

RIDERS ON THE STORM: NORTH AFRICA'S PATHWAYS TO RESILIENCE

edited by **Haizam Amirah-Fernández, Intissar Fakir, Lorenzo Fruganti**



Middle
East
Institute

RIDERS ON THE STORM: NORTH AFRICA'S PATHWAYS TO RESILIENCE

EDITED BY

HAIZAM AMIRAH-FERNÁNDEZ, INTISSAR FAKIR, LORENZO FRUGANTI



Middle
East
Institute

- **Haizam Amirah-Fernández** is a Senior Analyst at the Elcano Royal Institute and Associate Professor at the Instituto de Empresa (IE).
- **Intissar Fakir** is a Senior Fellow and Director of MEI's North Africa and Sahel program.
- **Lorenzo Fruganti** is a Junior Research Fellow at the ISPI Middle East and North Africa Centre.

Riders on the Storm: North Africa's Pathways to Resilience

ISBN 979-12-5600-030-2

Edited by Haizam Amirah-Fernández, Intissar Fakir, Lorenzo Fruganti

First Edition: June 2023

The opinions expressed herein are strictly personal and do not necessarily reflect the position of ISPI, the Elcano Royal Institute, and the Middle East Institute.

Riders on the Storm: North Africa's Pathways to Resilience

TABLE OF CONTENTS

EXECUTIVE SUMMARY	5
1. The Ukraine War's Economic Impact on North Africa: Winners, Losers, and a Dangerous Lack of Long-Term Vision Riccardo Fabiani (<i>International Crisis Group</i>)	7
2. Up in the Air: A Call for Climate Collaboration in North Africa Karim Elgendy (<i>Chatham House</i>)	19
3. Jihadism in North Africa: a 'Resilient' Threat in Times of Global Crises Lorenzo Fruganti (<i>ISPI</i>)	27
4. In Tunisia, Civil Society is Back in the Trenches Emna Ben Arab (<i>University of Sfax</i>)	41
5. In North Africa, Startups and NGOs Drive Local Innovation. What Is Missing? Intissar Fakir (<i>Middle East Institute</i>)	47
6. The Maghreb: Regional Disintegration and the Risks of the Zero-Sum Logic Haizam Amirah-Fernández (<i>Elcano Royal Institute</i>)	53
7. Shifting Balances in the MENA Region: Russia and China no Longer Behind the Scenes Dalia Ghanem (<i>EUISS</i>), Valeria Talbot (<i>ISPI</i>)	65



Executive Summary

Over the last few years, the North Africa region has been witnessing political, socioeconomic, security and geopolitical shifting dynamics against the backdrop of the Covid-19 pandemic and the war in Ukraine's global reverberations. These changes are driving uncertainty but could also untap opportunities across such a critical area.

This dossier, which is a joint effort by the Italian Institute for International Political Studies (ISPI), the Elcano Royal Institute and the Middle East Institute (MEI), collects a series of analyses seeking to help unlock the nuances and details of these shifts while contextualising them in the broader geopolitical scenario. By providing a closer look at the domestic, regional and international conjunctures and exploring how these different dimensions intertwine, the authors attempt to identify not only how North African actors are shaping their responses and policies to meet current challenges but also what potential might arise amid chaos.

To what extent are North African countries' politics recalibrating in response to an uncertain economic outlook? What are the prospects for improvement in climate cooperation among the regional states? Is the Maghreb going through a temporary period of tension, or is it immersed in a cold war that could heat up? What are the main trajectories of jihadist violence in the southern shores of the Mediterranean? What role can civil society play within countries in domestic turmoil, such as Tunisia? What are the obstacles to opportunities for innovation in North Africa? And how have MENA-Russia relationships evolved over the last decade and in the aftermath of Russia's war on Ukraine? Should we expect a "new era" in China-Arab relationships?



1. The Ukraine War's Economic Impact on North Africa: Winners, Losers, and a Dangerous Lack of Long-Term Vision

by **Riccardo Fabiani**

The Ukraine war's dramatic impact on commodity prices and the global monetary tightening has reshaped the regional political and economic balance. This reshuffling has rewarded big hydrocarbon exporters, such as Algeria and Libya, and exacerbated tensions in energy-dependent Egypt, Tunisia, and Morocco. While the former have taken advantage of this windfall both economically and politically, the latter have had to turn to the International Monetary Fund (IMF) for help because of their fast-deteriorating outlook. But the politics of financial support for Cairo and Tunis has been challenging, exposing these countries' unresolved political and economic dilemmas.

While this economic reshuffling has strengthened hydrocarbon producers and further exposed energy importers' pre-existing



tensions, the long-term political and economic outlook for all these countries remains dim. Higher oil and gas revenues contributed to Algeria's assertive and proactive foreign policy and shored up a temporary lull within Libya. Meanwhile, reeling from a lost decade of stagnation and instability, and having lost their external economic rents, Egypt and Tunisia are struggling to identify a new political and economic model. But regardless of their current situation, in the long term, all of these countries will continue to grapple with the lack of a credible development vision. As local ruling elites resort to an increasingly nationalist stance to deflect socio-economic pressure, the potential repercussions of this strategy risk fuelling a cycle of stagnation and instability in the region.

Economic winners and losers in North Africa

Since the Russian invasion of Ukraine in February 2022, the worldwide rise in commodity prices provided a boon for North Africa's hydrocarbon producers, exacerbating the traditional economic divide between net energy exporters and importers in the region. Over the first six months of the conflict, Brent prices rapidly exceeded US\$100 per barrel,¹ and Dutch TTF gas prices tripled.² Algeria and Libya benefited from this windfall as European governments scrambled to find alternatives to Russia's increasingly politicised oil and gas supplies. Algiers has received a long series of official visits by European officials interested in strengthening diplomatic ties and securing additional gas

volumes over the past year.³ In January 2023, even its more unstable neighbour, Libya, landed an US\$8 billion deal with Italian oil company ENI to increase hydrocarbon supplies, despite the country's persistent divisions.⁴

The sudden jump in hydrocarbon revenues mitigated the impact of high imported food prices, despite these two countries' insufficient agricultural production. Growing export receipts and the first current account surplus since 2013 enabled Algeria's dinar to strengthen, reducing the impact of increasing commodity prices for the overall population.⁵ In addition, the authorities introduced a raft of measures to support incomes and agricultural production. In Libya, the persistent division of its institutions meant that while hydrocarbon revenues went up, shoring up the current and fiscal accounts, the dispute between the Tripoli government and the Tobruq-based parliament made it impossible to approve a budget. Despite this, the internationally-recognised executive still financed wages and subsidies by spending what was authorised in the previous budget each month.⁶

The global monetary tightening that followed the rise in inflation left the region's hydrocarbon producers unaffected, because of their low external debt levels. The US Federal Reserve gradually hiked its rate from 0.25% in March 2022 to 5% in March 2023 in an attempt to tame growing inflation.⁷ These tightening liquidity conditions had almost no impact on Algeria and Libya. The International Monetary Fund (IMF) projected Algeria's government debt to fall from 62.8% of GDP in 2021 to 52.4% in 2022, on the

back of higher budget revenues and economic growth. Additionally, the debt stock is almost entirely domestically-held, dinar-denominated, and around half of it is in the hands of the central bank, shielding Algeria from the vagaries of the international markets. While Libya's total debt levels are higher (estimated at 83% of GDP at the end of 2021), all its liabilities are held domestically and denominated in the local currency.⁸

In sharp contrast, the energy importers in the region were hit hard by the combination of the negative terms-of-trade shock and interest rate hikes. Egypt and Tunisia, which are still reeling from a decade of political instability and anaemic growth, felt the brunt of it, while Morocco benefited from a more orderly domestic context and a cautious fiscal stance.

In early 2022 Egypt's import bill exploded, due to the country's heavy reliance on purchasing fuel products and cereals from the international markets, leading to a depletion of foreign reserves. Financial investors began to doubt Cairo's ability to defend the managed exchange rate, causing them to withdraw their money and forcing the central bank to deplete even more hard currency to prop up the exchange rate. By July 2022, reserves' cover dropped to around three months of imports in July 2022, down from 6.8 months the previous year.⁹ As a result, the authorities had to raise interest rates and eventually let the exchange rate depreciate twice in 2022 and again earlier this year. The higher interest rates and currency depreciation fuelled an increase in debt servicing costs, which the IMF expects to exceed 33% of total budget expenditures in fiscal year 2022-23.

Similarly, Tunisia's current account deficit widened from 6.2% of GDP in 2021 to 9.8% in 2022 due to the rising import bill. Likewise, the fiscal deficit was expected to hit 8.8% of GDP in 2022 (from 7.7% the year before) and external debt levels were close to 90% of GDP at the end of 2022.¹⁰ While Tunisia still managed to secure around US\$900 million of external financing in 2022 from Algeria and Afreximbank, its considerable external debt repayments scheduled for 2023 and 2024 (equivalent to US\$2 billion and US\$2.6 billion, respectively) mean that the authorities are under enormous pressure to reduce these deficits and find additional foreign funding to avoid bankruptcy.¹¹

Finally, Morocco faced the same double whammy of rising commodity prices and rising interest rates, but from a more solid position. In 2022, the current account deficit worsened to a projected 4.3% of GDP, up from 2.3% the year before, due to higher food and fuel prices and the negative impact of a drought that undermined agricultural production. Yet, foreign reserves' import cover remained fairly comfortable at 5.5 months, only slightly down from 5.8 in 2021, and external debt levels were contained at around 40% of GDP, thanks to Rabat's prudent fiscal stance.¹²

The challenging politics of external financing

Faced with challenging economic conditions, the energy-poor countries turned to the IMF and Gulf countries for assistance, but the unfolding and outcome of these negotiations varied considerably. Egypt initially tried to



negotiate financial support from its Gulf Cooperation Council (GCC) partners and a loan of US\$5-7 billion with the IMF, but the complex negotiations with both interlocutors forced Cairo to accept a smaller loan from the Washington-based institution and more stringent conditions from the GCC.¹³ Tunisia was in talks with the IMF for months to no avail, due to President Kais Saied's reluctance to commit political capital to an unpopular reform package and the subsequent considerable disagreement within the international community on the best way forward. His authoritarian stance also contributed to making these talks difficult. In contrast with these experiences, Morocco capitalised on its relatively stable political and economic outlook to secure a more flexible credit arrangement.

Egypt

The agreement between the IMF and Egypt relies significantly on other international and regional partners' financial contribution to plug Cairo's external economic deficit. The government initially requested a much larger loan of US\$5-7 billion but was unable to agree with the IMF on loan conditions. In December 2022, Egypt secured a 46-month loan equivalent to US\$3 billion, to be supplemented by an additional US\$14 billion from international financial institutions and regional partners. In particular, the IMF anticipates that the GCC members will contribute US\$10 billion in public sector asset purchases and roll over US\$28 billion in deposits with Egypt's central bank.¹⁴

The IMF deal attempts to tackle some of these issues by promoting private sector activity

but is likely to meet resistance by affected interest groups in the army. Its reforms include a commitment by the authorities to slow the implementation of state-funded projects and an explicit presidential endorsement for one of the potentially most difficult measures to implement: the state divestment policy.¹⁵ The goal of this measure is to decrease the role of the government and military in the economy, enabling the private sector to take charge and attract foreign investment. Following President Abdel Fattah al-Sisi's ascent to power in 2013, the government relied on foreign financing to implement a range of infrastructure projects to boost the economy. The government gave military-owned enterprises preference to execute this plan, leading to their prominence in several sectors and a decrease in influence for crony capitalists previously associated with President Hosni Mubarak and other private businesses. Sisi now faces a delicate balancing act between managing army factions and pressure from the IMF, tempting him to water down these reforms as much as possible to avoid a potentially destabilising domestic backlash.

The Gulf's more cautious stance on external lending is likely to further limit Cairo's room for manoeuvre. Unlike previous crises, GCC states now demand public assets as guarantees for their financial aid. After 2013, Saudi Arabia and the United Arab Emirates (UAE) provided generous funding to Egypt to bolster political stability, viewing Sisi as a bulwark against the perceived Islamist threat in the region. But their stance has evolved in recent months, leading Gulf sovereign wealth funds to acquire minority

stakes in various Egyptian firms instead of providing grants or cheap loans, and resulting in tensions with Cairo over the value of some assets.¹⁶ This change has irritated Egyptian officials and added to pre-existing but concealed geopolitical tensions between Egypt and some of its Gulf partners over the delayed handover of the Red Sea islands of Tiran and Sanafir to Saudi Arabia and their allegedly soft stance *vis-à-vis* Ethiopia on the dispute over the Grand Ethiopian Renaissance Dam.¹⁷

Tunisia

The politics of IMF financing are even more complicated for Tunisia, which has not yet secured a loan. In October 2022, the international financial institution unveiled an agreement between its staff and the Tunisian authorities for a 48-month arrangement of US\$1.9 billion. The announcement provided a summary of the agreed measures, which included containing the public sector wage bill, reducing subsidy spending, reforming state-owned enterprises, and enhancing competition.¹⁸ However, in December the IMF Executive Board postponed the scheduled meeting to approve this deal, which means negotiations are ongoing.¹⁹

The IMF is worried about the Tunisian government's unwillingness to implement some of the necessary reforms, the lack of wider buy-in (particularly from the country's main trade union, the UGTT), and President Kais Saied's refusal to publicly endorse these measures.²⁰ After the October 2022 agreement, the authorities were supposed to gradually increase fuel prices and issue a law on state-owned firms, but neither

has yet materialised. The growing polarisation of Tunisian society, repression of civil society and opposition groups, and the unpredictability of the presidency exacerbated this stalemate.

While Tunisia's external partners agree on the importance of financial support, they seem to diverge over the best approach. Anxious about a possible economic collapse and its potential knock-on effects on migration flows across the Mediterranean, Italy played a proactive role in trying to facilitate a compromise between the IMF and Tunis and securing additional funding.²¹ In contrast, the US expressed concern about the country's democratic backsliding and sent messages that the only way out of the current economic deadlock is to accept the IMF-mandated reforms.²² Meanwhile, Algeria is reportedly considering a parallel financing package to shield Tunisia from the international institution's perceived "blackmailing".²³

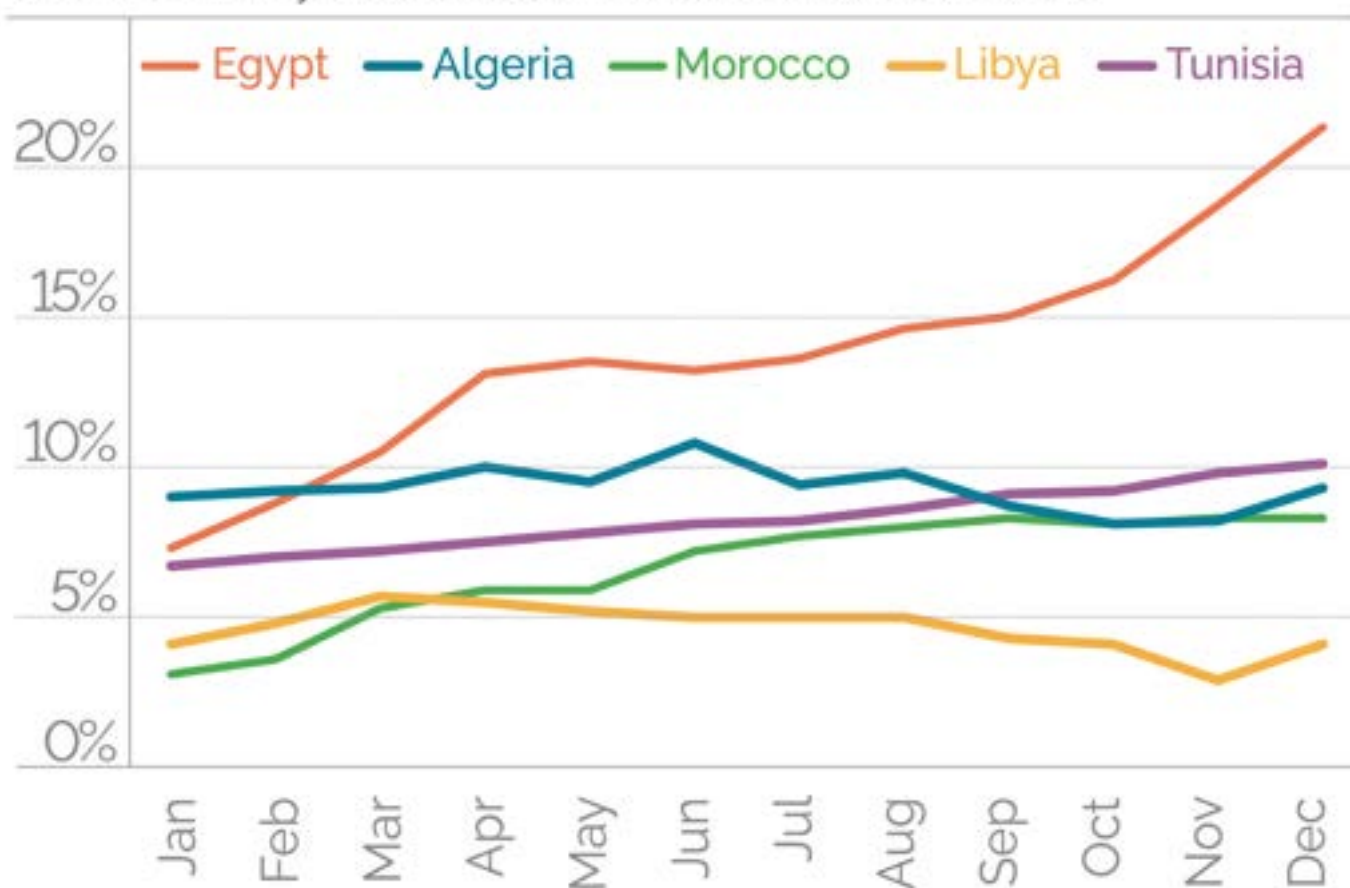
Morocco

In comparison to Egypt and Tunisia, Morocco benefits from a more stable economic outlook and a relatively uncontroversial relationship with the IMF. In March, Rabat requested a 24-month precautionary credit line equivalent to US\$5 billion.²⁴ The IMF offers this arrangement, with no strict conditionality, to countries with sound economic policy frameworks and a solid track record. Despite its credit rating remaining in "junk" territory since the downgrades that took place in 2020 and 2021, in March, Morocco successfully issued US\$2.5 billion bonds on the international financial markets.²⁵



The high cost of inflation in North Africa

Official monthly rates of North African countries in 2022



Source: Office National des Statistiques, Central Agency for Public Mobilization and Statistics, Trading Economics, Haut-Commissariat au Plan, Institut National de la Statistique

ISPI

The broader political impact of the economic reshuffling

Politically, the region-wide economic rearrangement inevitably strengthened the hydrocarbon exporters, while exposing the pre-existing vulnerabilities in the energy-poor states. Algeria took advantage of this windfall to strengthen its regional influence, while Libya bought a measure of domestic calm thanks to higher oil and gas revenues. On the other hand, Egypt and Tunisia attempted to evade the challenging dilemmas of reform posed by external constraints and their reluctant domestic constituencies.

Algeria's international standing and more assertive foreign policy benefited from the hydrocarbon windfall. Algiers' role as a key energy supplier to Europe facilitated a diplomatic rapprochement with France, closer relations with Italy and tighter cooperation with the European Union.²⁶ The surge in oil and gas revenues fuelled its resolve to regain a more central and proactive foreign policy role, as exemplified by a raft of initiatives taken by Algeria at the African Union, in the Sahel region, and on issues related to Palestine, Western Sahara, and Tunisia.²⁷ For instance, in February 2023 President Abdelmadjid Tebboune announced a new US\$1 billion fund to finance development projects in Africa, which is part of the strategy to reaffirm the country's centrality on the continent and was only made possible by the comfortable economic position the country found itself in following the economic reshuffling.²⁸

Although institutional divisions continued to undermine Libya's governance, higher

hydrocarbon revenues contributed to the country's recent calm. Between April and May 2022, tensions between West and East-based institutions over the control of oil revenues pushed East-based Field Marshall Khalifa Haftar to blockade hydrocarbon facilities, reducing total exports. This move accelerated the increase in global oil prices, prompting the US and other actors to try to mediate between the two sides. In June, pressure from the US and the UAE enabled a deal between Tripoli-based Prime Minister Abdulhamid Dbeiba and Haftar, leading to the resumption of production and smooth flow of energy exports and earnings.²⁹ The recycling of these receipts into the licit and illicit economy contributed to Libya's precarious stability. Over the past nine months, officials and militias from both sides of the conflict refrained from major military operations because they benefitted from the redistribution of this rent.³⁰ But this arrangement also strengthened the status quo at the expense of international and domestic calls to achieve institutional reunification by organising elections.

In contrast, the new economic conditions exacerbated pre-existing political and economic problems in Egypt and Tunisia, presenting dilemmas for their rulers. Both countries have lost their vital external economic rents (Egypt's "anti-Islamist rent" provided by the Gulf and Tunisia's "democratic rent" offered by Western institutions) and are still struggling to identify a suitable economic model to leave behind a lost decade of economic stagnation. The Egyptian government took contradictory steps to address the current crisis: it assigned new land to the



army despite its promise to reduce the military's economic footprint, and its commitment to the IMF agenda is unclear.³¹

In Tunisia, helped by international divergences on how to best deal with this situation, the president continued to evade committing to a deal and its stringent and politically-sensitive conditions. In doing so, he took the country to the brink of default.³² President Saied failed to offer a convincing alternative vision to a deal with the IMF, as exemplified by his now dead plan to force corrupt businesspeople to repay money gained through bribery under former President Zine El-Abidine Ben Ali's authoritarian system through investment in deprived areas, and his rhetorical attacks against "speculators" allegedly responsible for shortages and inflation.³³

Nationalism instead of long-term economic planning

Regardless of this economic rearrangement's immediate effects, North African governments continue to face daunting prospects for long-term stability and development. Despite the temporary improvement in economic conditions, the region's oil producers have not yet presented any realistic plan for the ongoing energy transition and the need for diversification. As for energy importers, while they might be able to escape politically destabilising debt defaults, they still lack any credible vision for long-term growth. As a result, in the coming years, North Africa's winners and losers will continue to face the same, unanswered question: how can the region accelerate its sluggish pace of development?

In the aftermath of a politically chaotic decade, incumbents seem to have given up on any vision for future economic growth and transformation. Still reeling from the negative consequences of the neo-liberal turn of the 1980s and 1990s (cronyism, corruption, underemployment, low investment levels, for example), these countries are experimenting various policy approaches, so far with little success. In Egypt, Sisi side-lined former President Hosni Mubarak's cronies and tasked the army with running the economy, while financing massive infrastructure projects with external loans.³⁴ In Algeria, the government jailed or silenced oligarchs associated with the previous president, but it remains unclear whether the government, the local private sector, or foreign investors will replace them as a potential growth engine.³⁵ In Tunisia, Saied lacks any credible economic plan and seems to underestimate the risks of his brinkmanship with the IMF. A new breed of warlords-turned-businessmen who are profiting from a temporary economic settlement rose in Libya and the country's reunification remains out of sight. Meanwhile, Morocco stands out only as a partial exception, as the monarchy remains committed to its modestly successful development model, despite the vulnerabilities highlighted by the wave of protests that shook the country between 2016 and 2018.³⁶

None of these countries has yet been able to chart a convincing path to political stability and economic development, despite the limited opportunities afforded by the West's willingness to move parts of its supply chains closer to home. As talk of de-globalisation spreads across

Western policy circles and the US and Europe reduce or cut their ties with some of their traditional energy (Russia) and manufacturing (China) suppliers, opportunities arise from the suggestion of “near-shoring” or “friend-shoring” some of their productive capacities – transferring parts of their supply chains to countries geographically and politically closer to home.³⁷ While this holds great promise for North Africa, the region risks missing this occasion due to its persistent political instability and lack of long-term vision.³⁸

Instead, North African governments filled this vacuum of vision with increasingly nationalist and xenophobic rhetoric. Local governments scapegoat alleged external or internal enemies, and at times even their Western partners, to deflect international pressure and distract domestic constituencies. In Egypt, Sisi used the threat from Islamist groups as an excuse to militarise the country's political and economic life and extract a generous financial rent from the Gulf.³⁹ President Saied repeatedly blamed Islamists, the business class, Sub-Saharan Africans and Westerners for Tunisia's political and economic failures.⁴⁰ Finally, Algeria and Morocco are locked in a diplomatic escalation and military arms race as their respective leaderships trade accusations of plotting to undermine each other's national security and territorial integrity.⁴¹

This exclusionary nationalist trend risks amplifying a feedback loop of economic stagnation, regional tensions, and instability, with potential repercussions for Western security interests. After a lost decade of political

and economic volatility, the hardening rhetoric and targeting of minorities and alleged external enemies threaten to undo the limited progress achieved so far, exacerbating problems of polarisation and migration. In this context, the US and Europe's short-term pursuit of their energy security and complacent support for the institutional economic adjustment mechanisms enforced by the IMF are insufficient to buttress growth and stability in the long run. It is therefore in their interests to prod local elites into breaking out of their zero-sum mentality and offer a more ambitious long-term development vision to this region.



1. S. Meredith, J. Tan, and N. Abigail, "Oil Surges above \$100 for the First Time since 2014, before Paring Gains", *CNBC*, 24 February 2022.
2. J. Liboreiro, "Energy Crisis: How a Dutch Market Sets Europe's Gas Prices", *Euronews*, 30 August 2022.
3. "French Prime Minister Elisabeth Borne Leads Delegation to Algeria", *France 24*, 9 October 2022; "Beyond Energy. Italy and Algeria Seek a Strategic Dialogue", *Decode39*, 26 May 2022.
4. G. Jones, "Italy's Eni Signs \$8 Billion Libya Gas Deal as PM Meloni Visits Tripoli", *Reuters*, 29 January 2023.
5. International Monetary Fund, "Algeria: 2022 Article IV Consultation-Press Release; and Staff Report", 2 February 2023.
6. T. Eaton, "A Deal on State Spending Can Kickstart Libya's Political Process", Chatham House, 18 May 2022.
7. US Bank, "Federal Reserve recalibrates monetary policy to fight inflation", 23 March 2022.
8. European Commission, "Libya Economic Monitor - Summer 2022", *Knowledge for Policy*, 2 September 2022.
9. International Monetary Fund, "Arab Republic of Egypt: Request for Extended Arrangement Under the Extended Fund Facility-Press Release; and Staff Report", 10 January 2023.
10. BNP Paribas, "Growing concerns", 9 October 2022.
11. Fitch Ratings, "Tunisia Continues to Face Substantial Financing Risks", 3 March 2023.
12. International Monetary Fund, "Morocco: 2022 Article IV Consultation-Press Release and Staff Report", 24 January 2023.
13. G. Essam El-Din, "Egypt, IMF in 'serious' negotiations over \$5-7 billion loan: Head of parliament's Budget Committee", *Ahram Online*, 1 August 2022.
14. International Monetary Fund, "IMF Executive Board Approves 46-month US\$3 billion Extended Arrangement for Egypt", 16 December 2022.
15. International Monetary Fund, "Arab Republic of Egypt....", cit.
16. "Saudi shift away from unconditional aid sends message to Egypt, Jordan", *The Arab Weekly*, 19 January 2023.
17. A. Sorour, "Egypt Fears Tension with Gulf Could Stop 'Generosity' and Increase Economic Woes", *The Africa Report*, 22 February 2023.
18. International Monetary Fund, "IMF Staff Reaches Staff-Level Agreement on an Extended Fund Facility with Tunisia", 15 October 2022.
19. "IMF postpones its board meeting on Tunisia loan program -government official", *Reuters*, 14 December 2022.
20. A. Mcdowall, "Analysis: Fate of Tunisia's stalled IMF loan lies in hands of unwilling president", *Reuters*, 9 March 2023.
21. C. Balmer, "Italy pushing IMF to help Tunisia and avoid instability, minister says", *Reuters*, 19 March 2023.
22. A. Mcdowall, "US says Tunisia president weakened checks and balances", *Reuters*, 23 March 2023.
23. M. Goumiri, "Point de vue / Initiative financière algérienne pour venir en aide à la Tunisie", *El Watan-dz.com*, 27 March 2023.
24. International Monetary Fund, "Executive Board Receives Request for Flexible Credit Line Arrangement with Morocco", 6 March 2023.
25. M. Jones, "Morocco's credit rating cut to junk by Fitch", *Reuters*, 23 October 2020; J. Silver, "Morocco Cut to Junk by S&P", *Bloomberg*, 2 April 2021; K. Filali, "Le Maroc réussit une levée de 2,5 MM\$ sur le marché international", *Le Desk*, 2 March 2023.
26. A. Chikhaoui, "Pour un repositionnement stratégique de l'Algérie", *L'Expressiondz.com*, 7 May 2022.
27. N. Beau, "Le président Tebboune livre sa vision du rôle de l'Algérie", *Mondafrique*, 23 March 2023.
28. Y. Rizk, "Un milliard de dollars d'investissement

- promis par Alger en Afrique, et après?", *Jeune Afrique*, 22 February 2023.
29. C. Stephen, "Libyan PM makes alliance with ex-enemy to cement ceasefire", *The Guardian*, 18 July 2022.
 30. W. Lacher, "Libya's New Order", *Sidecar*, 26 January 2023.
 31. S. al-Hakim, "Egypt: Land allocation to military contradicts IMF terms, critics say", *The Africa Report*, 6 February 2023.
 32. Fitch Ratings, "Tunisia Continues to Face Substantial Financing Risks", 3 March 2023.
 33. H. Saleh, "Tunisian president vows to crack down on corruption", *Financial Times*, 29 July 2021; "Tunisia's Saied declares 'war' on food profiteering", *France 24*, 9 March 2022.
 34. Y. Sayigh, "The Implications of Egypt's Military Economy", Carnegie Middle East Center, 26 October 2020.
 35. R. Hamdi, "Corruption et passe-droits : en Algérie, les procès révèlent les dessous de l'ère Bouteflika", *Libération*, 25 January 2023.
 36. R. Fabiani, "Repression or Development? Morocco after the Hirak", *Jadaliyya*, 3 July 2019.
 37. A. Tooze, "Three ways to read the 'deglobalisation' debate", *Financial Times*, 30 January 2023; E. Soler i Lecha and M. Valls, "Spain and the Maghreb: neighbourhood, nearshoring and the post-pandemic", CIDOB, July 2021.
 38. Fitch Solutions, "North Africa To Benefit From Automakers' Post Covid-19 Restructuring", 23 April 2020.
 39. M. Ottoway, "Egypt and the Allure of Military Power", Wilson Center, 21 June 2022.
 40. J. Holleis and T. Guizani, "Tunisia: Presidential scapegoating stokes fear and support", *Deutsche Well*, 3 January 2023.
 41. B. Delmas, "L'escalade du conflit entre l'Algérie et le Maroc", *Le Point*, 1 January 2023.



2. Up in the Air: A Call for Climate Collaboration in North Africa

by **Karim Elgendy**

The Mediterranean basin, with its unique geography, is poised to become one of the most affected regions by climate change this century. Within this region, North Africa is facing disproportionate risks, not only compared to its share of global population and GDP but also relative to its contribution to historic greenhouse gas emissions. The region only represents 2.6% of the global population, and 0.8% of global GDP and is responsible for 1.7% of global carbon emissions.¹

The physical impacts of climate change alone are sufficiently alarming. Average and seasonal surface temperatures have already increased at twice the global rate over most areas in North Africa;² and the trend is likely to continue, with average annual surface temperatures projected to increase even faster than the global average under most warming scenarios. The most

significant temperature increases are expected to occur in areas nearer to the Mediterranean coast and in inland Algeria.³

Against this backdrop, hot days and tropical nights have already become more frequent, and heat waves are expected to become more intense and more frequent even under a 1.5°C of global warming scenario. Marine heat waves off the coasts of North Africa have also doubled in frequency between 1982 and 2016. Children born in North Africa in 2020 will be exposed to four to six times more heat waves during their lifetimes than those born sixty years before.

Changes expected to rainfall changes are more variable but arguably more significant. Average annual rainfall has decreased over most of North Africa since 1960. While in western North Africa, average annual rainfall has recovered or become wetter since 2000 with increases in heavy rainfall and flooding, eastern North Africa has seen a drop in rain days of over 10mm per day and an increase in the number of consecutive dry days.

Looking ahead, North Africa is expected to become arider, and rainfall is likely to become more variable. Average annual rainfall is projected to decrease under global warming scenarios of 2°C and higher. The Atlas Mountains could receive up to 40% less rain and snow under the worst-case climate change scenario.⁴ Egypt is expected to experience 13% reduction in rainfall under the same scenario, and Morocco, Algeria, and Tunisia are expected to become drought hotspots by the end of the century.⁵

Additionally, sea level rise and storm surge present serious risks to North African coasts,

especially to the low-lying Nile Delta, 18% of which is already below the mean sea level. In 2010, 2011 and 2015, the Nile Delta coast experienced storm surges of 1.2 metres, almost three times as high as the average. These storm surges caused flooding to the Delta's lowlands, damaged some coastal structures, and led to seawater intrusion that affected potable groundwater sources. In Egypt, more than 16% of the population lives below 5 metres above sea level, and 30% of the Delta's fertile agricultural land is at risk from inundation and seawater intrusion.⁶ In the absence of any adaptation, Egypt is one of the countries projected to be most affected by future sea level rise – under a 4°C global warming scenario – in terms of the number of people threatened by flooding.

Cascading impacts on key economic sectors

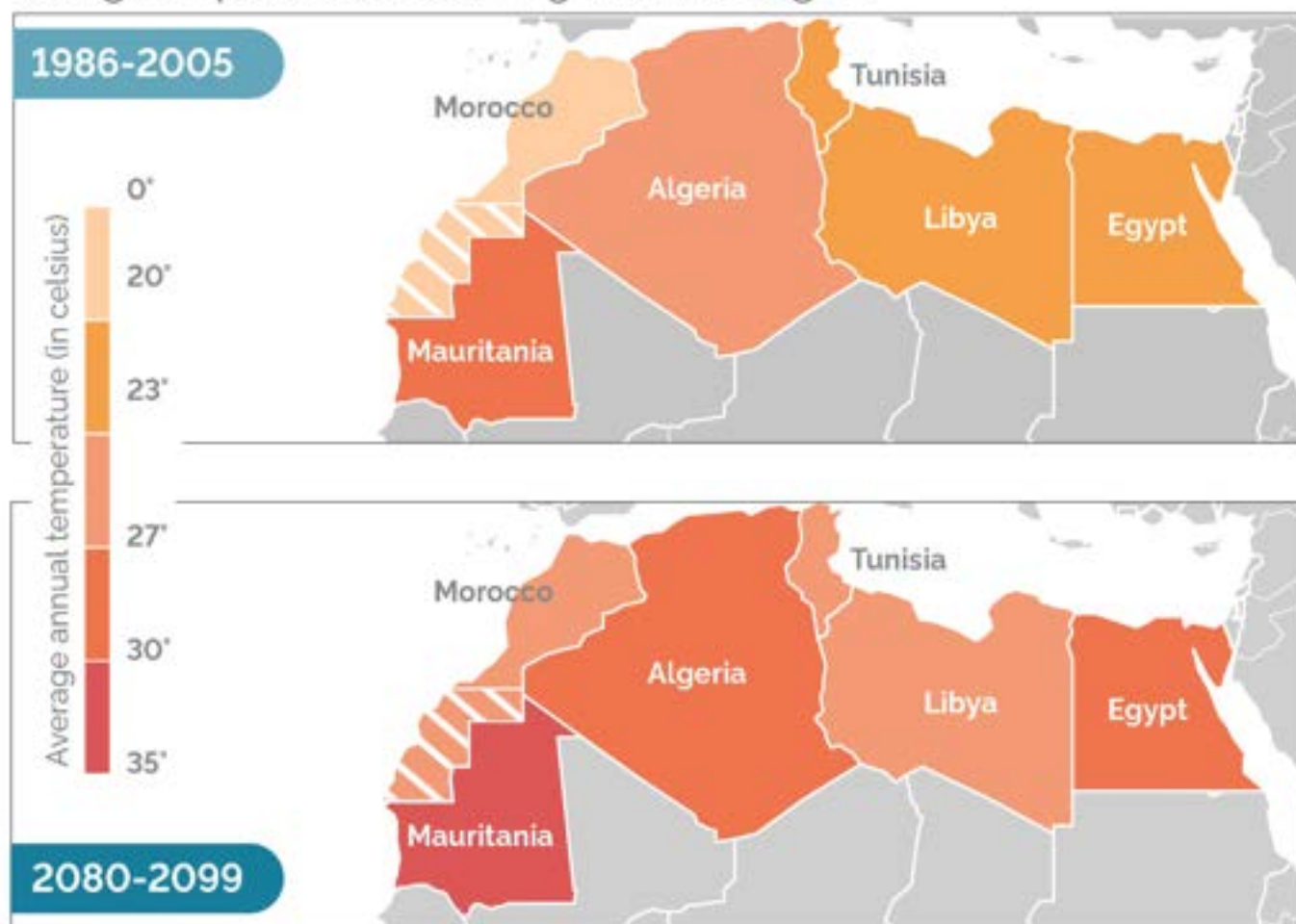
In addition to the primary slow-onset impacts of climate change on the region, secondary impacts on economic sectors such as agriculture and tourism pose a more urgent risk. Climate change is already reducing crop productivity in North Africa. It has slowed agricultural productivity growth in Africa by 34% since the 1960s, the highest impact of any world region.

Reduced rainfall and decreased availability of ground water to bridge drought years (as a result of declining rainfall and groundwater depletion due to overuse and mismanagement), together with increased temperatures and shifts in the growing season are expected to diminish agricultural productivity. In addition, the combination of high temperatures and high



North Africa: the heat feels relentless

Rising temperatures looming over the region



Source: World Bank

ISPI

relative humidity can be especially dangerous for livestock and has already decreased dairy production in Tunisia.

According to research focusing on the wider Middle East and North Africa (MENA) region, a 1% increase in temperature during winter would result in a 1.12% decrease in agricultural production.⁷ Coupled with the increasing demand for water and food due to population growth across North Africa, such a reduction in productivity is expected to impact food security adversely. As the region comes to be more dependent on food imports, it will become increasingly at the mercy of global shortages, price shocks, and increasing disruptions.

With the regional economy and livelihoods highly dependent on agriculture, economic development and employment become more at risk. Agriculture is a key sector across North Africa, employing almost 33% and 21% of Morocco and Egypt's populations, respectively, as well as 16%, 14% and 10% of Libya, Tunisia, and Algeria's populations, respectively. In addition, the share of agriculture in the national (GDP) of the region (with the exception of Libya) ranges between 10% and 13%.⁸

The region's tourism sector is also expected to be negatively impacted by climate change. Both hotter summer conditions and reduced water availability could reduce tourism flows to its coastal destinations. In Egypt, damage to tourism due to coral bleaching alone might result in a loss of US\$6.4 billion in income annually by 2060.⁹

Besides, job losses in agriculture and tourism will likely lead to urban migration in search of city jobs. North Africa is already Africa's most urbanised region, with 56% of the region's population currently living in urban areas.¹⁰ A surge in urban migration could cause higher urban unemployment as new migrants lack the skills required for urban jobs. Increased urban populations could also result in higher demand for municipal services that outstrips municipal capacity, potentially resulting in mounting social tensions.

Climate impact intersections

Like the rest of the African continent, climate change impacts in North Africa intersect with non-climate factors such as difficult socioeconomic conditions, political instability, resource competition, livelihood changes, and vulnerabilities among different social groups. The negative effects of climate change within these intersections can act as a threat multiplier. Its uneven consequences might align with existing rifts between communities, exacerbating grievances and socioeconomic tensions and fuelling political discontent and unrest. Such tensions, coupled with the deterioration of living conditions, could also provide recruitment opportunities for terrorist organisations.

Hence, these secondary climate change impacts correlate with conflict, instability and violence. Growing evidence links rising temperatures and drought to conflict risk in Africa. Increased livestock mortality and livestock price shocks in Africa were potential



factors in localised conflicts between pastoralists and farmers. However, no direct causal link has been established between climate change and violent conflicts. Additional factors (such as a political ideology) are indeed needed for armed violence to erupt. Despite ongoing water scarcity in the MENA region, the incidents associated with resource competition spilling over into conflict were limited. In fact, the historical record shows that the water-scarce MENA region has experienced more instances of water cooperation than water conflict.¹¹

These intersectional risks are most visible in cities where residents – especially those living in coastal or low-lying areas or in informal housing – are exposed to multiple climate hazards (such as floods, extreme heat and sea level rise) while also experiencing poverty, insecure jobs, and unsafe housing.

Regional response

Given the risks above, the region's limited historical emissions, and its low carbon emissions per capita, much of climate action in North Africa has focused more on climate change adaptation (e.g. Morocco's water conservation projects funded by the Green Climate Fund) and less on climate change mitigation – unless an economic co-benefit could be achieved. Yet owing to their lack of technical and financial abilities to adjust to changing environmental and economic conditions, North Africa's countries have a limited adaptive capacity to address and adjust to these primary and secondary impacts.

This adaptive capacity varies between the regional countries depending on governance

models, business environments, and the equitability of resource distribution. In 2020, for example, Tunisia was deemed to be more equipped to adapt than Morocco, owing to its better functioning government, less corruption and a more equitable distribution of resources. Morocco in turn had a higher adaptive capacity than Algeria. Tunisia may as a result have a sounder business environment to deal with water stress for example and to build the necessary water conservation infrastructure. It may also have a more effective government with better planning, implementation and monitoring of water sharing and conservation scheme.¹² However, North African countries often found themselves looking to the northern shores of the Mediterranean in search of financial and technical support. North African countries and cities continue to seek technical and financial assistance from EU programs aimed at Europe's southern neighbourhood, such as ClimaMed, Clima South, MeetMED, Climate 4 Cities, CES MED, and SUDEP (Sustainable Urban Demonstration Projects) South. Morocco is by far the most successful actor across the MENA region in obtaining financial and technical support. According to the most recent estimates, it received 54% of all approved multilateral climate finance in the region, followed by Egypt, which received 27%.¹³

The orientation of the region towards Europe is expected to increase in response to the Carbon Border Adjustment Mechanism (CBAM), a requirement by the EU's "Fit for 55" legislative package that imposes carbon tariffs on certain business sectors seeking to export into the EU. Egypt is currently one of the top20 exporters

whose goods are likely to be affected by the CBAM.¹⁴

National climate action

Energy transition towards renewable energy is one of those mitigation actions that provide economic co-benefits for the region, yet the adoption of renewable energy remains below its potential. In the decade to 2020, renewable electricity generation grew by just over 40%, led by an expansion in solar photovoltaic, wind, and solar thermal systems.¹⁵

The national performance in terms of commitments to mitigating climate change and energy transition varies widely between the five North African countries, with Morocco leading the way. It has committed to reducing its emissions by 45% (compared to a business-as-usual scenario) by 2030, a commitment that has been assessed as “almost sufficient” to meet the goals of the Paris Agreement. Morocco also is reasonably on track to meet its goal to source 52% of its electricity from renewable energy by the same year, with renewable energy accounting for 37% of its electricity in 2021.¹⁶ This goal is partly driven by the country’s need to improve its energy security and reduce its dependence on imported energy sources. Moreover, Morocco has made a number of export-oriented mitigation efforts including an ambitious renewable energy project that will provide electricity to the United Kingdom and a large scale, cost-effective Green Hydrogen production system.¹⁷

Similarly, Egypt is also making some efforts to mitigate its carbon emissions, including

investing in solar and wind power generation and exporting green hydrogen. Although it missed its target to source 20% of its electricity from renewable energy last year, it has set a more ambitious goal of sourcing 42% of its electricity from renewables by 2035. The country’s ambition to become a regional energy hub is driving its investments, which also include exporting natural gas.

Poor climate cooperation

The common climate and socio-economic challenges in North Africa lend themselves to climate collaboration between the regional countries. Sharing experiences and pooling resources could reduce the adaptation effort required at the national level. Yet the region has very limited economic integration. Political turmoil, the civil war in Libya, and longstanding tensions between Morocco and Algeria have also further impeded the prospect of any such collaboration. The only frameworks available for climate collaboration in the region extend beyond its geographic scope. These include forums established by the Union for the Mediterranean (UfM), the 5+5 Dialogue, and the United Nations Economic and Social Commission for Western Asia (ESCWA).

Even the advent of climate negotiations in North Africa again during COP27 in Egypt has not managed to stimulate climate collaboration. Like its predecessor in Marrakech back in 2016, COP27 was not presented as an opportunity for North Africa but rather as a platform to give voice to the continent and the wider global south in climate negotiations.



The way forward

North Africa's long-term prospects and stability will depend on how this area will deal with the challenges of climate change. The extent to which the regional impacts of climate change cascade and intersect with current vulnerabilities and risks makes it less like a future challenge that should give way to other pressing issues. Instead, climate change adds another layer of socio-economic complexities that influence the region today and will continue to do so in the coming years.

The earlier the region recognises this and prioritises mitigation and adaptation climate action, the more likely it could avoid climate change's worst impacts. The sooner North African countries acknowledge that they cannot fight this battle alone, the sooner they will set their differences aside and collaborate for a better future for their people.

1. World Bank Open Data, "CO2 emissions (metric tons per capita), Total Population, and GDP (current US\$)".
2. Unless otherwise indicated, the data reported in this article (such as average temperatures, heat waves, rainy and drought days, etc.), are extracted from the following report: H.O. Pörtner et al. (eds.), *Climate Change 2022: Impacts, Adaptation, and Vulnerability. Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change*, Cambridge, United Kingdom and New York, Cambridge University Press, 2022.
3. S. Desmidt, "Climate change and security in North Africa", *Cascades*, 8 February 2021.
4. J.M. Gutiérrez et al., "Atlas", In V. Masson-Delmotte et al. (eds.), *Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change*, Cambridge, United Kingdom and New York, Cambridge University Press, pp. 1927–2058.
5. Desmidt (2021).
6. World Bank Open Data, "Population living in areas where elevation is below 5 meters (% of total population) - Egypt, Arab Rep.".
7. M. Alboghdady and S. El-Hendawy, "Economic impacts of climate change and variability on agricultural production in the Middle East and North Africa region", *International Journal of Climate Change Strategies and Management*. vol. 8, no. 3, 2016, pp. 463–72.
8. World Bank Open Data, "Agriculture, forestry, and fishing, value added (% of GDP)", using data from World Bank national accounts, and OECD National Accounts.
9. Stratus Consulting, "Potential Impacts of Climate Change on the Egyptian Economy", 2012.
10. World Bank Open Data, "Urban Population (% of Total Population)", using data from the United Nations.

Department of Economic and Social Affairs (DESA), Population Division, "World Urbanization Prospects: 2018 Revision".

11. World Bank, "Ebb and Flow, Volume 2: Water in the Shadow of Conflict in the Middle East and North Africa", 2021.
12. Desmidt (2021).
13. Heinrich Böll Stiftung and Overseas Development Institute, "Climate Finance Regional Briefing: Middle East and North Africa", February 2019.
14. C. Kardish, M. Mäder, M. Hellmich, and M. Hall, "Which countries are most exposed to the EU's proposed carbon tariffs?" Chatham House, 20 August 2021.
15. International Energy Agency (IEA), "Clean Energy Transitions in North Africa", *Country Report*, October 2020.
16. L. Foroudi, "Clean energy dividend evades Moroccan citizens", *Financial Times*, 12 October 2021.
17. International Renewable Energy Agency (IREA), "Geopolitics of the Energy Transformation - The Hydrogen Factor", 2022.



3. Jihadism in North Africa: A 'Resilient' Threat in Times of Global Crises

by **Lorenzo Fruganti**

The Covid-19 pandemic and the war in Ukraine have acted as catalysts for pre-existing geopolitical dynamics, shifting the focus away from the *War on Terrorism* paradigm that shaped much of the international community's political and economic engagement with the Middle East and North Africa region (MENA) in the aftermath of 9/11 towards an era of multipolarity and great power competition.¹ Over the last few years, consecutive counterterrorism operations, the enforcement of strict national anti-terrorism legislations, and the implementation of successful deradicalisation and rehabilitation programmes have largely abated the threat posed by jihadist groups in MENA countries, particularly in North Africa. Among other things, the findings of the Global Terrorism Index 2023 seem to confirm this trend. While the Sahel has progressively emerged as the new epicentre

of jihadi terrorism over the last decade, with deaths in this area accounting for 43% of the global total in 2022 (a 7% increase compared to 2021),² fatalities from terrorism in the MENA have fallen by 42% in the last three years and by 32% in 2022.³ Although the impact of terrorism varies considerably within the MENA, North Africa – in particular – records a steady decline in extremist violence. The number of violent attacks associated with militant Islamist activity in this region is now down to pre-Islamic State (IS) levels. The 276 casualties linked to jihadist terrorism in North Africa in 2022 represent a 14-fold decrease from the 4,000 deaths that occurred in the area in 2015, when IS was at its height.⁴ Against this backdrop, Morocco stands as the safest country in North Africa (83rd position in the Global Terrorism Index rank), having not recorded a terrorist attack in the last five years. Conversely, Egypt is among the 20 states worldwide most affected by terrorism (16th position), which is no surprise given that nearly all the reported militant Islamist activity in North Africa over 2022 took place in the country (about 90%). In between Egypt and Morocco rank Libya, Algeria and Tunisia (32nd, 37th and 40th positions, respectively) with a medium-to-low impact of terrorism.⁵

The main trajectories of jihadist violence in North Africa

In Egypt, a major security crackdown coupled with the government's public investments and infrastructure policies in the Sinai Peninsula has, over the last few years, diminished the presence of the local branch of the Islamic State, also known as *Wilayat Sinai* or *Ansar Bayt al-Maqdis*

(ABM).⁶ However, according to the United Nations, the group – which is composed of around a thousand fighters – has remained active and resilient throughout 2022, its main targets being native communities and Egyptian security forces.⁷ The latest violent clashes between the Egyptian army and ABM in 2022 occurred in areas near the Suez Canal, testifying to the effort that the organisation is making to expand its activities in Egypt beyond north-east Sinai towards new strategic regions.⁸ Since 2013, more than 3,000 people have been killed and more than 12,000 wounded in terrorist attacks in the Sinai Peninsula.⁹

In Libya, jihadist groups have continued to face several challenges following successive strikes against their positions, especially in the southernmost region of Fezzan, where the Islamic State and Al-Qaeda (reportedly present there with a hundred and three hundred members, respectively) are still active, albeit dramatically downsized compared to the past decade. Playing on the political and economic predicament in southern Libya, IS has kept cooperating with tribal elements involved in smuggling and illicit trade; this cooperation is a vital component of the group's financing and creates the conditions for new recruitment processes.¹⁰ On the other hand, the local branch of Al-Qaeda (which has its main terrorist structures in the cities of Awbari and Sabha),¹¹ depends mostly on a strategy of intermarriage and merging with local tribes to maintain legitimacy in southern Libya. According to a recent report by Europol, the organisation has become a logistic hub for Al-Qaeda affiliates in Mali.¹² The deployment of Syrian mercenaries¹³



– often with radicalised profiles – by Russia (through the Wagner Group) and Turkey in Libya might pose additional security risks to the country.

Despite having not recorded any Islamist-inspired attack since 2018, Morocco remains vigilant over the offline and online threat of violent extremism. In recent years, the state's security services have regularly thwarted IS terrorist plots relying on explosives, firearms or knives while also dismantling jihadist cells that operate in cyberspace.¹⁴ Meanwhile, the country has implemented rather successful de-radicalisation and reintegration programmes, such as "Moussalaha" ("Reconciliation"), which since 2017 has benefited hundreds of jihadists, both those arrested in Morocco and foreign terrorist fighters (FTFs) returnees.¹⁵

Jihadist organisations linked to Al-Qaeda remain extremely constrained in Algeria owing to both tight security mechanisms¹⁶ and reconciliation policies that allow jihadists who surrender to security services and provide them with information to receive amnesty and economic assistance. It is noteworthy that only a limited number of former jihadists who participated in these programmes in Morocco and Algeria have relapsed into violence.¹⁷

Although it has seen an overall decline in jihadist attacks and arrests over the last five years,¹⁸ Tunisia continues to face a number of challenges related to violent extremism. Foiled plots in the country¹⁹ demonstrate the still effective organisational and operational capability of jihadist groups such as *Katibat Uqba Bin Nafi* (KUIN) and *Jund Al-Khilafa* (JAK),

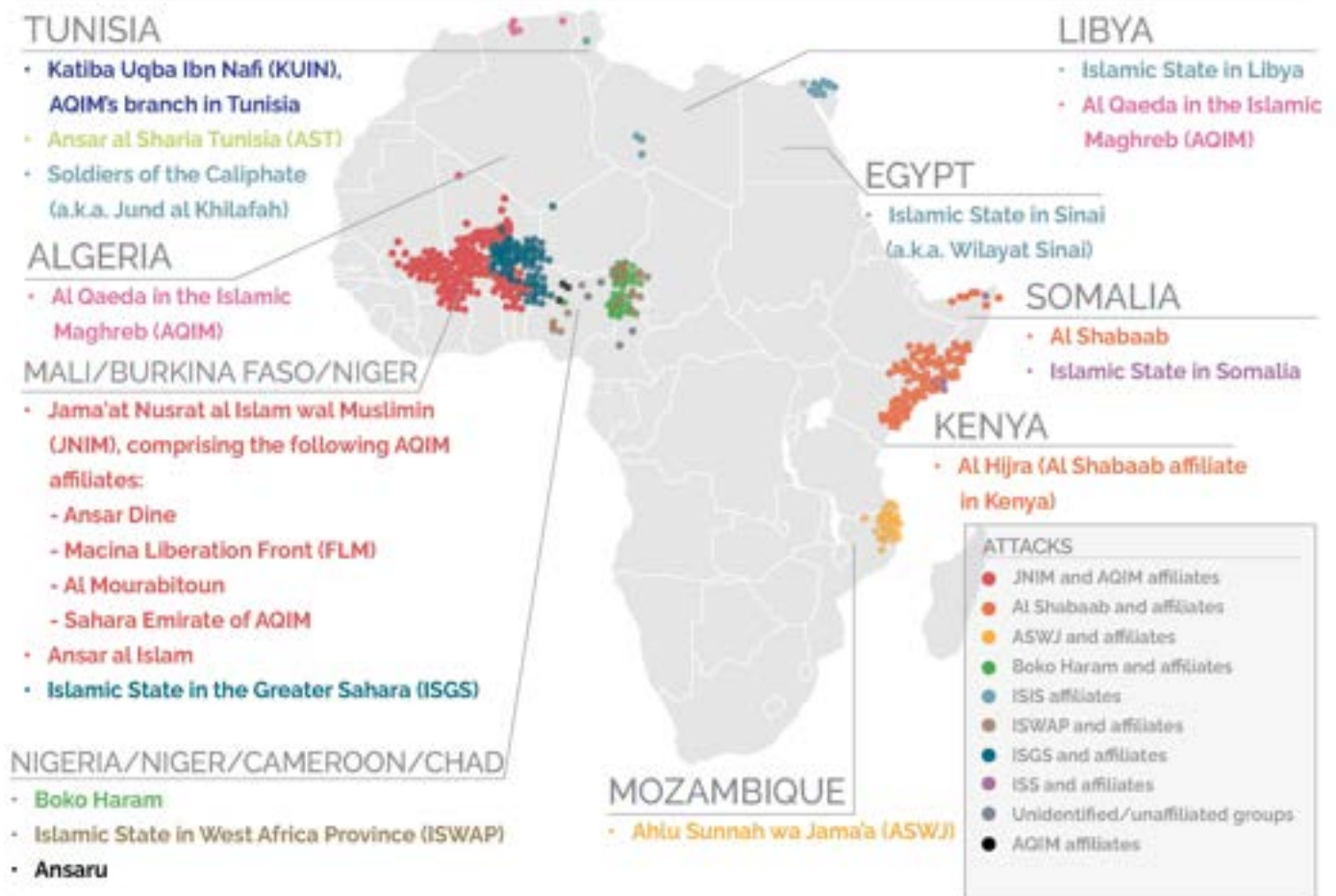
which – however weakened – are active in the mountainous zones along the Tunisian-Algerian border.²⁰ The risk of attacks perpetrated by so-called "lonewolves" scattered across the national territory is also marring the national security landscape.²¹ Furthermore, unlike Morocco and Algeria, in Tunisia there seems to be still room for implementing more effective disengagement and de-radicalisation programmes. As it stands, Tunisian FTFs returnees are jailed or remain under strong surveillance by security services, as some de-radicalisation policies, such as "Tawasul" ("Connection") have not received support (and hence the funding needed to operate) from the general public, which opposes the return of FTFs from Syria, Iraq and Libya.²² Overcrowded Tunisian prisons, ruled by strict repressive measures (including torture),²³ may entail additional risks for national security, continuing to serve as hotbeds of new radicalisations pathways or even worse, a new generation of jihadist fighters.

Increasing pressures from the Sahelo-Saharan region

The Sahelo-Saharan space has traditionally been shaped by deep political, socioeconomic and security connections binding Maghreb states to Sahelian actors. Largely permeated by terrorist groups that have proved quick to capitalise on local issues (including ethnic tensions, climate-related challenges, and lack of public services) to attract recruits, the Sahelo-Saharan strip has not only become a hotbed of jihadist activities in recent years, but it is also poised to turn into an export hub of the terrorist threat towards peripheral areas. While the

Militant islamist groups in Africa

Jihadist organisations active in 2022



Group listings are intended for informational purposes only and should not be considered official designations. Due to the fluid nature of many groups, the listed affiliations may change.

Sources: Elaborated by ISPI

ISPI



Sahel instability has already produced spill-over effects on West Africa and the coastal countries of the Gulf of Guinea,²⁴ where the existence and expansion of violent extremist organisations affiliated especially with the Al-Qaeda-affiliated Group for the Support of Islam and Muslims (*Jama'at Nusrat al-Islam wa al-Muslimeen*, JNIM) are widely demonstrated,²⁵ a similar scenario could also affect North Africa, reversing the significant achievements in terms of prevention, counterterrorism and de-radicalisation made by some regional states over the last few years. The range of military and intelligence cooperation initiatives (not involving Western actors) that were undertaken between Sahelian and North African countries to deal with the mounting jihadist threat in the former signal the intertwined security concerns both regions face. However, leadership rivalries and differences in strategic interests have hampered such efforts, and collaborative partnerships to address this transnational challenge remain fragmented.²⁶

The strategic shifts (and uncertain implications for the Sahel-Maghreb area) in the Sahel's Western counterterrorism architecture following the relocation of US and European forces,²⁷ and the increased activity of Russian Wagner mercenaries in Sub-Saharan Africa, notably in Mali since late 2021,²⁸ raise additional fears of a jihadist contagion spreading across North Africa. Besides, geopolitical rivalries between France and Russia could undermine efforts to tackle the terrorism crisis in the Sahel, with counterterrorism cooperation between neighbouring states now being hostage to divisions between those states seemingly supported by Russia (Mali and Burkina Faso above all) or France (Niger).²⁹

The potential spillover into Libya and Tunisia

Against this backdrop, the enduring security vacuum in Libya is undoubtedly one of the main sources of instability associated with the potential spillover effects of jihadism from the Sahel region. The state's weakness, particularly in the Fezzan region, could enable both IS and Al-Qaeda to gain strength by taking advantage of transfers of fighters not only from the Levant and Eastern Africa (Eritrea above all) but also from the Sahel through the country's porous southwestern border.³⁰ The current conflict in Sudan risks fuelling further instability in Libya and across the entire Sahel. According to observers, especially worrying is the impact of the war in Sudan on the proliferation of weapons, which could potentially strengthen the various armed groups and militias already operating in a region plagued by continuous instability and *coups d'état*, with severe repercussions on jihadist violence in Libya as well.³¹

The insecurity and jihadist violence plaguing the Sahel might also reverberate in Tunisia, due to the presence and activity of Tunisian terrorist fighters in the Sahelo-Saharan space and southern Libya. According to some experts, around 100 Tunisians are fighting in the Sahel today,³² in addition to almost 600 fighters who are still part of jihadist militias in Libya, especially in the Fezzan.³³ Tunisians' presence in the Sahel is also likely to strengthen Tunisian-Malian jihadist bonds, which have existed for over a decade.³⁴ As long as Tunisia's nationals fill the ranks of jihadist groups in Libya and south of the Saharan desert, these connections (manifesting themselves in new supply routes and funding

sources) could be reactivated and lay the groundwork for new attacks in their country of origin and in other North African states. Although nothing seems to indicate that this is the case for the time being, the issue deserves close attention, given the persistent crises in Libya and the Sahel. Besides, Tunisia's participation in multilateral training and capacity-building initiatives (such as NATO's Operation Sea Guardian)³⁵ and joint military exercises (such as African Lion 22 and Africa Lion 23)³⁶ with a focus on counterterrorism underscores the country's rising concerns for the future stability of the Sahel region and the southern shore of the Mediterranean.

Algeria's quest for a pivotal role in the Sahel-Maghreb

After the fall of the Qaddafi regime and the deterioration of the political and security situation in Libya, Algeria has emerged as one of the key guarantors of peace in the Sahel-Maghreb area, striving to bring stability to neighbouring Libya, Tunisia and Mali, and to securitise the Sahel region notably by means of joint military and security coordination.³⁷ Overall, Algeria's action has delivered mixed results. Many questions persist today about whether the country can play a pivotal role in the Maghreb-Sahel area. The volatile security situation and the ever-changing geopolitical context characterising the Sahel region may compromise Algeria's endeavours. In addition to this, another important aspect should be considered. Challenging Algeria's historical influence in the Sahel, Morocco has, over the last decade, consolidated its presence there by adopting a *soft power* alternative strategy

to the predominantly "hard" counterterrorism approach promoted by Algeria. The competition between these two countries contributes to averting the restructuring of a regional security framework to grapple with terrorism-related threats in the Sahel-Maghreb region.

Throughout the past fifteen years, regional instability and the presence of terrorist groups on Algeria's borders have threatened the country's security. For Algeria, which shares a 1,300 Km border and a common heritage of social and ethnic relations with Mali, the securitisation and stabilisation of the Sahel-Maghreb area have long been a matter of national interest.³⁸ The state authorities have opted for a mix of diplomatic and military strategies to tackle terrorism and criminal networks.³⁹ This process started with the signature of the 2009 "Tamanrasset plan" agreed to by the so-called *pays du champ* (Algeria, Niger, Mali and Mauritania), which led to the creation, in 2010, of a joint military operations centre known as *Comité opérationnel conjoint des chefs d'état-major* (CEMOC) based in Tamanrasset, and a joint intelligence unit – *Unité de Fusion et de Liaison* (UFL) located in Algiers.⁴⁰ Such an initiative marked the first attempt to build a regional security architecture with an operational dimension in the Sahel. The *pays du champ* doctrine, as conceived by the Algerian authorities, consists of developing the capacities of the countries concerned to manage the security challenges in the region without relying on external actors; as a result, any cooperation initiative provided by the US or the EU should be limited to specific activities, basically training, logistical support and intelligence.⁴¹ If, on one side, cooperation between CEMOC member



countries in analysing security threats and sharing border management responsibilities set a praiseworthy model, the initiative has not yielded tangible results thus far, the main obstacles being the lack of mutual trust among participants and the inability to pool military forces.⁴²

The discontent with both the CEMOC and the UFL and the hesitation of Algeria (rooted in its traditional doctrine of non-intervention) to respond to Mali's request for direct military involvement in 2012⁴³ led five of its Sahelian neighbours (Mauritania, Niger, Mali, Chad and Burkina Faso) to establish in 2014 an alternative regional platform to combat terrorism in border areas of the region. The so-called G5 Sahel, which included CEMOC member states (Mauritania, Niger, Mali) while never comprising Algeria,⁴⁴ was strongly supported by France, which has been happy to fill the leadership void that the North African country created in the Sahel-Saharan strip by refusing to support Bamako militarily.⁴⁵ Today, however, the G5 Sahel seems to be reeling, especially after Mali's military junta pulled out in May 2022.⁴⁶ Aside from its military weaknesses, the G5 Sahel has been based on significant geostrategic shortcomings; by conceiving the Maghreb, the Sahel and West Africa as separate (static) sub-regional blocs and ignoring their deep geographic, political and security interconnections, the horizontal (east-west) logic of the organisation overlooks the north-south and interregional dynamics, even though the spread of crises and instability follows a "vertical pathway".⁴⁷

While the G5 Sahel has shown its limits, Algeria has recently attempted to carve out a new space in the regional security dynamics. The visits to Mali of former Algerian Foreign Minister Lamamra (in September 2022)⁴⁸ and new Foreign Minister Attaf (in April 2023)⁴⁹ seem to show the country's willingness to engage more prominently at the regional level by dealing with the increased terrorist threats and the spread of organised crime in the common neighbourhood area.⁵⁰ Algerian President Tebboune had already sought to speed up this progress of re-engagement through a 2020 constitutional amendment authorising Algeria's army to deploy outside the country's borders, provided certain conditions were met.⁵¹ If Algeria's military involvement in case of an existential attack against a Sahelian neighbour remains a remote possibility, that now cannot be discarded. Moreover, as part of its efforts to diversify partnerships in the Sahel-Maghreb region, Algeria has invested significantly in the Trans-Saharan Highway Project.⁵² In doing so, the country aims to exert further leverage on and strengthen the mutual dependency with Sahelian governments, thus seeking to enhance its role as a key player in the area also in the fight against terrorism.

Despite the efforts to assume a leadership role in the Sahel-Maghreb, it remains to be seen whether Algeria will be able to play a stabilising role in this crucial area amid the collapsing Algiers Peace Agreement, the withdrawal of international troops and the rise of Russia's influence in the Sahel. Undoubtedly, Algeria's expertise and knowledge of militant groups across the Sahel may be an asset to

the success of any future multilateral security mechanism taking shape in the region. However, the presence of the Wagner Group in Algeria's border areas – as part of Russia's African projection – could pose extra challenges. The Maghreb country, which is Africa's second-largest importer of Russian arms,⁵³ has further strengthened its economic and military relations with Moscow over the past few years and has reportedly allowed Russian military planes affiliated with the Wagner Group in Mali to use its airspace to carry out counterterrorism operations in the Sahelian country.⁵⁴ Of course, this is not to say that Algeria has established official ties with the Russian Wagner group in Mali; on the contrary, in December 2022, Algerian President Tebboune regretted the deployment of Russian mercenaries to his country's neighbour, calling on Mali's military government to drop the costly services of the Russian private contractors and allocate its financial resources to the state's economic development instead.⁵⁵ This stance by President Tebboune has probably long been awaited by the French government, which pointed to the controversial deal between the Malian junta and the Russian Wagner Group as a crucial factor in pushing Paris to withdraw its troops from Mali throughout 2022.

All in all, Algeria is seemingly trying to perform a delicate balancing act between Russia, Mali and France, with the aim to preserve the strong relations with Moscow, favour a political solution in the Malian conflict by supporting the junta in Bamako, and keep the fluctuating relations with Paris on track (some observers believe that the French withdrawal from Mali might boost Franco-Algerian cooperation, especially

on the Sahel crisis' file).⁵⁶ While it is premature to predict how this uneasy balance will evolve, some Western officials and experts have talked about the "destabilising role the Wagner Group plays in the Sahel"⁵⁷ and argued that the presence and activity of Russian mercenaries might directly affect the jihadist threat stemming from the region.⁵⁸ In this respect, it has been stressed that the deployment of the Wagner Group to Mali since late 2021 has energised local jihadi organisations, providing them with new recruitment opportunities and a more propitious operating environment in the country. This seems further evidenced by the fact that there was an increase in JNIM attacks across Mali in the 2022 rainy season compared to the previous year's rainy season, and terrorist acts by IS within Mali also surged across these timespans.⁵⁹ Although the relocation of anti-jihadist French and European military forces from Mali might also have contributed to this trend, there should be a concern that Wagner's deployment to Mali or any other Sahelian countries (such as Burkina Faso, Chad and Niger) could make the security context in that area and the neighbouring states even worse, with a likely increase in the terrorist risk level for North Africa as well.⁶⁰

The Algerian-Moroccan rivalry in the Sahel region: another obstacle in the fight against jihadism

In 2014 Algeria was wary that the France-supported G5 Sahel was created with the primary objective of reining in Algerian regional influence. Back then, the country was indeed suspicious of its neighbours, especially the so-called pro-French axis led by Morocco.⁶¹



Unsurprisingly, even before the G5 came into existence, the CEMOC and the UFL were built to contain not only Western interference in Algeria's close backyard but also regional competitors, first and foremost Morocco.⁶²

Despite its peripheral position *vis-à-vis* the epicentre of insecurity in the Sahel, Morocco has for years enhanced its diplomatic engagement in Africa, as testified by the country's reintegration into the African Union in January 2017 after 33 years,⁶³ as well as by Rabat's application to join the Economic Community of West African States (ECOWAS) in February 2017.⁶⁴ In order to confront jihadism and halt its northward advance, Morocco has reinforced its security partnerships with Sahelian countries.⁶⁵ Building on the common Islamic heritage with the latter, the state has developed a *soft power* strategy based on the export of a cultural and religious model. Rabat has offered religious formation to the ulema of Mali and Niger as part of this strategy, instructing them in the "moderate" Islam practised in the kingdom. According to Moroccan officials, the government has thereby addressed the need to tackle jihadist radicalisation in the Sahel while at the same time proposing an alternative to the "hard" counterterrorism policies promoted by Algeria.⁶⁶

On the one hand, Morocco is widely considered to be one of the leading African countries in the fight against terrorism; its involvement and efforts within multilateral bodies devoted to counterterrorism and countering violent extremism are particularly valued.⁶⁷ among others, today the country serves as co-chair of the Africa Focus Group in the US-led Global

Coalition to Defeat Daesh/ISIS;⁶⁸ it has been hosting the Africa Lion military training for 19 years (the 19th edition, which took place in seven regions across Morocco, confirms the deep military cooperation between Morocco and the US),⁶⁹ and has just handed over the presidency of the Global Counter Terrorism Forum (GCTF).⁷⁰ Additionally, since June 2021 the kingdom's capital has hosted the headquarters of the United Nations Office of Counter Terrorism and Training in Africa (UNOCT) – the first of its kind on the African continent.⁷¹

On the other hand, Morocco's desire for expansion in the Sahel has projected the kingdom's historical rivalry with Algeria into the region, which is mainly linked to the conflict over Western Sahara. Consolidating a network of regional alliances is functional for Rabat to gain political and diplomatic support on the Sahrawi question. The latent conflict between Algeria and Morocco in Western Sahara and their divergent interests in the Sahel have, until now, further complicated the development of joint security cooperation processes in the counterterrorism field.⁷²

1. V. Talbot and K. Mezran, *The MENA region in times of global challenges*, Dossier, ISPI-Atlantic Council, 2 December 2022.
2. Casualties in the Sahel represented only 1% of global terrorism death in 2007. For a detailed account of attacks and deaths from terrorism worldwide in 2023 see the annual Global Terrorism Index realised by the Institute for Economics & Peace (IEP). "Global Terrorism Index 2023", Institute for Economics & Peace.
3. *Ibid.*
4. "Fatalities from militant Islamist violence in Africa surge by nearly 50%", Africa Center for Strategic Studies, 6 February 2023.
5. *Global Terrorism Index 2023*, Institute for Economics & Peace.
6. D. Gartenstein-Ross, "ISIL's international expansion: what does Ansar Bayt Al-Maqdis's oath of allegiance mean?", *War of the Rocks*, 25 February 2015.
7. United Nations Security Council, "ISIS (Da'esh) & Al-Qaida Sanctions Committee - Monitoring Team Reports".
8. "Third ISIS attack in 2022 in the vicinity of the Suez Canal", The Meir Amit Intelligence and Terrorism Information Centre, 3 January 2023.
9. G. Essam El-Din, "The cost of terrorism", *Ahram online*, 9 February 2023.
10. A. Frier, "La lutte contre le terrorisme dans l'espace méditerranéen", *Pouvoirs* 2022/4 (no. 183), pp. 99-109; United Nations Security Council..., cit.
11. United Nations Security Council..., cit.
12. Europol, "European Union Terrorism Situation and Trend Report 2022".
13. B. Hubbard, H. Saad, and A. al-Omar, "Syrian Mercenaries Deploy to Russia en Route to Ukrainian Battlefields", *The New York Times*, 31 March 2022.
14. "Morocco dismantles Daesh cell in joint security operation with Spain", *Arab News*, 11 January 2023.
15. "Lutte contre le terrorisme : le Maroc a rempli les trois exigences fondamentales", *Le Matin*, 19 February 2023. According to a 2017 report by the Soufan Group, over 5,000 of around 30,000 FTFs departed for Syria and Iraq to join Al-Qaeda affiliates or IS between 2011 and 2017 were from the Maghreb region (i.e., 18% of the total). See R. Barret, "Beyond the Caliphate: Foreign Fighters and the threat of returnees", The Soufan Centre, October 2017.
16. D. Ghanem, "Why Algeria isn't exporting jihadists", Carnegie Middle East Center, 11 August 2015.
17. D. Lounnas, "The threat of North African foreign fighter returnees": Myths and realities", *The Middle East Journal*, vol. 76, no. 1, Spring 2022.
18. A.Y. Zelin, "Saied's Tunisia is politicizing counterterrorism again", The Washington Institute for Near East Policy, 9 March 2023.
19. "Tunisia... the arrest of a terrorist cell that was planning attacks on Eid" (in Arabic), *Al Arabiya*, 20 May 2021.
20. L. Raafat, "Unpacking the challenge of Jihadism in North Africa: origins, evolving trends and the way forward", Konrad-Adenauer-Stiftung (KAS), 30 November 2021.
21. "'Lone wolves' are howling again in Tunisia... why Now?!", *Arab Observer*, 26 June 2022.
22. Lounnas (2022). Since the toppling of President Ben Ali, between 3,000 and 7,000 Tunisians have reportedly joined terrorist groups fighting in Syria, Iraq, and Libya, placing Tunisia among the countries with the highest number of foreign terrorist fighters (FTFs) per capita in the world. See I.K. Trauthig, *Counterterrorism in North Africa: From Police State to Militia Rule and the Quagmire of 'CVE'*, International Centre for the Study of Radicalisation/King's College London, 22 September 2021.
23. United Nations Human Rights Office of the High Commissioner, "Tunisia: Progress made but concerns remain, says UN torture prevention body", Press release, 6 April 2022.
24. C.P. Clarke and J. Zenn, "Jihadist Terrorism encroaching on Coastal West Africa, spilling over



- from the Sahel", *Lawfare – Hard National Security Choices*, 5 May 2023.
25. J. Guiffard, "Gulf of Guinea: can the Sahel trap be avoided?", *Institut Montaigne*, 1 February 2023.
 26. L.A. Ammour, "Regional Security Cooperation in the Maghreb and Sahel: Algeria's Pivotal Ambivalence", *Africa Centre for Strategic Studies*, 28 February 2012.
 27. S. D'Amato and E. Baldaro, "Counter-Terrorism in the Sahel: increased instability and political tensions", *International Centre for Counter-Terrorism*, 7 July 2022.
 28. C. Doxsee, "Wagner: The cornerstone of Russia's strategy in Africa", *ISPI Commentary*, 23 December 2022.
 29. J. Moody, "The New Cold War in Africa", *OZY The "Drop" Newsletter*, 12 January 2023.
 30. Frier (2022).
 31. O. Ali, "How the eruption of violence in Sudan could impact Libya", *The New Arab*, 20 April 2023.
 32. L. Rafaat, *Unpacking the challenge of Jihadism in North Africa: Origins, evolving trends and the way forward*, KAS, 30 november 2021.
 33. P. Airault, "Le jhadisme ne fait plus rêver les jeunes tunisiens", *L'Opinion*, 3 August 2021.
 34. D. Lounnas, "Le djihad en Afrique du Nord et au Sahel. D'Aqmi à Daech", *Le Monde Diplomatique*, September 2020.
 35. Marcom – Allied Maritime Command, "NATO's operation sea guardian security patrols supported by NATO Alliance Ground Surveillance", 21 November 2022.
 36. United States Africa Command, "African Lion". Africa Lion, whose 19th edition took place in May-June 2023 and brought together African and non-African countries and international organisations, is the largest multilateral military exercise organised by the United States Africa Command (AFRICOM) on the continent. Military drills were carried out in Tunisia, Morocco, Senegal and Ghana.
 37. R.R. Larémont, "After the fall of Qaddafi: political, economic, and security consequences for Libya, Mali, Niger, and Algeria", *Stability: International Journal of Security and Development*, vol. 2, no. 2, June 2013.
 38. In the context of the 1990s Algerian civil war can be traced the origins (and waves of violent attacks) of those jihadist groups that in the early 2000s gave birth to the organization known as Al-Qaeda in the Islamic Maghreb (Aqim). In 2008 Aqim started to project its terrorist activities into northern Mali without abandoning its aim to overthrow the Algerian government. Ever since, Algeria has been able to protect itself quite effectively by increasing its military activity on its southern border. See R.P. Chelin, "From the Islamic State of Algeria to the economic Caliphate of the Sahel: the transformation of Al Qaeda in the Islamic Maghreb", *Terrorism and Political Violence*, vol. 32, no. 6, 2020, pp. 1186-1205.
 39. Diplomatic efforts include the implementation of the Algiers Peace Agreement signed by the Malian government and the rebel groups in 2015 with Algeria's mediation. Interestingly, some experts have argued that linking the fight against terrorist groups to these peace talks' implementation is misleading; in other words, improving the Algiers Agreement might not necessarily lead to the elimination of jihadist insurgencies spreading across Mali for two main reasons. First, the armed groups that signed the agreement hardly have the necessary military capabilities to tackle jihadists effectively; second, the majority of armed groups from northern Mali are filled with fighters who were former members of jihadist organisations before France intervened in the conflict in the early 2010s or have family bonds to jihadist combatant - which further complicates the whole picture. It is noteworthy that most of the signatory armed groups pulled out of peace talks in December 2022, citing the absence of political will by the country's military junta to implement the Algiers Agreement's provisions. See "L'accord d'Alger cinq ans après : un calme précaire dont il ne faut pas se

- satisfaire", International Crisis Group, 24 June 2020; "Mali's northern armed groups pull out of Algiers peace talks", *Reuters*, 23 December 2022.
40. A. Arieff, "Algeria and the crisis in Mali", *Actuelles de l'Ifri*, 19 July 2012.
41. A. Benantar, "Sécurité aux frontières : Portée et limites de la stratégie algérienne", *L'année du Maghreb* 14, 2016, pp. 147-163.
42. F. Blyth, "Perilous Desert' finds interconnected threats and solutions in the Sahara", IPI Global Observatory, 2 May 2013.
43. A. Boukhars, "The paranoid neighbor: Algeria and the conflict in Mali", Carnegie Endowment for International Peace, 22 October 2012.
44. A. Brahimi, "Algeria's military makeover", Carnegie Endowment for International Peace, 19 April 2016.
45. S. Abba, "La sécurité au Sahel se construit sans l'Algérie : jusqu'à quand ? ", *Le Monde*, 24 March 2016.
46. S. Douce, "Mali's departure from the G5 Sahel de facto signs the organisation's death warrant", *Le Monde*, 18 May 2022.
47. "Sahel-North Africa-Europe: The Vertical Pathway of Instability", Rome Mediterranean Dialogues 2022 Panel, 2 December 2022.
48. D. Baché, "Ramtane Lamamra en visite à Bamako pour que Mali et Algérie relancent le Cemoc", *Rfi*, 2 September 2022.
49. "Attaf reçu à Bamako par le chef de l'Etat malien et président de la transition au Mali", *Algérie Press Service*, 27 April 2023.
50. In October 2022, Algerian President Tebboune convened a special meeting that brought together the Chiefs of Staff from CEMOC member countries. This ad-hoc meeting took place just one month after the Algerian Foreign Minister Lamamra visited Mali to request a restart of this cooperation mechanism. See "Le Président Tebboune accorde une audience aux chefs d'État-Major des pays membres du CEMOC", *Algérie Press Service*, 13 October 2022.
51. "Constitutional amendments to scrap Algeria's military dogma of nonintervention abroad", *The Arab Weekly*, 9 May 2020.
52. African Development Bank Group, "La Route Transsaharienne : un projet d'environ 10000 Km pour la stabilité et la croissance inclusive au Maghreb et au Sahel", Press release, 13 May 2014.
53. P.D. Wezeman, J. Gadon, and S.T. Wezeman, "Trends in International Arms Transfers, 2022", SIPRI Fact Sheet, March 2023.
54. "Moscow looms large in North African agenda of AFRICOM's new head", *Africa Intelligence*, 26 October 2022.
55. "Wagner: le tacle d'Abdelmadjid Tebboune à Assimi Goïta", *Jeune Afrique*, 2 January 2023.
56. F. Bobin, "Diplomatic tensions flare up again between Algeria and France", *Le Monde*, 9 February 2023; M. Zerrouky, "Paris seeks support from Algiers on the Sahel", *Le Monde*, 27 August 2022.
57. "US, Russia clash at UN meeting over 'violent extremism' in Africa", *Al Jazeera*, 11 January 2023.
58. C.P. Clarke, "How Russia's Wagner Group is fueling Terrorism in Africa", *Foreign Policy*, 25 January 2023.
59. In Mali, there usually is a decline in terrorist acts during the rainy season (June-September) when heavy rainfall makes it hard for both the army and jihadist groups to travel the roads. See W. Nasr, "How the Wagner Group is aggravating the Jihadi threat in the Sahel", *CTC Sentinel*, vol. 15, no. 11, November/December 2022.
60. X. Sampson, "Que fait le groupe Wagner en Afrique ?", *ICI Radio*, 10 May 2023.
61. It should be remembered that Morocco has provided members of the G5 Sahel joint force with training and financial support to compete with Algeria for influence in the Sahel and the rest of Africa. See I. Fakir, "Morocco Looks South", Carnegie Middle East Centre, 23 January 2019.



62. O. Bello, "Quick fix or quicksand? Implementing the EU Sahel strategy", Fundación Para Las Relaciones Internacionales y El Diálogo Exterior, Working Paper no. 114, November 2012.
63. A. Saaf, "Morocco's great return to the Africa Union", Policy Center for the New South, 27 February 2017.
64. N. Kozłowski, "Morocco: Stagnation as the four-year wait for ECOWAS persists", *The Africa Report*, 9 February 2022.
65. M. Arredondas, "Morocco facing the threat of terrorism in the Sahel", *Atalayar*, 13 March 2023.
66. A. Dworkin, "A return to Africa: why North African states are looking south", ECFR, 3 July 2020.
67. O. Aamari, "US Expert: Morocco approaches counterterrorism in a comprehensive manner", *Morocco World News*, 19 March 2023.
68. M. El Hamraoui, "Africa Focus Group. Le Maroc pour une stratégie globale contre Daech et ses affiliés", *Le Courrier de l'Atlas*, 2 March 2023.
69. S. Kasraoui, "African Lion 2023 Military Operation Kicks Off in Morocco", *Morocco World News*, 5 June 2023.
70. Kingdom of Morocco – Ministry of Foreign Affairs, African Cooperation and Moroccan Expatriates, "GCTF: Morocco and the EU launch an initiative to prevent and combat extremism", 4 May 2023.
71. Kingdom of Morocco – Ministry of Foreign Affairs, African Cooperation and Moroccan Expatriates, "Inauguration in Rabat of the headquarters of the UNOCT Program Office for Counter-Terrorism and Training in Africa", 24 June 2021.
72. D. Lounnas and N. Messari, "Algeria-Morocco relations and their impact on the Maghrebi regional system", Menara Working Papers, no. 20, October 2018; H. Toumi, "Morocco's 'FBI' boss decries lack of anti-terrorism cooperation with Algeria", *The Africa Report*, 16 March 2021.



4. In Tunisia, Civil Society is Back in the Trenches

by **Emna Ben Arab**

Twelve years into the Tunisian uprising, the country is standing at a crossroads yet again. In 2019, Tunisians democratically elected Kais Saied, an anti-establishment populist who, from the start, declared his hostility to the system in place. He institutionalised his ideas through a new Constitution (adopted after a referendum held on 25 July 2022) that established a hyper presidential system and undermined checks and balances. These measures, he claims, prioritise a meaningful transformation of government and society over a superficial process of democratisation.

Kais Saied's actions have impacted all of Tunisia's body politic; and civil society is, now more than ever, at the heart of this transformation. Before the 2011 uprising, civil society was limited to a body of associations closely tied to the regime and operating on its behalf. Their activities were



circumscribed, and their area of intervention was often confined to providing services including food, education, and health services on special occasions. Associations opposed to the regime, whose number did not exceed 10, had a confrontational relationship with the authorities and did not have much room to operate.¹

The evolution in civic action

Over the last decade, two turning points significantly impacted the status and work of civil society organisations. After the 2011 uprising, civil society was given a meaningful role and the space needed to operate freely as part of the democratic transition. The Decree-Law on Associations (No. 2011-88 dated 24 September 2011), enacted with a liberal outlook in line with international standards, took a corrective course of action relative to the previous law, and aimed at regulating associative life and offering an enabling environment for associative action. It stipulates that civil society organisations can be freely established and carry out a broad range of activities, lobby the authorities regarding laws and policies, and receive foreign funding without government authorisation. Thousands of associations were, therefore, established taking advantage of the new-found freedom away from state control and other restrictions that might be imposed on them.²

Keeping up with the political evolution in Tunisia toward strengthening the rule of law, protecting liberty, and establishing participatory democracy, civil society assumed new roles that transcended its previous role and became active in previously unexplored areas such

as government accountability, human rights monitoring, and reinforcing the country's transitional process and democratic practices.³ The post-uprising period witnessed a change of mindset in both government and civil society that took them away toward a cooperative approach. This has allowed civil society to gain momentum and vivacity that would grow over the years.

Associations such as *Mourakiboun* (Observers), the Tunisian Association for the Integrity and Democracy of Elections (ATIDE) or I Watch, have ensured, with other independent bodies, that elections take place in a free and fair manner. The *Al-Bawsala* (Barometer) association has monitored the work of parliament and issued regular reports thereof, watched the proper execution of the State budget and ensured citizen oversight of municipal activities. Other associations became active in areas previously inaccessible to civil society such as police reform (Islah), financial transparency (ATTF), observation of the judiciary (OTIM).

Civil society also offered an important framework for dialogue. The National Dialogue that was launched under the auspices of four national organisations – which are the Tunisian General Trade Union (UGTT), the Tunisian Union for Industry, Commerce and Handicrafts (UTICA), the National Bar Association (ONAT), and the Tunisian Human Rights League (LTDH) – spared the country a civil war after the political assassinations of 2013. The National Dialogue Quartet provided a platform for dialogue among all political stakeholders and came up with an initiative based on the principle of the peaceful

Tunisia's freedoms in 2012-2022

Political rights and civil liberties scores according to the "Freedom in the World" Index



Based on the total score, Tunisia was categorised as a **"partly free"** country in 2012-2013, as **"free"** in 2014-2020, and as **"partly free"** in 2021-2022

Source: Freedom House

ISPI



alternation of power, and with a roadmap to which all were committed. This unblocked a rapidly deteriorating political situation and earned the Quartet the Nobel Peace Prize in 2015.

Instrumental in raising public awareness, civil society groups expressed reservations about certain provisions included in the proposed draft constitution of 1 June 2013, regarding rights and freedoms and the new status of women as complementary rather than equal to men. A number of women's associations, along with the media, undertook to monitor decisions that might threaten women's rights, and to follow up the process of drafting the new constitution. This ended up with articles 21 and 46 of the 2014 Constitution protecting women's rights and stipulating that women stand in an equality relationship with men.

Civil society also played a significant role in safeguarding public security, for instance, by putting pressure on the government to address the broader issue of Tunisian returnee from foreign combat theatres. In 2017 and in response to the Tunisian government's intention to pardon and reintegrate foreign fighter returnees who had not fought with jihadist groups, Tunisian citizen groups launched demonstration. The powerful worker's union, the General Union of Tunisian workers (UGTT), also declared its rejection of a proposed repentance law for terrorists who, it argued, had to be prosecuted before Tunisian courts.

Civil society, thus, assumed during the last decade a new set of roles that involved monitoring, lobbying, raising awareness and providing a framework for dialogue. It moved

away from being a counter-power and a force of protest that exerted pressure on the authorities to becoming actively involved in national issues of public concern, and assuming a new participatory role that involves taking initiatives and making suggestions.

Still standing under pressure

Following the 25 July 2021 power grab, civil society has been instrumental in standing up to President Saied, in part by organising protests and sit-ins in response to his decrees. Civil society groups also mobilised after his address to the National Security Council on 21 February 2023 in which he warned against a long-running plot to change Tunisia's demographic composition and alter its Arab and Muslim identity through migration from sub-Saharan Africa. Tunisian civil society organisations announced the creation of an "anti-fascist front" to oppose the President's racist undertones and migrant crackdown. The members include the Tunisian Forum for Economic and Social Rights (FTDES), the Tunisian League for Human Rights (LTDH), the National Union of Tunisian Journalists (SNJT), and the Tunisian Association of Women Democrats (ATFD).

25 July was the second turning point for civil society in Tunisia. Restriction and vilification of civil society came along with democratic backsliding. In a videotaped speech on 24 February 2022 President Saied accused civil society organisations of serving foreign interests and announced his intention to ban all funding from abroad for them in the name of national sovereignty. Indeed, a draft law amending

Decree 88 targeting civil society organisations was leaked in earlier February 2022.⁴ Echoing the security-focused language used in other authoritarian civil society laws like Egypt's,⁵ the new draft law would allow authorities to reject the applications of civil society organisations that are deemed to pose "threats to national unity or threats to the democratic and republican nature of the state" (Article 4, Article 10).⁶ It would require civil society organisations to receive government authorisation to operate and subject their foreign funding to prior approval from the Central Bank, giving authorities sweeping powers to interfere with the way civil society organisations are formed, their functions and operations, and their funding.

This, if it goes into effect, will deal a blow to the whole civil society fabric as most associations resort to foreign donors. According to a survey of 100 civil society organisations in Tunisia published in 2018, nearly two-fifths said that they relied either partly or mainly on funding from abroad.⁷ Preventing CSOs from accessing foreign funds will, therefore, significantly impact their work as they are often denied funds from a domestic government source when they apply for them. Besides, unlike political parties, individuals of the private sector have little if no interest in funding CSOs. Public surveys reflect a lack of trust in civic actors in Tunisia.⁸

The erosion in public trust

As the country becomes further polarised, civil society reflects the division of the country along political and ideological lines. Among the challenges that exacerbate mistrust is the secret

ties held by many civil society organisations with major political parties.⁹ The dominating political forces, the seemingly irreconcilable blocs of the Islamists and the seculars, have their share of CSOs that were used before, during and in the aftermath of elections. Although the law prevents the creation of associations from serving as a cover for funding political parties or their candidates in an illegal way,¹⁰ parties and individuals, in the absence of effective methods to control political funds, often made use of associations for this purpose. This allowed them to escape the control of the banking system and the monitoring of party financing, providing them with a great deal of political leverage over minor parties in the elections (e.g., Ennahda and its "shell" associations, Qalb Tounes and Yerham Khalil association, Olfa Terras¹¹ and Fondation Rambourg-lch Tounsi, etc.).

Another issue that impacts the perception and credibility of Tunisian NGO's are the activities of some associations. As post-2011 Tunisia opened to freedom and democracy, an unprecedented number of associations – up to 17,000 – were created. Taking advantage of the weakened State, 48% of these associations did not abide by their declared scope and objectives and 19% operated under the cover of religious and charity organisations, serving as facilitators for arms and fighters smuggling, and providing logistics for fanatical jihadist preachers to address and brainwash disillusioned young people.¹² These "shell" associations were often financed by foreign donors or by unknown sources who set the agenda of their activities in return for funding.



How to navigate a challenging period?

Although one of the significant challenges facing the transition in Tunisia has been to gain greater control over foreign funding and make good use of it in a transparent manner, this should not be an alibi for the authorities to reverse the post-2011 hard-won gains of civil society. In view of the role that civil society plays in the management of public affairs, and in line with the principle of participatory democracy enshrined in the country's 2014 Constitution, civil society should be further empowered, rather than undermined, to help Tunisia navigate this challenging period. Associational freedom is an essential component of the democratic transition, a political process whose success relies on society's buy-in. Providing an environment that promotes associative action depends not only on the laws and regulations in force, important though they are, but also on the complementarity between all the parties involved.

Civil society actors will have to take a position as to how the country can achieve a smoother democratic transition while it is still possible. They will also have to address how the country can go about protecting individual and collective rights and freedoms. So far, their hesitancy regarding the political and economic risks looming over the country and the endangered liberties is likely to create a gap between them and the general public they are meant to mobilise. This gap will undermine CSOs' ability to act and raise awareness. It can also damage their credibility as an opposition movement that should be capable of preserving and strengthening the post-2011 gains.

1. A. Mnasri, *Enabling Environment: National Assessment of Civil Society in Tunisia*, Kawakibi Democratic Transition Center, September 2016, p. 61.
2. Over 24,000 civil society organizations are currently registered with government authorities, according to official data. (Centre d'Information, de Formation d'Études et de Documentation sur les Associations).
3. A. Mnasri, *Enabling Environment: National Assessment of Civil Society in Tunisia...*, cit., p. 63.
4. S. Cole, A. Hawthorne, and Z. White, "Kaïs Saïed's Next Target in Tunisia: Civil Society", POMED, 24 February 2022.
5. "Fact Sheet – Egypt's 'New' NGO Law: As Draconian as the Old One", POMED, 23 September 2019.
6. *Ibid.*
7. *The State of Civic Freedoms in the Middle East and North Africa*, The International Center for Not-for-Profit Law (ICNL), June 2018.
8. *Ibid.*
9. I. Zayat, "Tunisia to ban foreign funding for civil society groups", *The Arab Weekly*, 25 February 2022.
10. The Decree-Law on Associations prohibits the funding of political parties by associations. It stipulates penalties for infractions of these provisions, including the possibility of the association's dissolution. Also, article 9 of the Decree-Law includes an exclusionary condition stating that associations' founders and managers may not hold managerial positions in political parties.
11. MP elected as an independent candidate in 2019.
12. Report of Observatoire "Ilef" pour la protection du consommateur et contribuable, 2013.



5. In North Africa, Startups and NGOs Drive Local Innovation. What Is Missing?

by **Intissar Fakir**

Innovation is often cited as the prerequisite for development, growth, and prosperity. New ways to improve on existing practices and approaches, curiosity, and the ability to carry that forward into new ideas, discoveries and inventions help economies thrive, populations develop, and lives prosper. In the North African context, innovation is charting an uneven course. This human ability to improve, build, and innovate is at times fed by state institutions or hindered by them.

The state of innovation in North Africa

Of the publications that measure advances in the state of innovation, the World Intellectual Property Organization's Global Innovation Index highlights the unevenness of regional economies in this regard.¹ In the broader context, the North African countries of Morocco and Tunisia are in the middle showcasing signs of recent progress. The index relies on two sub-

Riders on the Storm: North Africa's Pathways to Resilience



indices. The innovation input sub-index measures five indicators: the state of regulatory and political institutions, human capital and the extent of Research and Development (R&D), a market assessment, and an evaluation of the state of the business sector that looks at the existence of innovation linkages, the knowledge of works etc. The second is the innovation output sub-index which looks at outputs in knowledge creation, accumulation, and distribution, and creative outputs such as good services and assets.²

Country	Global ranking
Israel	16 th
UAE	31 st
Turkey	37 th
KSA	51 st
Qatar	52 nd
Iran	53 rd
Kuwait	56 th
Morocco	67 th
Bahrain	72 nd
Tunisia	73 rd
Jordan	78 th
Oman	79 th
Egypt	89 th
Algeria	115 th

SOURCE: COMPILED FROM GLOBAL INNOVATION INDEX 2022

The World Economic Forum (WEF) Global Competitiveness Report also provides a scale of innovation ecosystems as one of the 12 measures of competitiveness. In the 2019 edition, of the 12 pillars, which include infrastructure, ICT adoption,

skills, market system, market size, macro-economic stability, business dynamics, labour markets, and financial systems, the Middle East and North Africa (MENA) region's lowest score was on the innovation ecosystem index.³ Yet, this was also the pillar where the region showed the most improvement second to ICT adoption, underscoring the distance traversed and the improvements gained with effective policies and investments. The following chart shows how countries in the MENA rank on the WEF Global Competitiveness Report's Innovation Capacity Index, which looks at interaction and diversity, R&D (measuring, among others, patent application and R&D spending as a percentage of GDP), and commercialisation.

Country	Global ranking on innovation capacity
Israel	15 th
UAE	33 rd
Saudi Arabia	36 th
Qatar	38 th
Turkey	49 th
Oman	57 th
Egypt	61 st
Jordan	65 th
Bahrain	64 th
Iran	71 st
Morocco	81 st
Algeria	86 th
Tunisia	92 nd
Yemen	130 th

SOURCE: COMPILED FROM THE WORLD ECONOMIC FORUM'S GLOBAL COMPETITIVENESS REPORT LISTING PERFORMANCE ON THE 12TH PILLAR.

Other attempts to quantify the state of innovation include the Bloomberg Innovator Index, which provides a ranking of the top 50 innovators and measures similar indicators and how they perform combined. These focus on R&D spending, the state of manufacturing, the presence and performance of high-tech companies, the prevalence of post-secondary education, the percentage of research personnel, and finally, the number of patents filed. The patent measure is particularly challenging because, in environments like Tunisia, patent development is inherently different as it faces issues such as the examination of the patentability of innovation, the high cost of protection and the lack of expertise in patent drafting. Hence, there is still much work educational institutions can do by providing training and support, technology watch and access to patents, reading patent claims and mapping to lower that hurdle for young innovators and students.⁴ In the 2015 edition, Tunisia and Morocco made the cut, with Tunisia ranking 44th and Morocco in the last position at 50th.⁵ By global comparisons, these figures suggest the limited ability to innovate within North African economies due to the usual inhibitors. Still, they also highlight some notable improvements made over recent years.

The government drive to support innovation

In the region, spending on R&D remains limited, and mostly driven by the government. While high innovators spend more than 1% of their GDP on R&D, North African countries all spend less than 1% on R&D. US and Japan spent 3.45 and 3.25 respectively, while the EU spent 2.2%

in 2021.⁶ Turkey as a leading regional innovator spends 1.09% in 2022.⁷ The region has not been able to break the 1% benchmark. In 2022, Tunisia spent 0.71% of its GDP on R&D (totaling US\$750 million,) Morocco spent 0.71% (totaling US\$2 billion), Egypt spent 0.72% (totaling US\$8.8 billion,) and Algeria lags, spending only 0.56% of its GDP (which amounts to US\$2.16 billion). The private sector could be an important driver of innovation, but in the region the sector still faces various obstacles that impact its ability to function and grow. Governments have sought to encourage the rise of startups by creating specific legal and institutional frameworks to help their growth. Morocco, Tunisia, Egypt, and Algeria have all developed ambitious startup scenes supporting incubators and incentivising new ideas. Some of the ways the governments have underpinned this process are laws and ministries tailed specifically to support and regulate startups, such as the startup act passed in Tunisia in 2018. In Algeria, the government launched the Startup Algeria challenge with an investment commitment ticket of US\$422 million in 2020 that sought to provide support, capacity, and funding for young innovators.⁸

Given this picture, the region's innovation path is promising. One of the most notable aspects is the grassroots drive, either through startups, community-based organisations, or smaller-scale social enterprises that seek to facilitate the use of existing technology within its own environments and contexts. This degree of ingenuity is not easy to measure and, therefore, not captured in metrics, but it exists in the way most organic human drives do. A range of NGOs or startups in the region contribute to this dynamic.



North Africa's struggles with innovation

Ranking of regional countries in 2019-2022 according to the Global Innovation Index (GII)

Country	2019	2020	2021	2022
 Algeria	113	121	120	115
 Egypt	92	96	94	89
 Libya*				
 Morocco	74	75	77	67
 Tunisia	70	65	71	73

* Data not available

Source: WIPO - Global Innovation Index

ISPI

Startups and NGOs leading the way

For example, in the climate adaptation and response space, startups and NGOs drive local innovation and ingenious approaches. In Morocco and Tunisia, initiatives are multiplying, largely trying to fill spaces neglected or overlooked by the government. For instance, among leading tech companies, there is a focus on spreading adaptive agricultural practices, facilitating water access, and promoting indigenous agricultural and farming techniques that favour a more economic use of water and renewable energies. A number of these initiatives, among them Dar Si Hmed in Morocco, aim to increase the availability of drinking water in the Ait Ba'amrane region of Souss Massa Deraa, an area severely affected by water scarcity. Since its founding in 2010, the project has become the largest fog harvesting initiative in North Africa.⁹

Morocco's startup ecosystem has grown in recent years, focusing on local needs from mobile banking, co-working spaces, e-commerce and retail, food distribution, e-health services, and tourism.¹⁰ Among the hurdles startups and NGOs face is the ability to raise funds. In 2022 the Moroccan government launched AgriTech4Morocco to promote and encourage innovation in climate adaptation, with support from the Digital Development Partnership and the World Bank. Still, access to financing remains limited, and so does the overall environment for business operation, with frequent administrative delays and, in certain cases, unclear regulatory frameworks.

As far as Tunisia is concerned, an example is the Agricultural Development Group (GDA) Sidi

Amor, which provides an ambitious model for sustainable rural development. The GDA offers an integrated, well-managed, and resource-efficient approach to agriculture and rural community development. Since its establishment in 2006, the group has worked on a range of projects from water management and sustainable farming to handicrafts and preservation, relying on best practices for resource management and thoughtful use of accessible technology. With international and local support, the group has demonstrated the value of these integrated approaches but remains a one-off example. The group showcases the extent to which thoughtfully used resources can make a difference in broaching daunting issues.

Better tools, better outcome

In addition to resources, higher education and training is another area that has seen some progress but where room for improvement still exists. Dr. Samia Dhahri, a Tunisian researcher and Professor with a PhD in nano-technology, explains, "Tunisia is a country with great potential for innovation, with a young population, high number of graduates, high publication indicators per researcher, and it should be positioned as a partner and not just as an export market for developed countries' technologies". She adds that Tunisian startups, young entrepreneurs, and researchers should be supported to collaborate to foster economic diversification and innovation. Here she points out, "developed countries could play an important role in enabling an equitable and technology-informed development through inclusive research, by investing in



R&D activities in less developed countries, like Tunisia, to foster innovations and develop new sustainable technologies that could in the future be exported worldwide".¹¹

She also adds that higher educational institutions still need to create more opportunities for greater innovation. The shift toward innovation is rather recent for many universities and still many lags. With countries in the region looking to address the education challenge – expanding education coverage and addressing high unemployment among younger people – there is still not a widespread focus on innovation. However, there are efforts within both public and private universities to foster innovation through industry partnerships, exchange programs, and virtual exchange programs. Still, universities can increase opportunities for cross-border collaboration in the region and technology transfers which remain inconsistent. Much of the innovative research drives are not happening within Tunisian universities, even though there is greater demand today. Indeed, Dr. Dhahri explains that most promising researchers tend to leave to find more encouraging, and lucrative, environments. This was the case even before Tunisia's current economic crisis, and the deteriorating political scene.

Despite the challenging outlook, there is still promise. This promise is tangled up in some of what we have come to see as fundamental challenges, such as the youth bulge and brain drain, that can bring future ingenuity. Between the progress made, the grassroots push to capitalise on it, the role of the diaspora, the unquantifiable innovation within the informal sector,¹² and an effort to equalise where inequality is stark, there is hopeful momentum.

1. S. Dutta, B. Lanvin, L. Rivera León, and S. Wunsch-Vincent, *Global Innovation Index 2022, 15th Edition What is the future of innovation driven growth?*, WIPO, 2022, pp. 42-55.
2. Global Innovation Index, "GII Framework", Global Innovation Index Database", WIPO, 2022.
3. K. Schwab, *The Global Competitiveness Report 2019*, World Economic Forum, 2019, p. 13.
4. Dr. Samia Dhahri, interview with author, Tunis, 15 May.
5. P. Coy, "The Bloomberg Innovation Index", Bloomberg, 2015.
6. Eurostat – Statistic Explained, "R&D expenditure", Eurostat, accessed on 20 April 2023.
7. "R&D spending hits 55 billion Turkish Liras: Minister", *Hürriyet Daily News*, 7 October 2022.
8. A. Irwin-Hunt, "Algeria's grand start-up plan faces teething issues", *fDi Intelligence*, 20 April 2023.
9. Dar Si Hmad, Organisation's website, accessed on 20 April 2023.
10. "Top Startups in Morocco", *startuplist.africa*, accessed on 20 April 2023.
11. Dr. Samia Dhahri, interview with author, Tunis, 16 May.
12. E. von Hippel, "Informal innovation: It's not a bug, it's a feature", *UNDP Accelerator Labs*, 6 August 2020.



6. The Maghreb: Regional Disintegration and the Risks of the Zero-Sum Logic

by **Haizam Amirah-Fernández**

In the Maghreb, long gone are the days when the leaders of the five states¹ that established the Arab Maghreb Union (AMU)² in 1989 declared their intent to "reinforce the bonds of fraternity binding the member states and their peoples [and] contribute to the maintenance of peace based on justice and equity". Among the guiding objectives set in the AMU's founding Treaty³ was "to achieve concord between the member states and promote close diplomatic cooperation based on dialogue". Thirty-four years later, intra-regional relations are at one of their lowest points ever. Today, almost everything that could be cut off, severed or shut down between the two most populated Maghrebi countries (Algeria and Morocco) has already been cut off, severed and shut down, with negative ramifications throughout the region.

Over the past four years, the Maghreb has been facing heightened tensions due to various



factors; some of them have strained regional relations for decades, while the more recent ones have aggravated already existing tensions. Longstanding rivalries between Algeria and Morocco have shaped the cooperation and conflict dynamics in the region. The two main causes of such rivalries are the deeply rooted distrust among policymakers in both countries and their geopolitical competition for hegemony in northwestern Africa and influence in the neighbouring Sahel region, at the continental level and beyond. The three main sources of regional tensions are: 1) the Western Sahara conflict, 2) Israel's abrupt entry in the Maghreb through its relationship with Morocco, and 3) the zero-sum mentality guiding each country's decision-making processes and diplomatic activism, whereby the neighbour's weakness or perceived vulnerability is always viewed as in one's own interest.

When the Arab uprisings started in 2011, both Morocco and Algeria initially shared a similar threat perception of the challenges facing the regional status quo, prompting a short-lived "defensive détente".⁴ That rapprochement soon yielded to a new and more intense period of rivalry.

A case of regional disintegration

Historically, the Maghreb region has faced multiple challenges and obstacles to achieving effective regional integration and cooperation. Hopes for substantial political and economic integration were short-lived after the establishment of the AMU, as distrust and inter-state political tensions – especially between

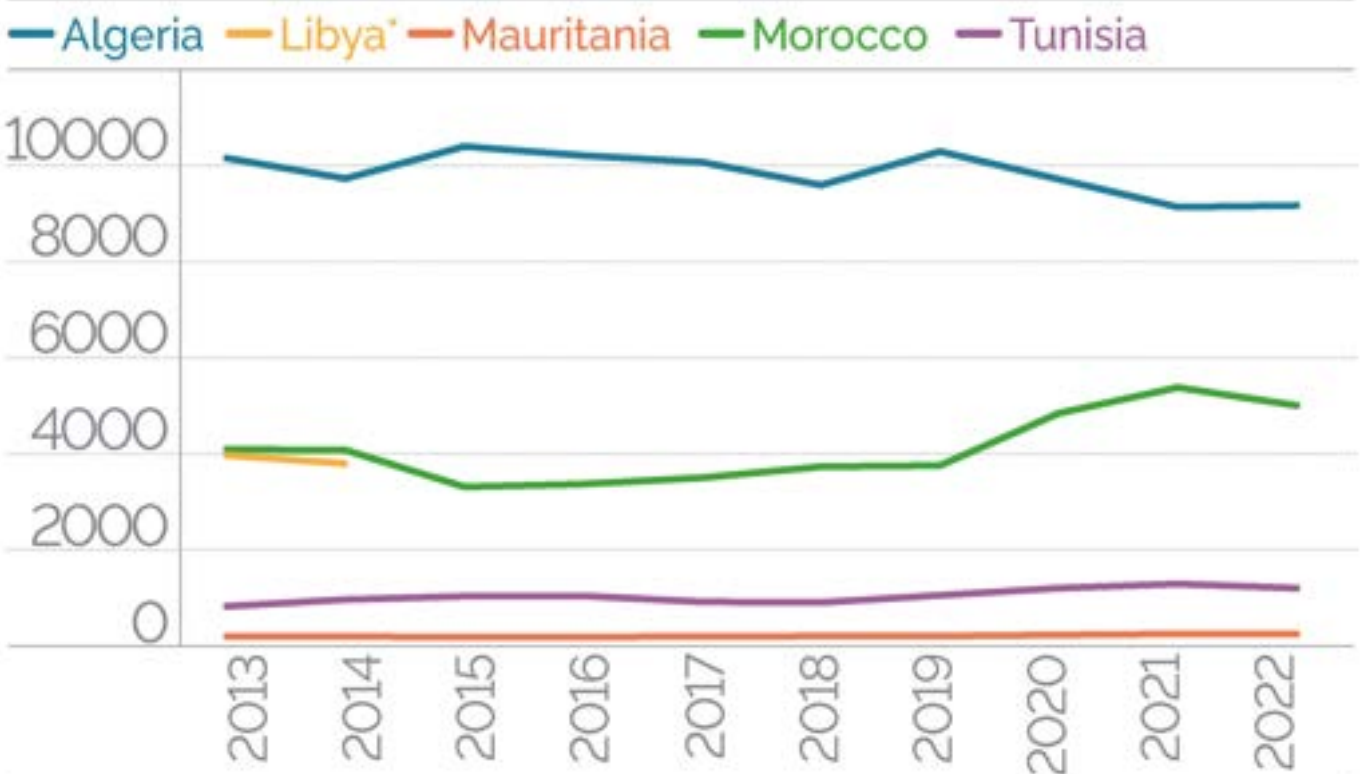
Morocco and Algeria over the status of Western Sahara – complicated the consolidation of the regional integration project.⁵ Two examples illustrate the regional state of affairs: 1) the last summit between the AMU heads of state took place in 1994, and 2) intra-regional trade between the five member states in 2021 stood at a mere 2.4%⁶ of the group's total trade, which is one of the lowest percentages of intra-regional trade in the world.⁷

Worse than that, the share of intra-regional trade is even set to shrink after the closure of the Maghreb-Europe Gas Pipeline (MEG) – which transported Algerian natural gas to Morocco, Spain and Portugal⁸ – in November 2021 due to the escalating rivalry between the two north African neighbours.⁹ The MEG is a good reflection of how much the regional environment has deteriorated. It was inaugurated in 1996 as a strategic infrastructure that would help consolidate the western Mediterranean through shared interests, generating trust among neighbours, especially between Algeria and Morocco. Saving the distances, if that was the Maghreb's equivalent of the creation of the European Coal and Steel Community (given the importance of that organisation to the formation of the EU), the closure of the MEG after a 25-year transit deal between the two neighbours expired without renewal represented, in a way, the death certificate of that attempt of region-building through shared prosperity.

As of June 2023, the gas pipeline between Algeria and Morocco is shut down, the land borders are sealed,¹⁰ the airspace is closed and diplomatic relations are broken.¹¹ Tensions

How much does the Maghreb spend for its defence?

Military expenditure of the five Arab Maghreb Union countries in million US dollars (2013-2022)



* Data not available from 2015
Source: SIPRI

ISPI



abound between the two countries and any pretext is used to accuse the neighbour of harbouring ill will.¹² In February 2022, Morocco established a new military zone bordering Algeria,¹³ while the latter has been conducting several live ammunition military exercises near the Moroccan border.¹⁴ The Algerian president, Abdelmadjid Tebboune, went even further in March 2023 when he stated in an interview that his country's relations with Morocco "practically reached the point of no return".¹⁵ For the past three years, the two countries have been trading accusations over who is to blame for the deterioration of bilateral relations, with Algiers claiming that Morocco used the Pegasus spyware made by the Israeli NSO Group to hack the phones of several Algerian political and military officials,¹⁶ and Rabat denying such accusations and claiming that the government of the Kingdom of Morocco has never acquired computer software to infiltrate communication devices, nor have the Moroccan authorities ever resorted to such acts.¹⁷

The deteriorating climate between the two major Maghrebi countries is impacting other regional dynamics, as the ongoing diplomatic crisis between Morocco and Tunisia shows.¹⁸ Tunisia's traditional position for decades was to stay neutral on the Western Sahara dispute. In August 2022, Tunisia hosted the Japanese-African investment conference (TICAD 8). The Tunisian President Kais Saied welcomed at the airport the leader of the Polisario Front, Brahim Ghali, who is also President of the self-proclaimed Sahrawi Arab Democratic Republic (SADR), which provoked Rabat's ire.

Tunis argued that the African Union (AU) had issued a direct invitation to the SADR, which is a full member of the AU, to join the conference alongside Morocco, like they did in previous such gatherings. The two countries recalled their ambassadors and issued harsh statements against one another. Observers interpreted such move as a sign of an increasingly visible Algerian influence on Tunisia, whose strategic interests are moving closer to Algiers than to Rabat, in the context of deteriorating socioeconomic conditions and a prolonged political crisis.¹⁹

The Western Sahara: cause and consequence of decades-long tensions

The final status of the Western Sahara has been a major source of contention between Morocco and Algeria for almost half a century. It is both a cause of the poor state of bilateral relations, but also a consequence of the antagonism and distrust that have afflicted those relations since the independence of both countries in 1956 and 1962, respectively. The ideological differences between Morocco – a conservative monarchy – and Algeria – a socialist republic – have been at the heart of bilateral crises. However, tensions between both countries are rooted in differences that run deep and go beyond ideology.²⁰ The Algerian leadership has been marked by Morocco's attempt to seize part of its territory in 1963, one year after it gained independence from France, a military confrontation known as the Sand War. Those memories, combined with occasional calls by some Moroccan officials and their related media outlets that parts of Algeria allegedly belong to Morocco (like the "Eastern

Sahara”),²¹ are a source of distrust and suspicion among Algerians of Rabat’s expansionist projects.²² For decades, Morocco’s ambitions to gain more political and economic influence have alarmed the Algerian leadership.

Since Spain’s withdrawal from its former colony in 1975, the Western Sahara has been a contested territory. Morocco considers it an integral part of the kingdom and effectively controls 80% of the land with a heavy military presence. The Polisario Front is the nationalist movement that fights for the right to self-determination of the native Sahrawi people. The UN considers the disputed former Spanish colony a “non-self-governing” territory pending a self-determination process.²³ Of a similar opinion are the Court of Justice of the European Union (CJEU)²⁴ and the African Court on Human and Peoples’ Rights.²⁵

The dispute over the final status of the Western Sahara had been a frozen conflict for decades, following the UN-brokered settlement plan reached between the parties in 1991. That situation came to an end in November 2020 when the Polisario Front broke the ceasefire after Morocco used force to clear a roadblock by Sahrawi protesters at the Guerguerat crossing, a buffer zone between the territory and Mauritania.²⁶ The Polisario Front considered this a violation of the 1991 ceasefire agreement and declared a resumption of its armed struggle for the self-determination of the Western Sahara. The pro-independence group was also frustrated by the lack of progress in the UN-led peace process and the stalemate over the promised referendum on self-determination.²⁷

The single factor that contributed the most to raising the temperature of the formerly-frozen conflict over the Western Sahara in recent decades was the succession of three tweets by the then American president Donald Trump on 10 December 2020,²⁸ in which the US unilaterally recognized Morocco’s sovereignty over Western Sahara, in exchange for Rabat establishing full diplomatic relations with the State of Israel. Trump’s presidential proclamation²⁹ – one of the last decisions he took before leaving the White House, which was a result of a fallout between him and US Senator Jim Inhofe, a strong supporter of the Polisario Front³⁰ – has not helped advance a solution to the Western Sahara conflict. To the contrary, it has hardened the positions of all the parties.

The transaction resulted in two major outcomes: 1) it led Rabat to believe that the American announcement settled the conflict in its favour, which translated first into a more vehement foreign policy, unleashing crises with Germany and Spain in spring 2021, and then into frustration when it became apparent that no other major country or international organisation – the UN, the EU, the AU or the Arab League – followed in Trump’s footsteps; and 2) it disrupted the unstable equilibrium between the two competitors for regional hegemony in the Maghreb, culminating in the severing of diplomatic relations between the two in August 2021, in the midst of an escalating barrage of mutual accusations, displays of animosity and retaliatory threats.

Clearly, Trump’s move – which was not reversed by the Biden Administration but was not pushed



further either – made the job of the latest Personal Envoy of the UN Secretary-General for Western Sahara, Staffan de Mistura – who was appointed in October 2021 – an almost mission impossible. In over a year and a half, the Personal Envoy has not been to the territory of Western Sahara – the Polisario Front claims that Morocco has been blocking his visit³¹ – and attempts to relaunch direct negotiations between the parties have failed so far. Also, the support that Morocco has received from certain countries to its 2007 autonomy plan for the disputed territory has not been as unequivocal as it would have wished, leaving Rabat's negotiating position in a less advantageous situation than it initially expected in late 2020.

Israel entry in the Maghreb and growing diplomatic activism

Morocco and Israel have a long history of secret cooperation on intelligence, military and migration. However, it was not until 2020 that both countries established formal diplomatic relations when they agreed to normalise ties as part of the so-called Abraham Accords, a series of agreements mediated by the US between Israel and four Arab countries. For Rabat, that move gave it the long-sought US recognition of its claims over Western Sahara, but also strengthened cooperation with Israel in areas such as security, intelligence and military affairs.³² In November 2021, Morocco and Israel signed a first-ever defense agreement that lays the foundation for security cooperation, intelligence sharing and arms transfers,³³ such as drone technology.³⁴ This dynamic is viewed

by Algeria as a direct threat to its national security. When the Israeli Foreign Minister, Yair Lapid, visited Morocco in August 2021, he openly criticised Algeria's developing ties with Iran. Algerians were furious, not for being criticised by Israel but by the fact that criticism came from next door Rabat. The Algerian Foreign Ministry accused Rabat of dragging Israel into the dispute between the two countries in what it described as a "dangerous adventure".³⁵

For most of the last decade, Algeria's diplomacy was in a state of semi-lethargy, in part due to the perceived paralysis of the political system.³⁶ Rabat took advantage to activate its diplomacy. In January 2017, Morocco rejoined the African Union more than three decades after it left the continental organisation following its admission of the Sahrawi Arab Democratic Republic as a member state.³⁷ Following the election of a new president in 2019, Algiers has also reactivated its diplomacy, trying to regain the influence it used to have in international affairs. In November 2022, Algiers applied to join the BRICS group³⁸ of leading emerging economies – Brazil, Russia, India, China and South Africa – in a move that seeks to cement relations with the group that already represents 43% of the world's population and has a larger share of the world's Gross Domestic Product (GDP) than the G7.³⁹ It could also mean a boost in Algeria's borrowing capacity through the group's New Development Bank, which offers an alternative financing system to existing institutions such as the World Bank and the IMF.⁴⁰ Also, in June 2023, Algeria was elected for a non-permanent seat in the UN Security Council for the period 2024-25,⁴¹ with 184 countries voting in favour and six against it (including Morocco,

Israel and the United Arab Emirates). Such a competition in foreign policy assertiveness by both neighbours comes without a collective vision for the region's future.⁴²

A regional cold war heating up?

Several authors have described the structural geopolitical tension pitting Morocco and Algeria against one another as a "cold war", which would be the North African version of the "Arab cold war", a term used to describe the struggle for regional primacy between Egypt under President Gamal Abdel Nasser and other Arab nations during the 1960s.⁴³ In recent years, some observers share the feeling that a "cold war" climate is reviving in the Maghreb and that there is a desire to show that the conflict is not only diplomatic and that it could take on a military dimension.⁴⁴ However, other analysts are more of the opinion that tension, not conflict, has become the norm, arguing that the costs of a military conflict – both for the regimes in place and for societies at large – continue to make active hostilities unlikely, even on a reduced scale.⁴⁵

In their own ways, both the Moroccan and the Algerian political systems are displaying an increasingly militant nationalism, chiefly directed at each other. In Tunisia, militant nationalism is combined with conspiratorial and xenophobic rhetoric, with the President espousing the "great replacement" theory publicly.⁴⁶ The fact is that many citizens across the region would leave their countries to seek a better life elsewhere if they could. This widely shared willingness to migrate shows that adverse socioeconomic conditions continue to affect large swaths of

the region's populations. It also reflects ample domestic questioning of the political systems and of the respective states' ability to discharge their functions effectively (to provide public services, create economic opportunities, combat corruption and guarantee social rights and economic freedoms).

Defense budgets in both Algeria and Morocco are set to break historical records in 2023, with considerable increases compared to previous years, confirming that the arms race between both countries is intensifying. In 2021, Algeria's military expenditure stood at US\$9.1 billion (5.6% of its GDP), while Morocco's was US\$5.4 billion (4.2% of its GDP).⁴⁷ In 2023, Morocco's defense budget is expected to reach 5.2% of the GDP,⁴⁸ while Algeria is expected to almost double its own defense budget to US\$18 billion.⁴⁹ Growing energy revenues resulting from the rise in the price of hydrocarbons is allowing Algeria to finance such bloated defense budget,⁵⁰ which suggests the signing of large arms contracts and a possible financing of operations outside the national borders.⁵¹ Interestingly, in November 2020, the Algerian constitution was amended to allow its armed forces to be deployed outside the country,⁵² in a clear indication that Algiers could intervene in neighbouring countries – like Libya – and also participate in peacekeeping operations under the African Union, the United Nations or the Arab League.

According to the Stockholm International Peace Research Institute (SIPRI) that monitors global arms transfers, during the period 2017–21, Algeria and Morocco were, respectively, the 11th and 25th largest recipients of major conventional



weapons at the global level.⁵³ Jointly, both countries import more arms than the rest of the African continent combined. This arming spree is inevitably feeding into what theorists of international relations describe as a “security dilemma”. This dilemma appears when, in the anarchic context of international relations, “many of the means by which a state tries to increase its security decrease the security of others”.⁵⁴ When that happens, states that feel threatened compete for increasing their power to feel more secure. Consequently, security-increasing measures can lead to tensions, escalation or conflict, which could produce an outcome that no party truly desires.⁵⁵ The vicious circle of the security dilemma is considered by some scholars as a root cause of war.

Even though both Algeria and Morocco – together with Tunisia and Mauritania – actively participate in NATO’s Mediterranean Dialogue,⁵⁶ direct cooperation and communication on security and defense matters between the two main neighbours is almost nonexistent in the current context. Many observers believe that the ongoing military build-up, combined with inflammatory rhetoric by officials and in social media, serves the leaderships of both countries as a way to distract public opinions from their domestic problems, as well as to justify the allocation of massive funds to strengthen their respective armies. This is especially relevant in the case of Algeria, where the military plays a prominent political role that was threatened following the removal of former President Abdelaziz Bouteflika in the aftermath of the *Hirak* protest movement of 2019.⁵⁷ Needless to say, the large resources spent on arms

purchases and defense are taken away from other necessary and urgent national needs involving social services, infrastructures, sustainability and state modernization.

Accumulating tensions in the Maghreb are a reminder of the fact that what happens there has repercussions well beyond its territory. Nowadays, the members of the AMU are far from being a security and stability provider for their neighbouring regions. Not only there is a resemblance of a cold war between Algeria and Morocco, but also Tunisia is facing a socioeconomic crisis that has only deepened following the power grab staged by President Kais Saied in July 2021.⁵⁸ Libya, for its part, is still suffering the consequences of over a decade of deep instability, armed conflict and failed attempts to heal the profound internal fractures and build legitimate state institutions.⁵⁹ As things currently stand, an accidental or deliberate spark could ignite the Maghreb, destabilizing its neighbours to the north across the Mediterranean and to the south in the already fragile Sahel region.

In the current context, the idea of advancing regional integration in the Maghreb seems completely obsolete and out of touch with reality, whereas it has never been so important as it is today. The five member states of the long-dormant Arab Maghreb Union face a grim future if they choose to live giving their backs to one another. There are good reasons to feel dispirited about the future of the region; however, the breadth and depth of the challenges facing Maghrebi countries, individually and combined, leave some space for cautious hopes for future improvement of intra-regional cooperation.

1. The five founding members of the AMU are: Algeria, Libya, Mauritania, Morocco and Tunisia.
2. Arab Maghreb Union, "Objectifs et tâches".
3. World Bank, *Treaty Establishing the Arab Maghreb Union*, 17 February 1989.
4. M.H. de Larramendi, "Doomed regionalism in a redrawn Maghreb? The changing shape of the rivalry between Algeria and Morocco in the post-2011 era", *The Journal of North African Studies*, vol. 24, no. 3, 2019.
5. European Parliamentary Research Service, "The Union of the Arab Maghreb and regional integration: Challenges and Prospects", 16 January 2014.
6. UNCTADSTAT, *Merchandise: Intra-trade and extra-trade of country groups by product, annual*, UNCTAD.
7. Y. Abouzzohour, "BDC Snapshots: Intra-regional economic integration would boost Maghreb economies", Brookings Doha Center, 4 March 2021.
8. I. Fariza, M.A. Noceda, and F. Peregil, "Maghreb-Europe Gas Pipeline: Why the closure of an Algerian gas pipeline is bad news for Spain", *El País*, 28 October 2021.
9. F. Ghilès, "Escalating rivalry between Algeria and Morocco closes the Maghreb-Europe pipeline", CIDOB, November 2021.
10. "Letter from Africa: Lamenting the Algeria-Morocco border closure", *BBC News*, 5 July 2021.
11. H. Amirah-Fernández, "Heightened tensions in the Maghreb", Elcano Royal Institute, 22 November 2021.
12. "Timeline: Algeria and Morocco's diplomatic disputes", *Al Jazeera*, 15 January 2023.
13. "Morocco creates new military zone along Algeria border", *The New Arab*, 21 February 2022.
14. "Chanegriha supervise un exercice tactique avec munitions réelles à la 3e Région militaire", *Algérie Presse Service*, 9 May 2023.
15. "Algerian president says Morocco ties reach 'point of no return'", *Al Jazeera*, 22 March 2023.
16. According to Forbidden Stories and Amnesty International, some 6,000 Algerian phones were identified as targets of the Pegasus spyware. Some of the targets were senior officials, high ranking military officers, political activists, academics, journalists, as well as members of the intelligence services. See A. Cheref, "Is Morocco's cyber espionage the last straw for Algeria?", *The New Arab*, 29 July 2021.
17. "Responses from countries to the Pegasus Project", *The Washington Post*, 19 July 2021.
18. "Tunisia, Morocco recall envoys in tit-for-tat diplomatic row", *Arab News*, 27 August 2022.
19. L. Blaise, "Morocco and Tunisia feud after self-proclaimed Western Sahara leader visits Tunis", *Le Monde*, 1 September 2022.
20. M. Willis, *Politics and Power in the Maghreb: Algeria, Tunisia and Morocco from Independence to the Arab Spring*, Hurst, London, 2012.
21. M. Jaabouk, "Le Sahara oriental est Marocain", affirme la directrice des Archives Royales", *Yabiladi.com*, 22 February 2023.
22. A. Dworkin, "North African standoff: How the Western Sahara conflict is fuelling new tensions between Morocco and Algeria", European Council on Foreign Relations, 8 April 2022.
23. The UN list of non-self-governing territories is available at: United Nations and Decolonization, "Non-Self-Governing Territories", *United Nations*.
24. General Court of the European Union, "Press Release No 166/21", Luxembourg, 29 September 2012.
25. African Court on Human and People's Rights, "Application N° 028/2018 Judgment On Merits And Reparations", Judgement Summary, Arusha, 22 September 2022.
26. S. Paget and M. McCluskey, "Western Sahara's independence leader declares the end of 29-year-old ceasefire with Morocco", *CNN*, 15 November 2020.
27. "The end of the ceasefire in Western Sahara", International Institute for Strategic Studies, November 2021.



28. H. Amirah-Fernández and I. Werenfels, "Western Sahara: can a Trump tweet lead to unlocking the stalemate?", Elcano Royal Institute, 7 April 2021.
29. The White House, "Proclamation on Recognizing The Sovereignty Of The Kingdom Of Morocco Over The Western Sahara", Proclamations, 10 December 2020.
30. B. Ravid, "Scoop: Fallout between Trump and top GOP senator made Morocco-Israel deal possible", *Axios*, 11 December 2020.
31. E. Lederer, "Morocco accused of blocking UN visit to Western Sahara", *AP News*, 5 July 2022.
32. I. Fakir, "Morocco and Israel: Economic Opportunities, Military Incentives, and Moral Hazards", Middle East Institute, 1 December 2022.
33. "Morocco, Israel sign first-ever defence agreement in Rabat", *Al Jazeera*, 24 November 2021.
34. "Morocco gets drone technology from Israel", *Middle East Monitor*, 22 September 2022.
35. "Morocco dragging Israel into dangerous adventure against Algeria, Algeria FM says", *Middle East Monitor*, 16 August 2021.
36. Y. Zoubir, "Why Algeria cut diplomatic ties with Morocco: and implications for the future", *The Conversation*, 12 September 2021.
37. H. Amirah-Fernández, "Morocco returns to the African Union amidst unresolved issues", Elcano Royal Institute, 16 February 2017.
38. "Algeria Applies to Join BRICS With Chinese, Russian Support", *Statecraft*, 8 November 2022.
39. M. A. Green, "The BRICS Rivalry", Wilson Center, 30 May 2023.
40. Z. Rahmouni, "Is Algeria Ready to Join BRICS?", Tahrir Institute for Middle East Policy, 9 May 2023.
41. UN News, "UN Security Council to welcome five new non-permanent members", *United Nations*, 6 June 2023.
42. K. Mezran and A. Sanguini (eds.), *North Africa 2030: What the Future Holds for the Region*, ISPI-Atlantic Council, October 2021.
43. R. Lefèvre, "Morocco, Algeria and the Maghreb's cold war", *The Journal of North African Studies*, vol. 21, no. 5, 2016.
44. F. Bobin, "Un climat de guerre froide s'est installé au Maghreb", *Le Monde*, 4 November 2022.
45. I. Fakir, "Algeria, Morocco and the Western Sahara: Why Tension, Not Conflict, Has Become the Norm", *Manara Magazine*, 16 February 2023.
46. "Tunisian president's racist speech incites a wave of violence against Black Africans", *Amnesty International*, 10 March 2023.
47. SIPRI Fact Sheet, "Trends in World Military Expenditure, 2021", *SIPRI*, April 2022.
48. "Morocco minister: 'Defence budget insufficient to face security threats'", *Middle East Monitor*, 12 November 2022.
49. Z. L. Ghebouli, "Algeria's 2023 budget: President Tebboune's make-or-break first-term project", Middle East Institute, 8 March 2023.
50. "En Algérie, très forte hausse du budget de la défense prévue pour 2023", *Le Monde*, 23 November 2022.
51. "L'Algérie pourrait augmenter son budget militaire en 2023", *MENADefense*, 17 October 2022.
52. T. Hill, "A Newly Assertive Algeria Seizes an Opportunity", United States Institute of Peace, 19 January 2023.
53. L. Héau and G. Maletta, "Arms transfer and SALW controls in the Middle East and North Africa: Challenges and state of play", *SIPRI*, 1 November 2022.
54. R. Jervis, "Cooperation Under the Security Dilemma", *World Politics*, vol. 30, no. 2, January 1978.
55. I. Fuente Cobo, "Security policies in the Maghreb from the perspective of offensive realism", *Journal of the Spanish Institute for Strategic Studies*, 2019.
56. NATO's Mediterranean Dialogue is a forum launched in 1994 that promotes political dialogue and practical cooperation between NATO and seven of its southern

neighbours: Algeria, Egypt, Israel, Jordan, Mauritania, Morocco and Tunisia. Further information is available at: North Atlantic Treaty Organization, "Mediterranean Dialogue", *NATO*, 23 Jun 2022.

57. D. Ghanem, "Algeria's Hirak: Why Such a Mass Movement Achieved so Little", *Manara Magazine*, 15 December 2020.
58. Y. Cherif, "Tunisia: the dismantling of a democracy", Elcano Royal Institute, 28 July 2022.
59. I. Fernandez-Molina, "Relapsing into deadlock: Libya's recurring government splits and international recognition dilemmas", Elcano Royal Institute, 12 April 2023.



7. Shifting Balances in the MENA Region: Russia and China no Longer Behind the Scenes

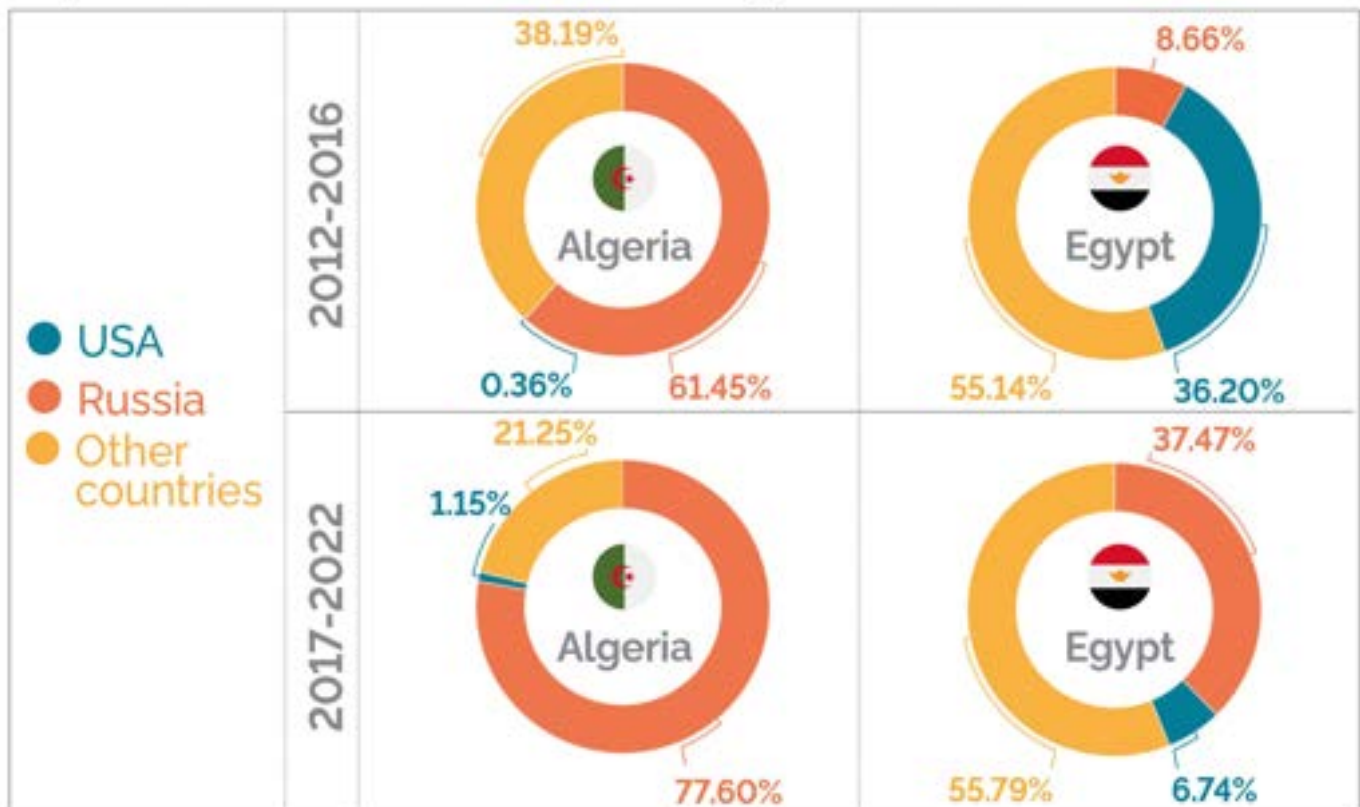
by **Dalia Ghanem, Valeria Talbot**

The war in Ukraine has highlighted the growing diversification in the partnerships of countries in the Middle East and North Africa (MENA) region with global powers. Over the past decade, Russia and China, in particular, have consolidated their relations with MENA states in a number of domains, from trade to energy and military cooperation. Several factors have contributed to the redefinition of regional countries' international partnerships. Among them, the widespread perception in the region of a gradual US disengagement from the area in order to refocus on the Indo-Pacific has played a significant role. While diverting US attention further, this time towards Eastern Europe, the war in Ukraine has not only shown regional countries' interest in maintaining a neutral stance on a faraway conflict as well as equidistance in the competition between global powers but has also paved the way for new

Dalia Ghanem, Senior Analyst, Middle East and North Africa at the European Union Institute for Security Studies (EUISS); **Valeria Talbot**, Senior Research Fellow and Head of ISPI's Middle East and North Africa Centre.

Egypt and Algeria: top Russian weapons importers in the MENA region

Import from Russia and the US (% of global share)



Source: SIPRI



developments in their relations with Russia and China. In transforming international and regional environments, MENA states have also proved capable of acting autonomously to pursue their national interests, even if this approach may take them further from Washington and closer to Moscow and Beijing.

Moscow's enduring shadow in the region

Russia has reaped the benefits of its political, diplomatic and military investments in the MENA region, which started in the 2000s. Since the beginning of the war in Ukraine in February 2022, most MENA countries have chosen a wait-and-see approach. While 14 out of the 19 MENA countries eventually voted in favour of a United Nations resolution condemning Russia's actions in Ukraine (UNGA Resolution ES-11/1), they did not go beyond this symbolic gesture. For instance, when the time came to impose economic sanctions, most MENA nations did not impose economic restrictions on the Russian government or corporate entities. Moreover, some states, such as the United Arab Emirates (UAE), are believed to be subtly encouraging an influx of Russian capital. This "non-aligned" or "neutral stance",¹ as some call it, is likely to endure as Moscow has strengthened its position in the region during the last two decades, making Russia an important trade and military partner, thereby establishing strong ties with many regional governments.

The Russian war against Ukraine has produced "winners" among oil-producing states (Algeria in North Africa and Gulf Cooperation Council countries in the Gulf Peninsula) who benefited

from higher energy prices and "losers" (Tunisia, Egypt, and Lebanon, to cite a few) among countries dependent on oil and grain imports, the latter of which was previously supplied by the two nations at war.

In North Africa, Algeria took advantage of the war to increase its gas exports by twofold to 100bcm in 2022, a record high after years of stagnation since 1999.² The North African nation now accounts for 12% of Europe's gas supplies, against 10% before the war.³ The country is in a state of grace,⁴ flying high with oil revenues exceeding US\$58 billion in 2022, compared to US\$34 billion in 2021 and US\$20 billion the previous year.⁵ At the geopolitical level, Russia, with which Algeria has historical links, is also an important arms supplier. Russia is Algeria's primary supplier of armaments, accounting for 81% of its arms imports between 2017 and 2021.⁶ Algeria is one of the world's largest importers of weaponry and its defence budget is the highest in the African continent. As a result, Algiers has been following a well-calibrated non-aligned stance, trying to avoid upsetting Moscow, a position which will likely continue.

On the other hand, the war has negatively impacted neighbouring Tunisia, which imports no less than 54% of its wheat from Russia and Ukraine.⁷ This food pressure adds to the economy's underlying structural weaknesses and, as a result, in February 2023 the annual inflation rate in Tunisia increased for the seventeenth consecutive month reaching 10.4%, the highest level since 1984.⁸ In the same period, the Consumer Price Index (CPI) stood at 159.3 points and unemployment at almost

17%.⁹ The country barely survives and engaged in discussions with the International Monetary Fund (IMF), which puts it in a difficult place to manoeuvre regarding the war in Ukraine. Given the United States' dominance on the IMF board, it is easy to see why the Tunisian government did not wish to draw attention to itself in the Russo-Ukrainian conflict and voted in favour of Ukraine.

Similarly, the war in Ukraine has impacted Egypt negatively. Up to 85% of its wheat comes from Russia and Ukraine, as does 73% of its sunflower oil.¹⁰ Egypt is the world's largest wheat importer and among the world's top 10 sunflower oil importers.¹¹ The country, with a population of 105 million, faces a severe wheat shortage amid soaring prices. Egyptians, on average, consume 146 kilos of wheat products every year, more than double the global average, according to the UN's Food and Agriculture Organization (FAO).¹² The price of bread is subsidised and has changed little since the 1980s as the government bears about 90% of the production cost. The Egyptians use the word "Aish" for bread, which means "life," and, in 2011, people in Tahrir Square called for "*Aich, Houriyya, zadala ijtimaiyya*" [bread, freedom, social justice], and this should be kept in mind when thinking about the potential impacts of the war on this country. Ties between Egypt and Russia have grown in many strategic areas. Comparing 2013-17 to 2018-22, Russia's arms exports to Egypt increased by 44%, making Egypt the second most significant market for Russia in the region after Algeria.¹³ Russia is also constructing Egypt's first nuclear power facility, which Rosatom, Russia's atomic energy giant, describes as the "largest project of Russian-Egyptian cooperation" since the 1950s.¹⁴

In the Gulf, countries were quick to react to the wheat issue. At the beginning of the war, some, like the Saudis, bought huge quantities of grains.¹⁵ However, it should be noted that many have invested in developing their agricultural sector. For instance, Qatar did not wait for the war in Ukraine before doing so as it invested heavily in agriculture when it was cut off by some of its neighbours and began to grow vegetables in the desert, ranking first in the GCC in the Global Food Security Index in 2021.¹⁶ Financially, GCC countries are secure, and the IMF predicts they will make US\$1.3 trillion in oil revenues by 2026.¹⁷ At the political level, the war in Ukraine boosted Gulf countries even more internationally. While in 2011, Qatar, UAE and KSA were able to influence the local political and economic future of countries that were much more geopolitically significant and stronger in the MENA region than them and had greater weight at the regional level, the war in Ukraine offered GCC countries the possibility to impact on the international arena. They became a more influential actor in the energy market and were able to convert the oil bonanza into political capital. This boosted their confidence, which impacted their ability to define their policies as they saw fit and defy the US, as shown by their decision at the OPEC+ to reduce oil outputs in October 2022.¹⁸ With the US "right-sizing" its efforts in the region, many countries, including the GCC, chose to put their eggs in different baskets, including in the Russia basket. As the Qatari Minister of Energy Saad al-Kaabi put it, "From a business perspective, we don't choose sides, we act as a business, and we do ... business".¹⁹

In addition, Russia's investments in the MENA information space since the 2000s are now



paying off. Putin is seen in the region as fighting the West on behalf of all those who dislike the US, and there is thus continued faith in Putin's vision of a multipolar world. A recent survey published by BBC Arabic investigating the feelings of young people in Arab countries showed that young people are already more attracted to Russia than to the United States, with 70% describing Russia as an ally.²⁰ Anti-Western sentiment is regularly stoked on Arabic-language internet platforms where comments about colonialism and the double standards of the West are widespread, underscoring how the West warmly welcomed Ukrainian refugees, calling on their populations to "open their homes" while "imprisoning behind the fence" those from Afghanistan, Yemen, Libya, Syria and Sudan.

The Arab world's attitude towards the war in Ukraine will not depend on Russia's success or failure, as many think that Putin is not interested in a decisive triumph and is already a "winner". As perceived from Arab capitals, Putin wishes to demonstrate to the world what would occur if you chose to follow the West, which will eventually desert and abandon you: the result will be war and chaos. For many Arab leaders, the impression they got from the Syrian war is that Russia is "sincere" and "does not abandon its allies", while in 2011 the West deserted Ben Ali in Tunisia, Mubarak in Egypt, Gaddafi in Libya and Assad in Syria. To many in the leadership and the Arab street, Russia has shown what it can do in Syria, where it has displayed its toughness and hard power. The United States and the West, by contrast, did not fulfil their promise to punish the Syrian regime for using chemical weapons against its population.

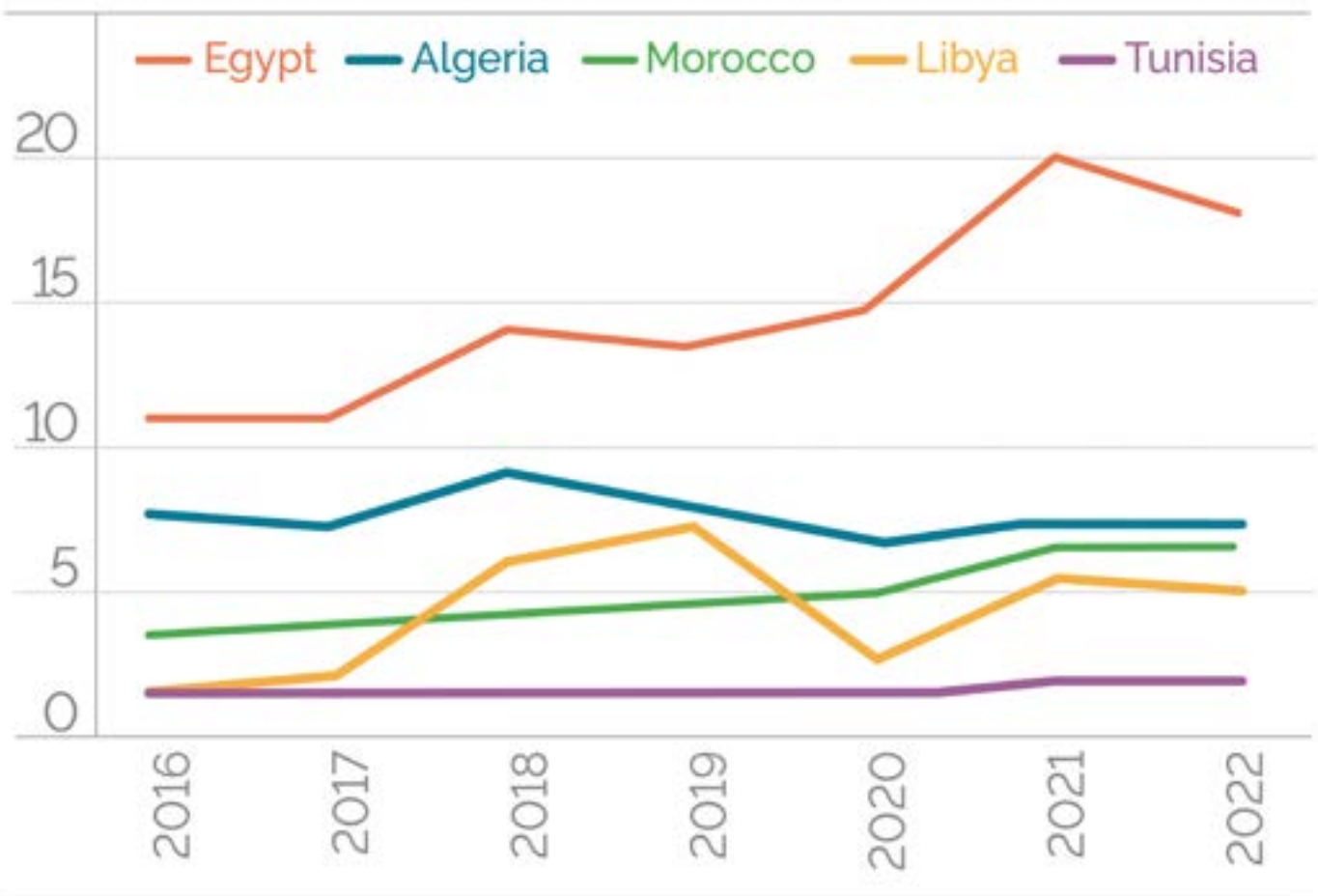
Nevertheless, if Russia succeeds, it will show to that part of the world that democracy is not the answer; rather, semi-authoritarian or outright authoritarian regimes are better solutions as they keep society in check and order. Russia can maintain its positions across the region, as its influence will remain unchanged. Nothing thus far shows that it is weakening.

A "new era" in China-Arab relations?

While pragmatism has traditionally been a major driver of MENA countries' relations with China, this approach has appeared even more marked over the last year in the wake of Russia's invasion of Ukraine. In December 2022, the first China-Arab and China Gulf Cooperation Council (GCC) summits, held in Riyadh, showed the growing importance of partnership diversification for these countries, which increasingly see Beijing as a key international player to differentiate their external relations not only economically but also strategically and militarily.²¹ Chinese President Xi Jinping's meeting with the heads of state of 21 Arab countries, in his second visit to Riyadh since 2016, was hailed from both sides as the start of a "new era" for China-Arab relations.²² Although it remains to be seen how this "new era" will take shape, the identification of eight major initiatives, including new cooperation areas – such as food security, public health, green innovation, inter-civilisational dialogue, youth development, and security and stability – along with more traditional sectors – such as energy security and development support – suggests both parties' intention to expand and deepen their relationship beyond customary tracks.²³

The Chinese economic presence in North Africa

Trade between North Africa and China in billion US dollars (2016-2022)



Source: General Administration of Customs of the People's Republic of China

ISPI



China's presence in the MENA region has gradually increased over the past 20 years in conjunction with robust Chinese economic growth. The need for abundant energy supplies to fuel its fast-growing economy has been a significant driver of Beijing's penetration in the region, which has become its top oil supplier worldwide. In 2022, MENA countries provided more than 53% of China's oil imports, with Saudi Arabia covering 17.77%, Iraq 10.7%, and UAE 8.82%.²⁴ Recently, Russia became China's top oil supplier.²⁵ However, this is unlikely to affect sound and consolidated energy relations with Riyadh, which is also considering accepting the yuan as currency for some oil trade with China.²⁶ Beijing's projection in the MENA region is also driven by its search for new markets for Chinese products and investments, as well as by the need to establish infrastructure interconnections and trade hubs in the framework of its ambitious Belt and Road Initiative (BRI). Since its launch in 2013, cumulative BRI engagement has amounted to US\$932 billion.²⁷ China's foreign direct investment in the MENA region – the strategic geographical juncture where the *Belt* meets the *Road* – increased from US\$1.4 billion in 2008-13 to US\$34.9 billion in 2014-19.²⁸ In the first half of 2022, BRI countries in the Middle East²⁹ received the largest share of Chinese BRI engagement, about 33%, and nearly 57% of BRI investments,³⁰ mainly concentrated in energy, trade and infrastructure. Despite the downward trend in China's FDI globally, as a result of an inward focus to sustain its economic growth, BRI investments have remained stable.³¹

By early 2022, 18 Arab countries had signed cooperation agreements with China in the

framework of the BRI to create synergies between the Initiative and their national development plans, such as the GCC monarchies' Visions, Algeria's Vision 2035, and Morocco's Mohammed VI Tangier Tech City Project.³² The trade-off with China is clear for the GCC monarchies: oil and gas in return for high export revenues and investments to finance their economic diversification plans. For the other MENA countries, strengthening economic cooperation with Beijing is an attractive option, especially in light of the economic disruption resulting from both the global pandemic and the negative repercussions of the war in Ukraine in terms of higher energy and commodity prices as well as food shortages. In general, the Chinese development model, which combines authoritarianism with economic growth, has proved to have a certain appeal among autocratic regimes in the MENA region. In particular, China's non-interference in other states' political affairs makes it a more attractive partner compared to the European Union and the United States' emphasis on political conditionality. However, a recent survey showed that while China tends to be viewed more favourably than the United States in most of the MENA countries surveyed, perceptions of Chinese investment across MENA are not positive compared to those of companies from other countries that provide higher project quality.³³

Along with investments, China has considerably increased its trade share in the MENA region. Today, it ranks among the top three trade partners of all regional countries, replacing the European Union as the Gulf monarchies' largest trading partner in 2020.³⁴ Beijing's trade with

the region grew from US\$303.4 billion in 2013 to US\$501.7 billion in 2022.³⁵ Not surprisingly, more than 75% of this trade relates to Gulf states, with Saudi Arabia, UAE and Iraq as the largest partners – respectively 23%, 20% and 10.7% of China's total trade with MENA –, with hydrocarbons making up the lion's share. Nonetheless, negotiations to establish a China-GCC free trade area have recently returned to the top of the agenda, broadening the scope of the bilateral partnership.³⁶

While the oil-rich Gulf area is undoubtedly the main focus of China's MENA policy – energy represents the core of Xi Jinping's "1+2+3" cooperation path with the region –, North Africa has also acquired growing relevance in terms of both export markets and access to natural resources (not only oil and gas but also phosphates).³⁷ But it is North Africa's location, at the intersection of the Middle East, the Mediterranean and sub-Saharan Africa, that plays a strategic role in Beijing's infrastructure and interconnection projects within the BRI. This is especially true for Egypt, which controls vital shipping routes through the Suez Canal, a crucial waterway in the Maritime Silk Road. Furthermore, Egypt is by far China's largest trading partner among North African countries, followed by Algeria, Morocco, Libya and Tunisia. Cairo's bilateral trade amounted to US\$18.2 billion in 2022, accounting for 47.6% of Beijing's trade with North Africa and 3.6% with the entire MENA region, with a great imbalance in favour of China. As a matter of fact, the same imbalance characterises all North African countries' trade with China: in 2022 Chinese exports amounted to US\$33.44 billion and imports to only US\$6.26

billion. Over the years, China has become Algeria and Egypt's top supplier, surpassing European exporters (mainly France, Italy and Spain), although the European Union remains their largest trading partner. In addition, Egypt, more than the other North African countries, has attracted significant Chinese investments in infrastructure projects, power plants and industrial zones, as well as in the country's new administrative capital.

Against the backdrop of growing economic and energy ties, the latest developments seem to indicate that geopolitical considerations will acquire a more significant role in the "new era" of China-Arab relations. The recent China-brokered agreement between Iran and Saudi Arabia to restore diplomatic relations after a seven-year break, along with Beijing's recent proposal to offer its mediation in the longstanding Israeli-Palestinian conflict, suggests that Beijing is changing its approach towards a strategically crucial region for its interests.³⁸ While China has thus far been reluctant to actively engage in MENA's security and political dynamics, it remains to be seen to what extent Beijing's ambition to act as a mediator may represent a game changer in an area where the United States continues to be the main regional security provider. Certainly, a broader and strengthened partnership with China may open new opportunities for Arab countries, especially those in the Gulf that are increasingly looking East to diversify their partnerships. Another step in this direction was taken in April 2023, when Saudi Arabia – after Egypt and Qatar – joined the China and Russia-led Shanghai Cooperation Organisation (SCO) as a dialogue partner.



Although this does not seem to be affecting the core of Saudi-US relations, a deeper look East is likely to pose challenges, particularly with longstanding Western partners.³⁹ At the end of the day, maintaining a good balance between traditional partnerships and a greater pivot to Asia might emerge as a major challenge for MENA states at both the global and the regional level.

1. L. Fruganti, "How the Ukraine War Has Disrupted the MENA Region, One Year On", *ISPI Med This Week*, 24 February 2023.
2. R. Mills, "Why can't Algeria solve Europe's gas woes?", *Euractiv*, 18 August 2022.
3. H. Butt, "Algerian gas flows to Europe shrink, but Italy gains as trade ties strengthen", *S&P Global*, 31 January 2023.
4. D. Ghanem, "Algeria is buying time with the gas bonanza, but disaster looms", *Middle East Eye*, 18 October 2022.
5. O. de Souza, "En 2020, les recettes d'exportations de pétrole et de gaz de l'Algérie ont chuté de 39 %", *Agence Ecofin*, 05 July 2021.
6. Statista Search Department, "Distribution of arms imports into Algeria between 2017 and 2021, by country of origin", *Statista*, 26 April 2023.
7. "Far from the front, Tunisia suffers because of Ukraine war", *Al-Monitor*, 29 July 2022.
8. Trading Economics, *Tunisia Inflation Rate*.
9. Statista Search Department, "Consumer Price Index (CPI) in Tunisia from January 2019 to January 2023", *Statista*, 26 April 2023; Statista Search Department, "Tunisia: Unemployment rate from 2003 to 2022", *Statista*, 12 May 2023.
10. "Ukraine and Russia cover 85% of Egypt's wheat demand - APK-Inform", *APK Inform*, 30 August 2012; "Iran, Iraq, Egypt rely on Ukraine for sunflower oil", *Al-Monitor*, 25 February 2022.
11. Index Mundi, *Wheat Imports by Country in 1000 MT*; Index Mundi, *Sunflowerseed Oil Imports by Country in 1000 MT*.
12. FAO, IFAD, UNICEF, WFP, and WHO, *The State of Food Security and Nutrition in the World 2022. Repurposing food and agricultural policies to make healthy diets more affordable*, FAO, Rome, 2022.
13. Statista Search Department, "Russia's share of total imports of major arms in countries where it is one of

- the top three suppliers from 2018 to 2022", *Statista*, 21 Mar 2023.
14. "Russian firm builds Egypt's first nuclear plant", *DW - Deutsche Welle*, 21 July 2022.
 15. "Saudi Grains Organization buys 5k tons of wheat for \$2.4m", *Arab News*, 25 September 2022.
 16. "Agriculture", *Invest Qatar*.
 17. "GCC Likely to Make \$1.3 Trillion in Oil Revenue by 2026, Says IMF", *Energy Review*, 22 August 2022.
 18. S. Said, B. Faucon, D. Nissenbaum, and S. Kalin, "Saudi Arabia Defied U.S. Warnings Ahead of OPEC+ Production Cut", *The Wall Street Journal*, 11 October 2022.
 19. A. Al Lawati, "Europe can't live without Russian gas. Can this tiny Middle East country help?", *CNN*, 25 March 2022.
 20. K. Gogitidze, "Russia and Ukraine: How does the Arab world view the war in Ukraine?", *BBC Arabic*, 16 July 2022 (original in Arabic language).
 21. Ministry of Foreign Affairs of the People's Republic of China, "President Xi Jinping Attends the First China-Arab States Summit and Delivers a Keynote Speech, Underscoring the Importance of Carrying Forward the Spirit of China-Arab Friendship Featuring Solidarity and Mutual Assistance, Equality and Mutual Benefit, and Inclusiveness and Mutual Learning and Jointly Building a China-Arab Community with a Shared Future in the New Era", 10 December 2022.
 22. W. Jin, "Xi's Visit Marks New Era for China-Arab Relations", *The Diplomat*, 13/12/2022.
 23. Ministry of Foreign Affairs of the People's Republic of China, "President Xi Jinping..." ..., cit.
 24. Data from General Administration of Customs People's Republic of China.
 25. "Russia overtakes Saudi Arabia as China's top oil supplier", *Al Jazeera*, 20 March 2023.
 26. M. El Dahan and A. El Yaakoubi, "China's Xi calls for oil trade in yuan at Gulf summit in Riyadh", *Reuters*, 10 December 2022.
 27. C. Nedopil Wang, "Brief: China Belt and Road Initiative (BRI) Investment Report H1 2022", *Green Finance & Development Center*, 24 July 2022.
 28. OECD Policy Responses to Coronavirus (COVID-19), "Investment in the MENA region in the time of COVID-19", OECD, 4 June 2020.
 29. Between 2014 and 2018, MENA countries signed Memorandum of Understandings (MoU) with Beijing in the framework of the BRI.
 30. C. Nedopil Wang, "Brief: China Belt and Road Initiative (BRI) Investment Report H1 2022" ..., cit.
 31. L. Borga, "Investimenti esteri cinesi: la grande frenata di Xi", *ISPI Dataglobe*, 21 April 2023.
 32. "Countries of the Belt and Road Initiative (BRI)", *Green Finance & Development Center*.
 33. M. Robbins, "Public Views of the U.S.- China Competition in MENA", *Arab Barometer*, July 2022.
 34. A. Bachulska and C. Bianco, "An open relationship: What European governments can learn from China-Gulf cooperation", *ECFR*, 21 February 2023.
 35. Data on China's trade with the MENA region are from General Administration of Customs of the People's Republic of China and UN Comtrade.
 36. Z. Yunbi, "China-Gulf states free trade pact high on agenda", *China Daily*, 01 February 2023.
 37. The State Council, "China's Arab Policy Paper", *The People's Republic of China*, 13 January 2016.
 38. "China offers to facilitate Israel-Palestinian peace talks", *AP*, 19 April 2023.
 39. E. Ardemagni, "Saudi Arabia Joins the SCO: It is not a Game-Changer for Saudi-US Relations", *ISPI Commentary*, 31 March 2023.



About the Authors

- **Haizam Amirah-Fernández** is a Senior Analyst at the Elcano Royal Institute and Associate Professor at the Instituto de Empresa (IE). BA from the Universidad Autónoma de Madrid and an MA in Arab Studies on a Fulbright scholarship from Georgetown University's Center for Contemporary Arab Studies. He is a frequent commentator in the Spanish and international media. His research is primarily focused on the international relations, political Islam, and transitions to democracy in the Arab world, where he has lived for over sixteen years. He is author of numerous articles and chapters. He is also co-editor of reports like *A moment to reflect: Creating Euro-Mediterranean bonds that deliver* (2021); co-author of reports like *NATO and the South: A tale of three futures* (2021); and co-editor of books like *North Africa: Politics, Region, and the Limits of Transformation* (2008).
- **Emna Ben Arab** is currently teaching as an Assistant Professor at the University of Sfax, Tunisia. Her lectures focus mainly on American foreign policy, history of political ideas, political discourse analysis, and historiography. She holds a Ph.D in Culture Studies, obtained at the University of La Manouba, the University of California, Riverside and Reading University. She is also a former member of the Tunisian Parliament (2004-2011). Dr Ben Arab has authored a book called *A Future Made Perfect? The Image of the Coming Millennium in American Science Fiction* (2009) and a number of articles in her areas of interest.
- **Karim Elgendy** is an urban sustainability and climate consultant based in London. In addition to being a Non Resident Scholar at the Middle East Institute, Dr Elgendy is an Associate Director at Buro Happold, an Associate Fellow at Chatham House (The Royal Institute for International Affairs), and the Founder and Coordinator of Carboun, an advocacy initiative promoting sustainability in the cities of the Middle East and North Africa through research and communication. His current work focuses on the Middle East and North Africa region, especially around the Eastern Mediterranean and the Gulf, but his two decades of experience spans Europe, North America, and sub-Saharan Africa. In addition to being a regular public speaker, writer, guest lecturer, and commentator, he is regularly interviewed and cited by TV, print and digital mainstream media. Dr Elgendy is the recipient of the 2013 Global Green

Building Entrepreneurship Award from the World Green Building Council, and is a chartered member of the Royal Institute of British Architects (RIBA).

- **Riccardo Fabiani** as North Africa Project Director oversees Crisis Group's work on Egypt, Libya, Tunisia and Algeria at the International Crisis Group (ICG). Dr Fabiani has more than ten years of professional experience as a political analyst and economist on North Africa, having worked for Eurasia Group, Energy Aspects and other consultancies. His areas of expertise are the political economy of North Africa; the Algeria and Libya's energy politics; the Islamist politics in Algeria and Tunisia. Dr Fabiani writes for numerous journals as the *Carnegie Endowment's Sada Journal*, *Jadaliyya*, the *Financial Times*, and also for the Konrad Adenauer Stiftung. Among his publications also many important articles as "Transnational Organized Crime and Political Actors in the Maghreb and Sahel" (2019); and "Tunisia and the International Community since 2011: Rentierism, Patronage and Moral Hazard" (2018).
- **Intissar Fakir** is a Senior Fellow and Director of MEI's North Africa and Sahel program. She is an expert on North Africa, the Sahel, and key regional thematic issues including governance, social change, migration, and security. She has written extensively on North Africa's evolving politics including Islamist electoral politics in post-2011 Morocco and Tunisia, the Western Sahara issue, foreign policy priorities in Morocco and the broader region, and the impact of Covid-19 on regional political stability. Her research has also included political transitions, mobilization trends, energy, and social change in Morocco, Mauritania, Algeria, and Tunisia. She is the author of numerous reports, articles, and book chapters on the region and has been published in foreign policy journals and newspapers in English and Arabic.
- **Lorenzo Fruganti** is a Junior Research Fellow at the ISPI MENA Centre. He holds a Bachelor's in International and Diplomatic Sciences and a Master's in Diplomacy and International Cooperation from the University of Trieste, as well as a MSc in Middle East Politics from the School of Oriental and African Studies (SOAS, University of London). Prior to joining ISPI, he worked at the European Commission's DG NEAR. Lorenzo's research interests include security-related issues in the MENA region, with a focus on radicalization processes, jihadi terrorism and violent extremism.



- **Dalia Ghanem** is responsible for analysis and research on the Middle East and North Africa region at the European Union Institute for International Security Studies (EUISS). Her research interests focus on EU-MENA relations. Before joining the EUISS, Dr Ghanem was a Senior Resident scholar at the Carnegie Middle East Center in Beirut, where her research focused on Algeria's political, economic, social and security developments. Her research also examined political violence, radicalisation, civil-military relationships, transborder dynamics and gender. She has been a guest speaker on these issues in various conferences and a regular commentator in different Arab and international print and audio-visual media.
- **Valeria Talbot** is a Senior Research Fellow and Head at the ISPI's Middle East and North Africa Centre. She also is a lecturer in the Masters in Middle Eastern Studies in ASERI, Catholic University of Milan. Her main research areas are Euro-Mediterranean relations, Turkey's domestic and foreign policies, the Gulf monarchies and Middle East geopolitics. She is active as a scholar, contributing to research projects and publishing a number of papers, articles and books.