



**INSIDE
LIBYA**

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FOREWORD

The Regional Program Political Dialogue South Mediterranean (PoDiMed) of the Konrad-Adenauer-Stiftung (KAS) in cooperation with LIBYA DESK™ is delighted to continue our monthly reports on Libya for 2022. This format examines the most important political, economic and social developments of the previous month, which are of central importance for understanding the situation in Libya. The report is based on reliable Libyan sources and provides a summary and a contextualisation of developments in the wider Libyan context. The report is usually being published every first week of each month.

While much attention has been paid to the external and geopolitical dimensions of the situation in Libya, voices from within Libya are central to understanding local developments and the evolution of the Libyan conflict as well as its impact on the wider Mediterranean region. As an inclusive Libyan-led and Libyan-owned mediation with regards to the political, economic and military tracks are without alternative, these monthly reports emphasise the most important events within Libya and aim to give a better picture of what happens “Inside Libya”.

Based on existing KAS-PoDiMed formats such as the Libya Brief and the Libya Task Force, we consider it necessary to shed light on the dynamics within Libya and to emphasise the importance of continuing and facilitating a national dialogue process in the spirit of the UN-led Berlin process.

We hope that these monthly reports will give our readers a better picture of the dynamics of the ongoing Libyan conflict, its actors and multiple dimensions.

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EXECUTIVE SUMMARY

1. Through several deals with Turkey, Abdulhamid Dabaiba has doubled down on his strategy to stay in power and widen his sphere of influence in Tripolitania. This has contributed to a rise in tensions and increased potential for armed escalations.
2. Departing from its professed neutrality, Turkey has initiated several steps to deepen its relation with the Government of National Unity (GNU) and capitalise on Abdulhamid Dabaiba's fragile position.
3. Abdoulaye Bathily, the United Nations Support Mission in Libya's (UNSMIL) new head and Secretary General Special Representative (SRSG), arrived in Libya this month to talk with all key political figures.
4. The heads of the House of Representatives (HOR) and High Council of State (HCS) are deepening contacts and have agreed in Morocco to "unify Libya's executive authority and sovereign positions" by early next year, thus opening the way for an alternative government.
5. Abdulhamid Dabaiba has now been in power for twenty months instead of his 9-month mandate given by the Libyan Political Dialogue Forum (LPDF).
6. Government of National Stability (GNS) Prime Minister Fathi Bashagha risks becoming increasingly irrelevant and even made redundant as he has failed to achieve most of his goals.
7. For now, international mediation and 5+5 Joint Military Commission (JMC) discussions have defused potential military escalation on the part of the Libyan National Army (LNA). However, blockade on Libyan oil assets remains a possibility.
8. Nearly one fifth of Libya's population is in need of urgent humanitarian assistance. On top of difficult living conditions, horrifying reports on human trafficking and armed violence continue to make headlines.
9. Recent rifts between the Central Bank of Libya's (CBL) two branches over issues such as the exchange rate show that institutional unification remains a pipedream, particularly considering the political stakes behind the distribution of national wealth.
10. Going forward, political developments in Libya are likely to become increasingly tumultuous as the political landscape grows more crowded and fluid. This will add to the already complex and volatile dimensions of the Libyan crisis.

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INTERNATIONAL RIFT DEEPENS WITH TURKEY-GNU DEALS

Departing from its professed neutrality, Turkey has initiated several steps to deepen its relation with the Government of National Unity (GNU) and capitalise on Abdulhamid Dabaiba's fragile position.

Since the failure to hold general elections in December of last year, members of the international community have maintained their recognition of Government of National Unity (GNU) Prime Minister Abdulhamid Dabaiba but kept him and his rival, Fathi Bashagha, at arm's length by limiting large economic contracts. Until now, Turkey had also adopted this approach and presented itself as a first-rank mediator between the GNU and the Government of National Stability (GNS) headed by Bashagha. However, this month Ankara signed several deals with the Tripoli-based government which has once again changed its standing in the Libyan quagmire and brought back fears of an internationalised conflict. Indeed, Inside Libya's twenty-sixth issue hinted at the fact that regional players have started to engage in media campaigns as well as unilateral initiatives to smear rivals and gain an advantage on the ground. In late August, the reported use of Turkish drones to repel pro-Bashagha forces from entering Tripoli had already caused concerns in eastern Libya, and slowed down rapprochement efforts initiated earlier in the month after House of Representatives (HOR) Speaker Agila Saleh's visit to Turkey.

On October 3rd, a high-level Turkish delegation travelling to Tripoli and consisting of the Ministers of Foreign Affairs, Defence, Energy, and Trade in addition to key aides to President Recep Tayyip Erdogan signed two Memoranda of Understanding (MoUs) regarding cooperation in scientific, technical, legal, investment as well as commercial areas, and more importantly, future cooperation on hydrocarbon projects. Deeper energy cooperation between Ankara and Tripoli had already been hinted at by GNU Minister of Oil & Gas Mohamed Aoun in September, when he explained that 40% of Libya's potential new fields were in the Libya-Turkey demarcation zone outlined in the 2019 Maritime demarcation MoU signed between Turkey and the former Government of National Accord (GNA). After the new MoUs were signed this month, Dabaiba explained that the hydrocarbon MoU was the groundwork for Libya's National Oil Corporation (NOC) to sign agreements with Turkish companies in exploration, inventory, and production as well as make deals with service companies regarding seismic surveys, pipeline systems, and research. Although the GNU Prime Minister added that the MoUs were valid for a period of three years and could be amended at any time, complaints were made regarding the way in which the documents had been drafted and rumours that Libya was simply handed Turkish terms without amending them.

Confronting such criticisms, the Minister of Economy Mohamed al-Hweij said the agreement could theoretically be cancelled within three months and needed legislative approval, while Aoun indicated he had some “reservations” regarding the hydrocarbon MoU. In fact, the Minister of Oil & Gas was in South Africa during the signing of the deal while al-Hweij was deputising for him, thus further raising suspicion as to whether he was purposefully sent away to allow for the smooth signing of the agreement. Meanwhile, the hardline Islamist cleric Sadiq al-Gharyani sought to justify the deal as rewarding Turkey for its support in repelling Libyan National Army (LNA) Commander Khalifa Haftar’s assault on Tripoli during the 2019-2020 conflict. The strategist behind Ankara’s “Blue Homeland” doctrine, former rear Admiral Cihat Yaci, said there are trillions of dollars worth of natural gas north of Libya’s maritime jurisdiction and that MoUs signed between Turkey and Libya opened the door for the exploitation of some of the world’s richest hydrocarbon deposits. Although time will tell whether any Turkish investment is poured into Libyan hydrocarbons, the MoU has been a strategic gain for both Dabaiba and Erdogan in that it sends a strong message to the world and breaks with how business was conducted up until now with the GNU post-December 2021. For Erdogan, who will face decisive elections in less than a year and has sought to transform his hydrocarbon-poor country into a regional energy hub, the MoU gives a message to the world that Turkey is an important independent player able to strike deals with global implications, as seen with the July Russia-Ukraine grain export deal brokered by Ankara and the United Nations. Moreover, the hydrocarbon deal has also been amply used for Erdogan’s domestic audience to project an image of international weight and strategic deal-making to secure energy for Turkish consumers. For Dabaiba, the MoU solidifies his alliance with Turkey which will be key for his political survival, reassures some of his supporters who have grown concerned about his ties with former enemies like the United Arab Emirates (UAE), and portrays him as a normal Prime Minister conducting business on behalf of the state.

As expected, the MoUs were not unanimously welcomed by key Libyan stakeholders. In response to the agreements, Fathi Bashagha threatened he would liaise with domestic and international partners to respond to the deals, which according to him, are “threatening the interests of security and peace in Libya and the region.” On its part, the HOR reminded through its spokesperson, backed by 90 MPs, that the MoUs were “illegal given the legal end of the mandate of the GNU from 24/12/21,” adding that “international agreements, treaties, and memoranda of understanding are done through the head of state or parliament.” This view was indirectly backed by the U.S. with the Department of State spokesperson saying that Dabaiba was compelled by the LPDF not to sign any new agreement that would result in long-term obligations or upset Libya’s foreign relations. The Presidential Council (PC), which is the de jure head of state, was much milder but did not support the agreements, saying they required consultations with the PC prior to their signing. The main party of interest to the hydrocarbon MoU, i.e. the NOC headed by its Chairman Farhat Bengdara, condemned them

and asked the Attorney General to intervene so as to hold those behind the deals accountable. Condemnation also came from the international community, albeit in varying degrees, with Egypt, Greece, and Cyprus issuing strong-worded statements while the European Union (EU) said the deal could “potentially undermine regional stability” and that it needed clarifications since its current form violates the international law of the sea and infringes upon third states’ rights.

Ankara dismissed the condemnations and accused the EU of using double standards regarding the deal as Brussels has not opposed maritime claims of its member states. Alongside Tripoli, Ankara reminded the EU that Turkey and Libya are sovereign countries able to sign bilateral agreements without foreign interference. Moreover, the GNU publicly expressed it had issues with Greece’s maritime demarcations, particularly around the island of Crete, but also sent messages of reassurances to Athens to defuse tensions, claiming that the hydrocarbon MoU was signed for purely economic reasons and that it should not impact friendly relations with Greece. Misrata’s Chamber of Commerce, Industry and Agriculture also signed an MoU with its Greek counterpart of Trikala, perhaps indicating that bilateral relations were not entirely ruined between the two Mediterranean countries.

Turkish-Libyan cooperation is likely to deepen as there are upcoming forums in which “important strategic projects” are likely to be announced. New deals have already been signed with the example of two military cooperation agreements signed during Dabaiba’s visit to Istanbul in late October. The agreements concern military aviation training and implementation protocols for the 2019 security agreement which paved the way for the dispatch of Turkish trainers and Syrian mercenaries in Libya. The agreements were signed while Fathi Bashagha was also invited to Istanbul, in a way ridiculing the GNS Prime Minister in that Turkey has not offered him any support so far and has rather used him as a scarecrow to indirectly coerce Dabaiba into accepting deeper ties. Similar to the hydrocarbon MoUs, the aviation training MoU does not hold much practical value since Turkey and Libya do not fly the same fighter jets, but it sends the political message that Ankara could potentially secure the GNU air superiority. This is particularly important given that rumours have now emerged to suggest that Dabaiba could order dozens of Turkish drones in that aim. Overall, the month of October has shown that Turkey has made a serious turn and decided to fully use Libya’s internal divisions to make political and mediatic moves that can be presented as “strategic”. So far, international reactions have been mild and intermediation has calmed the LNA, but a stronger GNU-Turkey link is reminiscent of the GNA’s last period in power. Such an alliance has dangerous geopolitical dimensions and is already stirring the pot of old grievances in the country. In late October, Cairo, which had initiated “exploratory political consultations” with Turkey in late 2021, said it would halt such rapprochement due to Ankara’s unchanged policies over Libya. This is already an alarming turn of events. While Ankara and Cairo were not on a path to full normalisation, the two countries had initiated key de-escalatory measures

with Egypt's foreign ministry modifying its Libya team and Turkey asking Muslim Brotherhood telepresenters on its territory to tone down their criticism of Abdelfattah el-Sisi's government. With its recent moves, Turkey has shown that it is foremost interested in advancing its own interests in Libya, and as a result, former regional tensions are likely to resurface over the upcoming weeks and months.

LIBYA RECEIVES UNSMIL'S NEW HEAD FOR CONSULTATIONS

Abdoulaye Bathily, the United Nations Support Mission in Libya's (UNSMIL) new head and Secretary General Special Representative (SRSG), arrived in Libya to talk with all key political figures. Optimism is not at the table, but initiatives are piling up.

In mid-October, the new head of the United Nations Support Mission in Libya (UNSMIL) and Special Representative to the Secretary-General (SRSG) came to Libya for a week of consultations with a long-list of Libyan stakeholders. Abdoulaye Bathily met with Abdulhamid Dabaiba, GNU Foreign Minister Najla al-Mangoush, PC head Mohamed al-Menfi and his Vice-President Abdullah al-Lafi, HOR Speaker Agila Saleh, HCS Chairman Khalid al-Mishri, Fathi Bashagha, High National Elections Commission (HNEC) Director Emad al-Sayeh, and Khalifa Haftar as well as members of the 5+5 Joint Military Commission (JMC) from both western and eastern Libya. He also took the time to meet with some representatives of Libya's civil society, including women, in both Benghazi and Tripoli, but received criticism from the National Commission for Human Rights (NCHRL) which claimed the meetings were done selectively and without transparency. It is important to remember that UNSMIL is in an incredibly tough spot in Libya considering the low public confidence surrounding this institution. Nonetheless, none of Libya's stakeholders were contrarian enough to outright reject Bathily. Instead, political figures have recognised the fact that the new leadership at UNSMIL brings forth perspectives for political change and therefore needs to be worked with. As seen in the next section, UNSMIL's mandate being extended for a year and Bathily's arrival has been one factor behind the HOR-HCS rapprochement and is resulting in progress on key political and legal issues. While UNSMIL's new head has everything to prove, his simple presence has somehow brought new momentum and motivated actors so far sidelined in the current status-quo, or members of the GNU and GNS unhappy with the current situation, to consider alternative paths.

Importantly, the SRSG has no groundbreaking strategy to solve Libya's quagmire and has instead followed the example of his predecessors, which in itself is positive since it means UNSMIL might be able to build something out of previous political paths, including the intra-Libyan political process, instead of imposing an extraneous solution with little domestic support. Bathily has announced that priority is to identify a "consensual pathway"

toward the holding of “inclusive and credible national elections”, which he hopes will support national unity, stability, and renew Libyan institutions’ legitimacy. Following his week of consultations, Bathily briefed the Security Council in a pragmatic way, explaining that prospects for elections were dim, especially since “efforts to resolve the remaining outstanding issues related to the constitutional basis for elections do not appear to lead to concrete action by the relevant actors” (i.e. the HOR and HCS). His statement that “political deadlock persists with no clear end in sight to the prolonged stalemate over the executive” both shows that UNSMIL has a less naive grasp of reality in Libya but also gives away a slight pessimism and recognition that the international institution’s role in the country will remain limited. This view is backed by the Secretary-General Antonio Guterres’ statement, saying that it is difficult to know what Bathily’s biggest challenge will be, thus reminding us that Libya’s political fate remains tied to the manoeuvring of its political class no matter what the U.N. may try to do.

Nonetheless, there is now more room for new initiatives, or at least a breath of fresh air for old ones, with secondary political actors in Libya hoping to bring a third way option that would break the country’s status-quo. For instance, LPDF members have raised their hopes that they could once again be given a determining role by UNSMIL. Germany, backed by statements from the GNU foreign minister, has pushed forward the idea of a third Berlin Conference and its Special Envoy to Libya Christian Buck made a three-day visit to the country to meet rival politicians. Al-Mangoush has also raised the possibility of a second Libya Stabilisation Conference, whose first edition happened a year ago and was a show of diplomatic force with more than 30 countries present. Since Bathily’s arrival, legislative bodies have also made the pledge to unify Libya’s executive by early 2023, which has led to many political aspirants to think their time will soon come for them to have a shot at leading Libya. Arguably, these are positive developments as there is more movement in Libya’s political landscape. However, UNSMIL should know that the “goodwill” shown by domestic actors is mostly self-interested and meant to avoid an image of being a spoiler. Moreover, the SRSG has to face an international landscape in which rifts are growing and so-called “Libya fatigue” is negatively impacting the work of European and American partners. Indeed, between 28-29 October, the P3+2+2 met in London to push for a resolution to Libya’s stalemate but only managed to agree on supporting the new SRSG’s efforts whilst failing to produce a joint statement, thus showing that differences at the international level are wide and could slow down or even spoil political progress in Libya. The U.S. and France have liaised with Egypt to ensure the necessary work would be done by Cairo to eschew an escalation in Libya by pressuring the LNA into avoiding conflict. However, actions by Turkey are likely to make such intermediation efforts difficult over the long-term and it is necessary to persuade all international actors, particularly Ankara, of the need to avoid divisive tactics. On another note, Russia’s Envoy to the Middle East and Africa said Moscow was looking to reopen its Consulate General in Benghazi and transfer its embassy back to Tripoli, adding that the country was looking to restore its presence in Libya to “what it was before the break-up of the former Soviet Union.”

LEGISLATIVE BODIES CONTINUE THEIR PUSH TOWARD CONSENSUS

The heads of the House of Representatives (HOR) and High Council of State (HCS) are deepening contacts and have agreed in Morocco to “unify Libya’s executive authority and sovereign positions” by early next year, thus opening the way for an alternative government.

As put by HCS First Deputy Naji Mokhtar, the presence of the SRSG has been a catalyst for an understanding between the HOR and HCS. In fact, both chambers deepened their cooperation this month, first with a gathering of mainly eastern members in al-Bayda and later a meeting in Morocco between the two bodies’ chiefs who made progress on the issues of sovereign positions, with 2 out of 7 positions agreed upon. They also announced that they would unify the executive authorities by early 2023. However, progress remains minimal since the two heads failed to agree on a constitutional basis for elections, with al-Mishri explaining that changes at the helm of sovereign institutions like the CBL would only occur with a change in government and that the issue of whether military personnel like Khalifa Haftar could run in presidential elections was still up for debate. The HCS Chairman is obviously more invested in this process than Agila Saleh since the latter is the mastermind behind the GNS’ rise and has not yet decided whether to abandon his brainchild. Al-Mishri clearly stated that “all political forces are in agreement to hold elections as soon as possible”, a statement which only grasps the surface of Libya’s political reality where all key politicians call for elections but scheme behind the scenes to either spoil them or gain the upper hand in polls.

As explained in Inside Libya’s twenty-sixth issue, both Saleh and al-Mishri are concerned with all-round pressures to move forward with the constitutional basis, which ultimately goes against their interests of staying at the helm of their institutions. Calls for the PC to freeze legislative bodies have grown over recent weeks, with a number of civil society activists, elders and trade unions also demanding the Supreme Court to immediately prepare a constitutional rule and HNEC to hold polls or be brought to justice for collusion with the HOR. These calls show that even if the HOR and HCS manage to reach an agreement, it will be difficult for them to gain the necessary backing from sceptical constituencies. Calls to make tabula rasa of current power holders, be they the GNU, GNS, HOR or HCS are plentiful and will make any political process toward general elections spearheaded by any of those institutions hard to trust for many. This distrust was recently made worse with the release of a leaked audio recording allegedly between al-Mishri and an MP, discussing how the former could become Prime Minister of a third-option government while Khalifa Haftar could occupy the PC’s Presidency – thus going against al-Mishri’s professed opposition to any military officer becoming President. The audio file was dismissed by al-Mishri as manipulation, but its contents - whereby the MP says he will

never resign from his position and that corruption should be pursued in a more concealed way - will increase distrust in public institutions and any political processes they pursue.

Legislative bodies are not the only ones claiming to work toward general elections. According to the GNU Foreign Minister Mangoush, “we are closer to elections than ever before.” This misleading statement illustrates how the GNU also feels under pressure to appear as the party most willing to have elections. This month, Dabaiba contacted HNEC’s Emad al-Sayeh to ask him to update the voters’ registry for those who did not have a chance to register or those who turned legal by age to vote. He also asked him to consider the proposed election law prepared by the GNU-convened “Committee for the Return of the Trust to the People” and to start organisational preparations for elections, including a simulation day with the Ministries of Interior and Education. Dabaiba also asked for HNEC-National Libyan Channel cooperation to allow candidates to present their electoral programmes. Despite all these antics to prepare Libya for elections, the fact remains that the required cooperation between the GNU and legislative bodies does not exist. Both continue to accuse the other of spoiling elections, with al-Mishri recently claiming that Dabaiba ruled out his proposition to hold elections. The spat between the former allies is growing, with the HCS Chairman not only describing Bashagha’s GNS as a “non-consensual government” but also saying that the GNU “cannot hold elections” since it does not control the whole country and has had too many suspicions around it, with many of its ministers having either resigned or being in prison.

Importantly, Dabaiba turned down the recent HOR-HCS agreement reached in Morocco, rejecting the idea of another political track and appointing new heads for sovereign institutions, especially since the removal of CBL Governor Sadiq al-Kabir would harm his government’s access to funds. After calling upon Saleh and al-Mishri to agree on a constitutional basis for elections, Dabaiba was met with al-Mishri’s harsh response on Twitter, with the latter saying that the GNU Prime Minister “should stop selling illusions to the Libyan people” and just do his job. Overall, it is not yet clear what either Dabaiba, Saleh, or al-Mishri have in mind regarding elections. Past experience would suggest they are just buying time and seeking to gain the good graces of the new SRSG whilst maintaining their positions in the long-term. The unification of executive authorities by early 2023 professed by the Morocco agreement seems to be non-realistic and does not clearly say whether unification will happen through general elections or through a forceful process ejecting both the GNU and GNS from power. When it comes to Dabaiba, it is not yet clear whether the GNU Prime Minister believes he has a chance at winning future elections or believes he can only stall polls to remain in power. A statement from the U.S. Assistant Secretary of State for Near Eastern Affairs Barbara Leaf, saying that Dabaiba “is free to run in upcoming elections” brings back the question of whether someone who pledged to only be an interim Prime Minister should be allowed to run in elections that would make him a full-fledged premier despite accusations

of corruption and divisive tactics. Haftar's name coming up as a potential future PC Head also brings a similar question as to whether controversial military officials, regardless of their war crime accusations, should have a political future in Libya. These are the same debates held last year, and nobody seems to have made any progress on such questions.

DABAIBA HOLDS STRONG AMID DOMESTIC PRESSURES

Abdulhamid Dabaiba has now been in power for 20 months instead of his 9-month mandate given by the Libyan Political Dialogue Forum (LPDF).

Since late August, Dabaiba has managed to grow bigger in Tripolitania's political and security landscape, while his recent deals with Turkey have further provided him with a lifeline by not only giving him an image of a strongman with international allies ready to invest in him, but also reassuring his base regarding his allegiance to western Libya. Domestically, Dabaiba has pursued this image of a strongman by holding a meeting in al-Aziziya, a town 40 km southwest of Tripoli which was severely damaged during the 2019-2020 war, and is believed to not only be loyal to the GNS but also hosts the headquarters of a Libyan Army Brigade headed by Major General Osama al-Jeweili who shifted his allegiance to Bashagha a few months ago. Dabaiba's presence in the town, in addition to his supervising an exercise routine of the 53rd Ground Force Brigade of the Libyan Army, are meant to send a message to rivals and sceptics that the GNU Prime Minister still manages to have a wide sphere of influence in Tripolitania. Dabaiba also took jabs at the GNS by reminding people that his government was not responsible for financial arrangements made by the Sirte-based authority. The GNU has also pursued slight legal improvements over the status of children of Libyan women married to foreigners, allowing them to enjoy all rights enjoyed by any Libyan citizen and exempting them from visa requirements to enter national territory.

Despite his current confidence, Dabaiba is not immune from domestic criticism, even from his own government. This was apparent when Oil & Gas Minister Mohamed Aoun accused the Prime Minister of "usurping his competencies" through the High Council for Energy Affairs restructured last month. A real power struggle over the management of Libya's natural resources has been brewing between the GNU Prime Minister and Minister of Oil & Gas, with the latter opposing deals envisaged by Dabaiba and calling out the Prime Minister for not respecting the law. Equally, the PC has sought to tone down Dabaiba's overreach by asking him to reconsider the restructuring of the Real Estate Registration Authority done in September so that its mission does not go beyond administrative work during Libya's current transitional period. In other words, recent institutional shake-ups led by Dabaiba have made many of his peers uneasy. Resolution No.811/2022 de-

cided in mid-September on audio-visual media has also raised much criticism from civil society organisations that want the resolution cancelled as it severely restricts freedom of the press by giving supervisory powers to security and intelligence bodies and requesting high fees for a broadcast licence. The GNU's adoption of rules hindering media activities is not a new occurrence as Dabaiba has sought to maintain a tight grip on how his government is portrayed in the media. Recently, the Prime Minister instructed his ministers not to appear on media without his official permission, in an apparent bid to decrease chances of unhappy ministers voicing their discontent publicly. The GNU also received criticism for the continued rewarding of militiamen now holding public positions, with the example of human trafficker Abdel-Rahman Milad (aka "Bija") receiving a letter of recognition and appreciation from the Minister of Youth while militiaman Imad al-Trabelsi starting his duties as Deputy Minister of Interior.

FATHI BASHAGHA'S SILENCE COULD TURN TO RELINQUISHMENT

Risks of jettisoning are growing around the Government of National Stability (GNS) Prime Minister as he has failed to achieve most of his goals.

Compared to his rival in Tripoli, Fathi Bashagha has grown silent over recent weeks and continues to suffer from his failure to capitalise on his support base in western Libya to enter the capital and rule the country as a whole. As explained in last month's report, Bashagha's allies are slowly looking at other alternatives and the HOR agreeing to unify the country's executive authorities point to a near future in which Bashagha may no longer be Prime Minister. This month, the head of the GNS was initially invited to brief the parliament about his government's achievements, which remain mild. He has also sought to portray himself as an official working for the betterment of the economy, meeting with Benghazi's Chamber of Commerce, Agriculture, and Industry to gather recommendations from businessmen. Following Dabaiba's statement saying the GNU did not recognise its rival's financial arrangements, the GNS finance ministry asked Libya's tax authority to transfer revenues to the Benghazi branch of the CBL, without much results. Cut out from oil revenues, the GNS is also struggling to gather tax revenues, even from regions under its nominal control. This all creates an unsustainable situation for Bashagha, who no longer seems to have the option of escalating militarily through his armed allies nor the prospect of a political breakthrough from his alliance. In fact, Saleh, Haftar, and al-Jeweli are no longer as invested in the GNS as they were before and this may slowly force Bashagha out of the political equation. No ultimatum has yet been issued but pressures are mounting and the course of Libya's political process seems to veer away from Bashagha being Prime Minister — unless he wins in the country's next elections. On the international level, Bashagha also finds himself deserted by Ankara despite his public statements

in favour of Turkish military presence in Libya and continued diplomatic ties with the Anatolian country. Equally, the GNS Prime Minister allegedly sought to gain British recognition during former Prime Minister Liz Truss' short premiership through the lobbying efforts of her Chief of Staff, all in vain. These debacles put Bashagha in a tough spot and his allies demand of him a change in tactics, which would include lobbying toward countries which have clear interests in cutting short Turkish advancements in Libya.

The HOR was busy this month, with the issuing of a cybercrime law to protect electronic transactions and the incidence of cybercrime. From its conception, this bill brought opposition from civil society groups which believe it could undermine internet access freedom as well as media freedom due to the oversight and censorship allowed by the bill without prior judicial approval. The parliament also suspended nine MPs, including Bashagha and his deputy Ali al-Qatrani, for they all perform executive tasks contrary to the HOR's membership terms. The unified salary bill was also discussed after parliament agreed in late September to double the minimum wage to 1,000 LYD (€200). A group of 30 MPs from Cyrenaica also called on Saleh to present the 1951 Constitution for deliberation so as to have a decision on whether to return to federalism. This demand was seen in negative light by many, particularly HCS members opposing Saleh, since they believe that the HOR Speaker is motivating some of its parliamentary allies to shake up the threat of federalism so as to apply pressure and allow for his terms to be accepted in discussions over issues such as sovereign positions and the constitutional basis for elections.

MILITARY CONFLICT IS UNDER CONTROL BUT ESCALATION REMAINS AT THE CORNER

International mediation and 5+5 Joint Military Commission (JMC) discussions have defused potential escalation on the part of the Libyan National Army (LNA) for now. However, escalation in the form of an oil blockade remains a possibility.

After a three-months break, members of the 5+5 Joint Military Commission (JMC) finally met in Sirte in the company of Abdoulaye Bathily on 27th October. The LNA's Chief of Staff Abdulrazak al-Nadhourri had already met his GNU counterpart Mohamed al-Haddad earlier this month during the International Aerospace and Defence Exhibition in Tunisia. The JMC meeting was important in that ways to prolong the October 2020 ceasefire were discussed and a sub-committee to classify militias, deport mercenaries and foreign forces, as well as manage weapons and ammunition was created. Of course, such discussions and sub-committees have already happened in the past without bringing much progress to the unification of military institutions in Libya or the presence of foreign troops. Nonetheless, the fact re-

mains that west-east ties through the JMC have been crucial in maintaining peace and ensuring that hardline elements on each side of Libya's territory are not given a green light to turn the country asunder. Understandably, the two chiefs of staff may be concerned with recent moves between Dabaiba and Turkey, as it not only gives an external power a lot of leverage over Libya's future but also stirs the pot in a dangerous way since many, especially in eastern Libya, see the GNU as a frail power being blackmailed by Turkey into giving more of Libya's sovereignty so as to remain in power. Therefore, the JMC members meeting one another is a positive development that could tone down anger and potential escalation following the GNU-Turkey deals.

As outlined in this report's first section, Turkey's recent moves have dangerous domestic implications and Ankara no longer seems interested in toning down its rhetoric to befriend all in Libya. The Turkish Minister of Defence Hulusi Akar recently reiterated the view that Turkey is "not a foreign power" to Libya on the grounds of shared historical and cultural roots dating back to the Ottoman empire. This type of rhetoric was in the past strongly opposed by eastern Libyan stakeholders, prime of which Khalifa Haftar. Oddly enough this time, the LNA Commander has not directly commented on the GNU-Turkey deals, thus leaving many to question what al-Rajma's real views on such developments are. Nevertheless, Haftar has continued his touring of LNA-held territories, first visiting Benghazi where he reiterated his line that the LNA defeated terrorism in Libya and could very well defeat corruption and poverty, as well as bring about a secure and stable state. On October 17th, the LNA commander attended a highly symbolic military parade in the southern city of Sebha, underscoring his military institution's role in pacifying the region. The Fezzan remains a region with deep economic and security problems, and similar to the GNU, the LNA is seeking to show greater interest there and is building up on new relationships, particularly with former enemies or members of the old regime. Ultimately, securing a tight grip over southern Libya is a necessity should the LNA want to give itself another chance at capturing Tripoli. Reconciliation and outreach efforts by the LNA are not only occurring in the Fezzan. Several western tribal and armed groups have in fact travelled to Benghazi this month to seek support from the LNA as they have been jettisoned by the GNU over recent months. One of these persons was Ayoub Abouras, the former head of the Tripoli Revolutionary Brigade (TRB) and head of the Presidential Guard.

Fluid alliances and movements across the country show that important developments are brewing. JMC discussions in addition to mediation from both Paris and Cairo have been a factor in turning down the threat of an LNA onslaught against the GNU. Other factors can be found in the LNA's financial unease since its former backers such as the UAE are no longer as giving as they were and there is a lack of clarity over recent claims by CBL Governor that 400m LYD (€80m) per month are being disbursed to the LNA – a sum which is difficult to ascertain and would nevertheless be too small to allow for a large logistical manoeuvre. While threats of a military conflict are not imminent, this does not mean that there will be no escalatory moves

from eastern actors. Should Dabaiba maintain his grip over power, particularly with the help of Turkey, there is a high likelihood that actions to disrupt the GNU's access to funds will be initiated. The HOR's Energy Committee Chairman has already warned that "outraged citizens" could close oil fields while the southwestern branch of the Petroleum Facilities Guard (PFG) said attacks against key oil installations were a high possibility. A new blockade under LNA patronage needs to be accounted for in projections, but such a move will have difficult consequences for al-Rajma too. Its decision to turn off oil taps will therefore depend on the level of frustration felt by its commanders, calculations in the capitals of its key allies such as Cairo, and Dabaiba's next moves.

Western Libya is not exempt from dangerous security developments. It is well known that Tripolitania remains divided between Dabaiba's strong foothold in and around Tripoli and other geographies where his rivals such as Osama al-Jeweili have found a base. An emerging intra-Tripolitanian rift, with deep historical roots, is that of Mufti Sadiq al-Gharyani against the Special Deterrence Force (SDF), aka Rada. Al-Gharyani is one of the spiritual leaders behind violent Islamist groups such as the Libyan Islamic Fighting Group (LIFG) which operated until 2017 and has recently issued strong-worded statements calling for the release of former LIFG combatants, most of whom remain in jails controlled by Rada. This rift goes as far back as 2016, when ideological groups such as the LIFG were rooted out from the capital by the likes of Rada. Rada in itself is composed of many Madkhali fighters, that are also ultraconservative Muslims who remain Quietist, meaning that they do not necessarily follow an ideological interpretation of Islam. Of course, this general definition does not explain the many cases of intolerance demonstrated by Madkhalis across Libya, but the broad view is that Islamists like the LIFG have a clear idea of the form of political system they want to impose, while Madkhalis generally follow current political leaders — with many Madkhalis in eastern Libya for instance being affiliated with the LNA. Obviously, this ideological difference and more importantly different political positioning means that the two Sunni currents are at odds and conflict could erupt between them, particularly following al-Gharyani's recent Fatwas. Some supporters of the Mufti have led a protest in Tripoli against the head of the Religious Affairs Authority, who is Madkhali.

INSECURITY AND DIFFICULT LIVING STANDARDS CONTINUE TO GRIP LIBYANS

Nearly one fifth of Libya's population is in need of urgent humanitarian assistance. On top of difficult living conditions, horrifying reports on human trafficking and armed violence continue to make headlines.

With no concrete prospect of political change and difficult living standards, it is highly probable that public anger will rise and translate into protests as seen in early July of this year. In Zintan, youths put up roadblocks and

lit fires to express their anger against their city's lack of services and difficult conditions. According to the United Nations Development Programme (UNDP), about 13% of Libyan families are currently suffering from rising food prices and an overall 1.3 million people in the country urgently need humanitarian assistance. According to studies done by other UN organisations, the basket of basic foods for a family of five persons exceeds 1,000 LYD (€200) which is equal to the new minimum wage agreed by the HOR and whose implementation is likely to be difficult. Moreover, Libya is now facing a ceiling in its ability to relocate internally displaced people (IDPs). Over the course of the last years, hundreds of thousands regained their homes but there are still a little less than 200,000 IDPs in the country who are simply not able to return home due to security reasons not related to housing, infrastructure or war remnants. For instance, the Association of Benghazi IDPs recently issued a critical statement saying that they are undergoing the same sufferings since 2014 due to their inability to return to the eastern city which is under LNA-control, a group that many of these remaining IDPs do not feel safe with.

A horrifying crime occurring early this month also shocked the nation as 15 burnt bodies of migrants were found in Sabratha, thus showcasing the brutal conditions of migrants seeking to cross Libya to get to Europe. According to several reports, the migrants were caught in a dispute between rival human traffickers. Arrests were made following the news and security forces raided several sites hosting, or rather detaining, irregular migrants. In the southeastern town of Rabyana, which is under the nominal control of the GNS, the Security Directorate was attacked this month by an outlaw group. Twere policemen were killed during the clashes, thus underscoring continued insecurity in the Fezzan – including in areas where the LNA has sought to bring stability. A similar incident took place at the Daher al-Jabal police station, which is under the nominal control of the GNU, where outlaws killed the station's director. In addition to targeted attacks on security forces, armed groups particularly in western Libya have continued their sporadic clashes, with the example of downtown Tripoli where various public security companies shot and launched RPGs at one another, causing two civilians to be injured. In eastern Libya, kidnappings have continued with the example of Omran Faraj al-Fassi, Director of the HoR's Relations Office being dragged into a convoy of seven cars by gunmen at Benghazi's Benina airport. Finally, the issue of oil smuggling remains a problem and has caused momentary disruptions in trade between Tunisia and Libya since Libyan authorities have applied greater oversight over goods crossing the Ras Jadir border, thus angering a number of Tunisian merchants who blocked the border crossing for a few hours. The Ras Jadir border point was also where Libya's Criminal Investigation Department seized 23 trucks loaded with 80,000 litres of fuel in the direction of Tunisia.

POLITICISATION OF LIBYA'S ECONOMY TAKES A NEW TURN

Recent rifts between the Central Bank of Libya's (CBL) two branches over issues such as the exchange rate show that institutional unification remains a far-off dream, particularly considering the political stakes behind the distribution of national wealth.

The 2021 Audit Bureau (AB) report released last month has had important implications on the fight against corruption and political infighting between economic institutions. The report had clearly said its drafters had monitored wholesale violations made by the CBL in the management of public money. In addition to operating “selectively and without a board of directors”, the CBL headed by Sadiq al-Kabir was accused of withholding many important documents and asked by the AB's head, Khalid Shakshak, to be more transparent and apply international standards of accountability. The report also highlighted the CBL's failure to effectively monitor commercial banks' corrupt activities, with many bank managers from the likes of Libya Bank of Commerce and Development, National Commercial Bank, Wahda Bank, Sahara Bank, and Jumhouria Bank being detained on orders of the Attorney General, Siddiq al-Sour, this October. Most of these cases were unveiled by the AB report and consisted of cases of forgery, embezzlement, or giving favours for their personal interests. Equally, the Attorney General and Public Prosecutor also ordered the detention of several diplomats who were working in Morocco, Turkey, Qatar, South Africa, Ukraine, and Uganda. Most of these arrests were made on the basis of corruption crimes committed in the last decade. The most high-level detention order was handed to former Government of National Accord (GNA) Foreign Minister Mohamed Siala (2016-2021) over charges of financial corruption related to excessive expenses for the construction and rehabilitation of embassy buildings.

Political infighting has also further spread within the CBL. On October 3rd, the CBL's board of directors met in Benghazi and took the decision to revalue the Libyan Dinar from a rate of 4.48 to the US Dollar to 4.26 Libyan Dinars to the US Dollar, effective October 16th. In August, the GNS Prime Minister had called on the CBL to “follow a rational monetary policy” to fight inflation and improve Libyans' purchasing power at a time when imports are more expensive due to unexpected geopolitical developments. Of course, the Governor Sadiq al-Kabir did not join the CBL meeting in Benghazi and refused to implement the decision. Despite steps in early 2022 to unify the institution, the unification process has been stalled for months, with Deputy Governor Ali al-Hibri accusing al-Sadiq of operating as a 'dictator' who does not perform his institution's key duties and of sidelining the board of directors. This development is an important indicator that officials are aware of Libyans' difficult living conditions and seek to pursue policies that could drive down inflation. However, it is noteworthy that experts believe reevaluating the national currency can only be a sustainable policy should oil re-

venues be stable and high. In fact, a stronger currency does not necessarily impact daily prices and the CBL board of directors may have sought to push forward a stronger LYD-USD rate for some governmental purposes, and not the general purposes they inferred. More specifically, it would be better for the GNS to buy foreign goods at the new rate so as not to incur too much expenses and have the CBL foot the bill. Since the new rate is unlikely to be applied, this tactic may not be the primary goal behind the Benghazi meeting. Instead, this development follows a long line of similar rifts between the two branches of the CBL, divided along geographic and political lines. This time, the CBL Deputy Governor and the board of directors are seeking to put al-Sadiq under the limelight to have him removed from his post as someone who is not only failing to fight inflation but also someone facing corruption charges. Of note, both Agila Saleh and Khalid al-Mishri seem to have agreed on the need for Sadiq al-Kabir to leave the CBL. However, this will not be done unless both the GNS and GNU are removed as per al-Mishri's wish.

CONCLUSION & FORECASTS

In late October, the new Chairman of the NOC was in Abu Dhabi for the ADIPEC conference and announced that the Italian energy giant Eni would invest €8bn in western Libya's natural gas fields. This news, in addition to the aforementioned Turkish MoUs demonstrate an important turn of events for Libya on the international level: some states and international companies are not holding back on investment promises despite Libya's legitimacy crisis. While Eni's investment plans have been long in the making and are based on pure economic interests, Ankara's recent agreements rather display political aims. In fact, the international community had so far decided to keep either Dabaiba or Bashagha at arm's length, but recent statements by Turkish officials show that Ankara is now fully behind the GNU and ready to deepen its relationship with Dabaiba in spite of currently tense dynamics on the ground.

Although this development has not yet led to any armed escalation, it is important to remember that eastern actors are particularly wary of Turkey-Tripolitania links and often see them as a redline. Undeniably, the hydrocarbon MoU has added insult to injury for an LNA which had believed for a moment that Dabaiba had agreed to share the management of Libya's oil wealth with al-Rajma. As a result, the eastern military institution will continue to pursue its socio-political strategy of building a cross-regional coalition that could very well include powerful western actors and wait for the best moment to strike. Armed conflict may however not be the first step to come. Rather, Libya's oil and gas sector is likely to once again fall victim to the country's political infightings with an oil blockade being likely.

Despite the momentum brought by Abdoulaye Bathily's nomination, the international community is yet to arise from its Libya fatigue. This is concerning since recent months have shown the reappearance of regional competition which could very well fan the flames of conflict in the future. International condemnations of Turkey's MoUs do not suffice. It is important for UNSMIL and other key actors to apply both mediation and pressure on countries which pursue divisive politics in Libya. Ankara knows full well that its recent agreements are unlikely to see the light of day. It also remains interested in rapprochement with key Arab nations such as Egypt as recent moves such as the arrest of dozens of Muslim Brotherhood members in Turkey have shown. Turkish officials should therefore be addressed and nudged so as to avoid policies that not only create tensions between nations of the Mediterranean, but also intensify grievances and anxieties in Libya.

Overall, the stalemate in Libya is unlikely to persist as there are more and more entrepreneurs pouring into the country's political landscape in the hopes of coming out on top when positions of power shift. In fact, we are now less than two months away from the one-year anniversary of the failed December 2021 elections, and many Libyan stakeholders feel that the tide is turning. Looking ahead, political developments inside Libya are likely to become increasingly tumultuous as the political landscape grows more crowded and fluid. This will add to the already complex and volatile dimensions of the Libyan crisis.

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