Khot-Vorotan and Bardzravan-Tandzaver – to connect them to Armenia's road network. Azerbaijan's introduction of customs and border controls on the Goris-Kapan road for Armenian vehicles represents a further tightening of the controls that were imposed on the transit of Iranian trucks in September. It is also in response to Armenia's refusal to open the transport corridor that would connect Azerbaijan to its exclave of Nakhchivan via Armenia, as mandated by the Russian-backed trilateral ceasefire that ended the 44-day hostilities between Armenia and Azerbaijan over the breakaway region of Nagorno-Karabakh in 2020.

Risks: Ground

Sectors or assets affected: Cargo transport

South African truck drivers' roadblocks in Mpumalanga likely to cause cargo destruction and disruption to international freight

11 Nov 2021 - Country Risk | Headline Analysis

In a joint statement on 5 November, South Africa's departments of Employment and Labour and Home Affairs committed to expediting changes in the road-freight sector to ensure that undocumented foreign nationals are not working in the industry. This follows widespread protests in Kwa-Zulu Natal and Mpumalanga provinces by South African truck drivers who are opposed to the employment of foreign nationals regardless of their legal status. Between November 2020 and June 2021, more than 50 trucks driven by foreign nationals on the main arteries between Johannesburg and Kwa-Zulu Natal were set alight by dissatisfied South African truck drivers in protest at the hiring of foreign nationals.

Significance: Businesses whose trucks are driven by undocumented foreign nationals will be financially penalised by the labour department, which will begin inspections within the next 60 days. The announcement of the policy changes is very likely to embolden South African truck drivers' associations to confront freight companies that still employ foreign nationals. They will probably block roads using burning tyres and rocks to enable them to conduct their own searches of vehicles on the national road that links Durban port in Kwa-Zulu Natal with Johannesburg, and the national road leading from Johannesburg to the border posts with Zimbabwe and Mozambique, respectively Beitbridge in Limpopo province and Lebombo in Mpumalanga province. Truck drivers who resisted the searches at these check points would likely face injury. Vehicles suspected of being driven by foreign nationals would likely be set on fire and have their cargo looted or destroyed. Security forces would be likely to respond, within three to six hours. Trucks heading to and from the Beitbridge and Lebombo border crossings would probably face delays of up to a day because of a likely need to clear roads of debris from the roadblocks. The Southern African Development Community truck drivers' association, which is a regional organisation, would likely retaliate by refusing entry of South African trucks at the border crossings into Malawi, Mozambique, and Zimbabwe, where most of the foreign drivers being targeted are from.