

Political Risk Update: June 23, 2021

- Mali: French forces face escalating jihadist attacks
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Mali: French forces face escalating jihadist attacks

Event

Jihadists staged a car bomb attack against French troops in Gossi, central Mali, on June 21 that left several soldiers injured.

Outlook

Amid political instability, the limited capacity of regional military units, and overstretch among international forces, counterterrorism efforts in the Sahel are struggling to gain the upper hand against jihadists, who are demonstrating increasing capacity and ambition. In the short term, this may translate into further efforts to exploit the current political turmoil between France and Mali and the operational gaps that this is causing.

Analysis

The attack came a day after the release of the first audio message from Abu Ubaydah al-Annabi, the new leader of al-Qaida in the Islamic Maghreb (AQIM). The message, which urged militants to oust French troops from Mali, may have been recorded before French President Emmanuel Macron's June 10 announcement of plans to end Operation Barkhane in its current form. A week before Macron's announcement, France's armed forces ministry decided to suspend all joint military operations with Malian forces in response to the May 24 military coup. Paris is aware that French troops are coming under increasing attack in the Sahel. Between 2019 and 2020, rising French casualties almost doubled the total number of troops killed since France's initial intervention in Mali in 2013.

Colombia: Protest leaders suspend demonstrations as COVID cases soar

Event

Colombia's official COVID-19 death toll surpassed 100,000 on June 21, a day which saw a record number of daily deaths.

Outlook

The National Strike Committee (CNP) last week announced a suspension of demonstrations until July 20, when a march on Congress is planned to mark Independence Day and the beginning of a new legislative session. While the CNP does not represent all protesters, its suspension announcement will ease demonstrations and contagion risks. However, any prospect of using the pause to advance negotiations will be hindered as the government and protesters swap blame for the high number of cases.

Analysis

Colombia imposed long-running lockdown measures last year, but subsequent efforts to reopen have increased contagion risks and some 25,000 cases are reportedly being diagnosed daily. Recent social unrest has exacerbated matters, with protesters gathering in their thousands to condemn perceived government failings. President Ivan Duque has attributed "more than 10,000 deaths" to the demonstrations. Protest leaders, in turn, blame the government for slow vaccination efforts; around 20% of Colombians have received a vaccine so far. Also on June 21, Washington announced a donation of 14 million vaccine doses for Latin America over the coming months; Colombia is to receive a proportional share.

Armenia: Hopes for reform mean that Nikol Pashinyan continues as prime minister

Event

Reformist leader Nikol Pashinyan's Civil Contract party won a decisive victory in the parliamentary election on June 20, in spite of last year's military defeat in Nagorno-Karabakh.

Outlook

Voters faced a choice of whether to punish Pashinyan and his team for last year's loss of Armenian-controlled territories to Azerbaijan in a Russian-brokered post-conflict settlement, or to keep them in power in hope of further reforms and to prevent Armenia sliding back into oligarchic corruption. They chose the latter, judging by the poor performance of Pashinyan's opponents.

Analysis

Pashinyan's Civil Contract party took 54% of the vote, defeating the Armenia bloc of former President Robert Kocharyan (21%). A bloc led by Serzh Sargsyan, a former president, and the major Prosperous Armenia party both failed to make it past the electoral threshold. After a disastrous military defeat and the humiliating loss of Armenian-controlled territories, Pashinyan's days seemed numbered as the protests against him mounted. However, his high-risk decision, reached after some hesitation, to agree to early elections has paid off.

Ethiopia: A relatively uneventful polling day masks deep political fragility

Event

Many Ethiopians went to the polls on June 21 on what appears to have been a largely peaceful election day; turnout was higher than expected in many constituencies, especially in the capital Addis Ababa.

Outlook

The lack of major election-related incidents will be a relief to many external observers, but the problems facing Ethiopia in the post-poll period remain profound. In this context, Prime Minister Abiy's renewed rejection of claims by aid agencies that Tigray faces a hunger crisis will not raise international confidence that the government is willing to take serious steps to address such problems.

Analysis

Although there were no major issues on polling day, various problems were reported around the country and polling hours were extended in some constituencies due to initial problems with ballot papers, poll staff or logistics. Meanwhile, opposition representatives alleged numerous irregularities, most notably relating to alleged intimidation of their designated observers. The broader picture was marred by the absence from the ballot of the main opposition parties in Oromia (and Tigray) and the fact that polling was not conducted in over 100 of Ethiopia's 547 electoral constituencies. Election dates for the remaining constituencies are scheduled for September but polls in Tigray, where fighting remains ongoing, are indefinitely postponed.

Republic of Congo: New debt deal with Beijing buys time but little else

Event

Congolese President Denis Sassou-Nguesso reached an agreement with Chinese President Xi Jinping on June 21 to restructure 2.4 billion dollars of Congo's external debt.

Outlook

Although necessary for Congo's solvency, debt restructuring and IMF lending programmes will buy only a little time for Congo's leaders to diversify the country's economy and improve the level of governance. Meanwhile, Sassou-Nguesso's record will not instil confidence in his administration's reform credentials, while corruption, overdependence on oil, and the weak state of the country's infrastructure will continue to inhibit its fiscal and economic outlook.

Analysis

The terms of this latest restructuring with China are not yet clear. Congo has been in 'debt distress' for years and the COVID-19 pandemic and its impact on the price of oil, the country's principal export, have worsened the situation. This has forced Congo's leaders to ask a variety of lenders to help Congo restructure its debt to both public and private lenders. Without substantial debt relief, Congo faces insolvency. Its current external debt, estimated at nearly 12

billion dollars, translates into a debt-to-GDP ratio of nearly 100%. Lack of progress in negotiations with lenders has also prevented full access to an IMF lending facility of 450 million dollars.

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