



**INSIDE
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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 2023. 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

Overview: The situation in Libya remains at a standstill. However, domestic and international actors are anticipating change in 2023 and seeking influence over competing political initiatives. The country's political elite is facing increasing popular discontent, and status quo actors are under pressure to make progress to avoid being sidelined. Developments over the past month have been further complicated by procedural questions about transitional justice, the state of national reconciliation, the integration of armed groups into formal state structures, and the future of the Libyan National Army (LNA). Meanwhile, the United Nations Support Mission in Libya (UNSMIL) has an opportunity to restore momentum to the political process.

POLITICS

- Rival Libyan governments face weakened positions and increasing public discontent.
- Agila Saleh and Khalid al-Mishri face pressure to make progress on the constitutional basis or risk being marginalised.
- The Presidential Council has failed to make progress on national reconciliation and now faces criticism.
- Under the leadership of Abdoulaye Bathily, UNSMIL has an opportunity to restore momentum to the political process and engage effectively with the Libyan public.
- The extradition of a former regime official raises questions about transitional justice in Libya and weakens the GNU's domestic standing.
- February will be a critical turning point for the HOR-HCS track, thus leaving the ground for different actors to formulate their own political initiatives.

SECURITY

- Armed groups are seeking to secure their power in Tripoli and the western region more broadly by integrating into state structures.
- The LNA is attempting to rebrand itself by tackling corruption and reshuffling top positions. These efforts are overshadowed by the present and future role of the Haftar family.

ECONOMY

- Internal divisions and the prolonged political transition are depriving Libya of economic potential from greater international cooperation.
- The Central Bank of Libya (CBL) data on public expenditures shows multiple incongruencies that reflect the country's fractured institutional landscape and widespread mismanagement and corruption.

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POPULAR FRUSTRATION AGAINST LIBYA'S POLITICAL ELITES GROWS MORE EVIDENT

Libya's rival governments are holding weak positions and the country's political elite is likely to face increasing popular discontent throughout 2023.

In 2022 Libya regressed politically as the country was once again gripped by institutional divisions and political deadlock. Neither the Tripoli-based Government of National Unity (GNU) headed by Abdulhamid Dabaiba, nor the Sirte-based Government of National Stability (GNS) headed by Fathi Bashagha were able to make undisputed claims to legitimacy or to rule effectively over a majority of Libya's territory. Initially weakened in 2022, Dabaiba managed to rebound since last summer through apt deal-making with western Libya's armed groups. He was also able to reach a tacit agreement with the Libyan National Army (LNA) to lift an oil blockade in July which allowed the GNU to receive hydrocarbon revenues. However, Dabaiba has lost the ability to govern Libya in its entirety and has become entrenched in the capital city, promising he would not relinquish power until elections are held and seeking to consolidate his own coalition with armed groups to maintain a fragile stability in western Libya. In contrast, the GNS has on paper access to far more territory thanks to its coalition with the LNA, which controls eastern and southern Libya. However, it has had far bigger problems gaining international recognition or finding resources as its Prime Minister explained he only received €300m out of a €17.8bn budget passed by the House of Representatives (HOR). As a result, the GNS has become nothing more than a placeholder used by the LNA and HOR until a solution is reached to unify Libya's executive. Holding such weak positions, neither the GNU nor the GNS are likely to play an important role over 2023 in bringing Libya closer to the general elections.

Overall, the political landscape in Libya has been one in which all domestic and international actors are calling for the holding of elections and yet are missing every opportunity to reach that professed common goal. This situation has enraged a large portion of Libya's population which is now far less characterised by ideological fault lines or regional grievances and far more defined by a shared frustration against all political figures and interest groups, including foreign actors involved in the Libyan file. Popular demands for an end to corruption and for better services are common to all three regions of Libya, making it difficult for political actors to maintain their support base without engaging in internal reforms or genuinely pursuing an end to Libya's political stalemate. In this context, civil society actors are attempting to bring popular frustration to the attention of political elites without falling victim to their repressive apparatuses. These efforts show that, despite an oppressive environment and general lack of funding, Libyan civil society is resilient and committed to improving conditions in the country.

THE INERTIA OF LIBYA'S CONSTITUTIONAL TRACK AMID GROWING PRESSURES

Facing calls for an alternative path to the HOR-HCS track, both Agila Saleh and Khaled al-Mishri feel the pressure to make progress so as not to be sidelined, but have so far only raised false hopes.

The Libyan-led political process spearheaded by the HOR and High Council of State (HCS) has been characterised by numerous meetings between their heads and agreements being announced without much substance. In October 2022, following a meeting in Morocco, HOR Speaker Agila Saleh and HCS Chairman Khaled al-Mishri announced they had agreed to implement the outputs of the Bouznika talks relating to sovereign positions before the end of the year, unify Libya's two contesting governments by March 2023, and resume constitutional talks to draft a roadmap and legislation on the basis of which presidential and parliamentary elections can finally occur. Three months later, progress made by the two politicians has been minimal, with backtracking and bad faith evident in their behaviour, despite growing pressures from the new Special Representative to the Secretary General (SRSG) and the international community. HOR-HCS meetings meant to take place under UN auspices such as in Zintan on 4th December were simply cancelled and talks came to a halt for a good part of December following the HOR's unilateral decision to establish a constitutional court with headquarters in Benghazi. The move, which threatened the judicial competence of the Supreme Court's constitutional chamber to look into constitutional matters, was seen as unconstitutional but also a further step into the judiciary's politicisation which rose with the appointment of a new Supreme Court Chief Justice last September as explained in the [twenty-sixth issue of Inside Libya](#). After mediation by the Supreme Court's General Assembly, Saleh decided to shelve his initiative for the sake of continuing consultations with the HCS.

Saleh and al-Mishri announced from Cairo on 5th January that they had reached an agreement on the constitutional basis in the presence of the SRSG. However, it was said that details about the agreement would be unveiled at a later date during another bilateral meeting inside Libya, but Saleh quickly diminished the agreement's value by saying it was only "verbal" and questioning the need to consult with the HCS due to its status as an advisory body. The HOR Speaker pointed the finger at al-Mishri's lack of response regarding issues such as sovereign positions and more importantly said that the two perennial obstacles to presidential elections were still in place. Since the failed December 2021 elections, the main point of contention between the two bodies is whether military personnel and dual nationals can become presidential candidates. While Saleh concurs this should be allowed and proposes a clause which would force a candidate

to forfeit their second nationality upon winning the election, al-Mishri has so far opposed the electoral participation of such candidates as this would allow controversial figures such as Khalifa Haftar, who is despised by al-Mishri's camp in western Libya, to get a chance at governing Libya.

The many fruitless encounters between Saleh and al-Mishri have given Libyans the view that the two men are simply beating around the bush and are not capable of reaching an agreement. After raising false hopes, the HOR and HCS are back in a deadlock with the parliament threatening to go on its own should the HCS refuse to change its stance. In the meantime, the HCS announced the completion of a mechanism to select candidates to sovereign positions, thus raising concerns al-Mishri is finally moving ahead with this file to keep Saleh on his side, change key officials, and turn attention away from the constitutional track. The two men are believed to want the replacement of High National Elections Commission's (HNEC) director Emad al-Sayeh as a way to better control the elections file. Ultimately, Al-Mishri and Saleh are bound to maintain their cooperation or the illusion thereof despite their differences because they are aware UNSMIL and the international community are slowly exploring alternative options to their track.

DIVISIONS FOLLOW A PREPARATORY MEETING FOR NATIONAL RECONCILIATION

After two years in office, the Presidential Council has not found the right recipe to bring together Libya's opposite sides and has continued to face backlash for its national reconciliation initiatives.

The HOR and HCS are not the only official stakeholders in Libya holding onto a key piece of the country's political puzzle. The Presidential Council (PC), whose main goal detailed in the Libyan Political Dialogue Forum (LPDF) roadmap is to pursue national reconciliation, has taken steps in this regard over the last months. The body organised a preparatory meeting from 8-12th January in Tripoli to "establish reconciliation on sound foundations to ensure the country's stability and pave the way for elections," as explained by the PC's head Mohammed al-Menfi. The meeting, gathering representatives of the African Union, some foreign ambassadors, a few members of the HOR and HCS, as well as tribal Sheikhs and notables, was meant to be a cornerstone for Libya's first real national reconciliation conference scheduled in two months and whose objective is to result in a national charter. However, the preparatory meeting was quickly politicised and led to controversy as civil society actors felt side-lined and fundamental issues such as the independence flag and anthem spiralled into fiery debates. To accommodate former regime supporters, the meeting's final draft did not specify items such as the flag and anthem for the next conference, leading to outrage among western Libyan actors such as HCS members, the Tripolitania Society, and Misrata's Council of Elders who decried the event as

rejecting the 2011 revolution's achievements. The National Commission for Human Rights in Libya (NCHRL) also heavily criticised the PC for unilaterally launching the event without inviting human rights and legal institutions, thus leaving aside active components of the country's society.

Fundamentally, reconciliation is a massively under-invested and over-politicised part of Libya's political process despite its key role in facilitating elections whose results can be accepted nationwide. In fact, based on recent Central Bank of Libya (CBL) data, the PC only spent a minimal fraction of its budget toward its primary aim, preferring security expenditures instead. Moreover, despite its decision to launch the High Commission for National Reconciliation in June 2022, the PC has had no particular success in bringing opposed factions together or even in preventing escalations – rather this role has arguably been performed by the 5+5 Joint Military Commission (JMC) which gathers top military brass from western and eastern Libya. Shifting political lines, increasingly seen since the second half of last year, have mainly been the result of shifting political requirements and not conferences on national reconciliation. Contrary to claims raised by the PC's deputy head Abdullah al-Lafi who said that "reconciliation among Libyans is not a field of trade or political bidding", the majority of official platforms elevated for the goal of bringing opposite factions together have turned into political battlegrounds.

This can be explained by the fact that each reconciliation initiative prepared by one actor is perceived as competitive and dangerous by others. Abdulhamid Dabaiba, the GNU's Prime Minister, who under the LPDF was meant to govern Libya in tandem with the PC, indirectly bashed the PC's January event as being sponsored by foreign intelligence, seeking to relieve criminals, and taking place in luxurious hotels. Moreover, the lack of post-conflict justice and the absence of civil society actors downplays the impact and reach of reconciliation efforts. Naturally, the politicisation of judicial institutions and legal cases as well as the impunity of major actors are currently not conducive to transitional justice, however, efforts can be made to include more civil society actors and carry out reconciliation more broadly on the ground in a concerted effort between multiple cities and segments of the population. Yet, national reconciliation is also not a process that can solely rely on grassroots action since a final political breakthrough is needed to solve the issue of the thousands of Libyans illegally held by armed groups across the country and the 134,000 internally displaced persons, whose return home to mainly eastern Libya is now reliant on strong political guarantees and reparations from the LNA.

Generally, tangible steps in terms of reconciliation have been carried out by military personnel in the form of concessions rather than grand schemes. For example, an LNA pilot held in Zawiya for three years was released in late December in exchange for 15 western detainees. The military track, which aims at unifying Libya's military and removing foreign forces from its territory, has so far been the only substantial track in Libya's peace process in that

it has kept in place the ceasefire and communication channels between east and west. Consultations by the SRSG with the Security Working Group in Tunis over December and later in mid-January with the 5+5 JMC in Sirte focused on achievable steps toward implementing the ceasefire's terms, including securing the work of local and international monitoring teams, assisting the Security Arrangements Committee, and containing any breach to the ceasefire. Progress toward the removal of foreign forces, restructuring, and unifying the military remains so far elusive without clear political will, but regional geopolitical developments such as the implementation of Chad's August 2022 Doha agreement has seen noteworthy changes with the withdrawal of the Union of Forces for Democracy and Development, a Chadian mercenary group allied with the LNA.

UNSMIL'S NEW APPROACH TO LIBYA'S POLITICAL PROCESS

The Special Representative to the Secretary-General's careful and stern approach has created an opportunity to raise the profile of the United Nations Support Mission in Libya (UNSMIL) among Libyans.

Upon his appointment as SRSG in September, Abdoulaye Bathily found an UNSMIL deeply distrusted by Libyans and an international community at loss for ideas on how to advance the country's political process. Since then, his broad consultations with Libyan and regional stakeholders, as well as the stern warnings issued about the country's state, have earned him respect among the general population. The SRSG has not only warned that Libya would be divided without a solution soon, but also expressly called for alternative mechanisms to the HOR-HCS track should Saleh and al-Mishri continue to fail in reaching an agreement over the coming months. This stance has resulted in greater international pressure on key Libyan stakeholders to cease their spoiling efforts or risk being side-lined in Libya's political process. The HOR Speaker repeatedly expressed his unease toward "international interference in the Libyan-Libyan process" and, alongside al-Mishri, is seeing less room to stay as a relevant political actor without being lambasted as a spoiler. To increase pressure, Bathily has called upon all segments of Libya's population to make their voices heard to accelerate the political process. This has sparked greater involvement by ordinary Libyans on social media, who call for an end to a year-long deadlock that risks fracturing the country.

There is not yet a clear alternative path to the HOR-HCS track championed by UNSMIL, but observers have raised the possibility of a new political dialogue forum as a key mechanism. Meanwhile, Libyan activists and politi-

cians have voiced their preference for the instatement of an independent political body at the head of Libya's state and the formation of a small technocratic government which would do away with the HOR, HCS, GNU, PC, and GNS. For instance, dozens of presidential candidates have called for granting legislative authority to the Supreme Judicial Council and forming a unified mini-government to organise general elections within nine months. So far, pursuing such alternatives do not seem to be a priority for UNSMIL as the feasibility of such plans is justifiably questioned considering the potential conflicts and opposition they could stir. Without greater involvement and participation by independent Libyan media and civil society actors, it is likely that any other political track to draw a roadmap and legislation for general elections will become another political battleground with little chance of leading to positive breakthrough.

THE POLITICAL RAMIFICATIONS OF A FORMER REGIME OFFICER'S EXTRADITION

The extra-judicial extradition of a former regime officer has raised procedural questions about transitional justice and casts a shadow over the Government of National Unity (GNU)

On 17th November, former Libyan intelligence officer Abu Agila al-Marimi was kidnapped in his Tripoli home by forces loyal to Ghneiwa al-Kikli. On December 12th he appeared in a Washington court "on federal charges [...] stemming from the Dec. 21, 1988, civilian aircraft bombing over Lockerbie, Scotland" according to the U.S. Department of Justice. His extradition, deemed unlawful by several Libyan political bodies and human rights groups such as Amnesty International, has had large political ramifications that have not only hurt the GNU's standing but also placed further strain on national reconciliation. According to Abdulhamid Dabaiba and the U.S. Department of Justice, al-Marimi was subject to an arrest warrant by Interpol following Washington bringing charges against him two years ago. Al-Marimi's extradition raised many procedural questions in Libya, pitting Dabaiba – who claims the extradition was lawful – against a large swath of the country who criticised the move as violating domestic legislation and harming Libyan sovereignty. Many Libyans did not understand why the Lockerbie case was being reopened after years and denounced the extrajudicial process to which al-Marimi was subjected. Importantly, the case shows how complex and stretched transitional justice can be due to often contradicting interests between local and international claimants. Al-Marimi had already faced legal procedures domestically and was held in militia custody from 2011 to 2020, despite being included in a general amnesty issued by the HOR in 2015.

Above all, al-Marimi's extradition created one of the biggest controversies facing the GNU and more particularly Dabaiba. Prior to the extradition, the GNU Prime Minister had sought to downplay such a possibility to diffuse criticism. Although he later defended the decision to extradite al-Marimi, he also formed a committee to investigate the Misrata Joint Force, an armed group under his command and which was the last to handle al-Marimi prior to his extradition. Moreover, foreign media articles surfaced to say the extradition had been decided by Ibrahim Dabaiba, the Prime Minister's nephew, many months prior to al-Marimi's forceful arrest, thus raising questions as to what sort of concessions the Dabaiba family had sought from Washington. Former regime supporters did not take well al-Marimi's extradition and saw it as a sign that their high-profile prisoners could eventually face the same fate. Despite reassurances from Dabaiba, several southern Libyan actors such the Supreme Council of the Fezzan Tribes threatened to disrupt the country's flow of oil and water from their region should any step be taken to extradite Abdullah Al-Senussi, Gaddafi's Intelligence Chief who is accused of direct involvement in the Lockerbie case and is currently held in a Tripoli prison. Overall, al-Marimi's example showcases Libya's frail justice system which is often manipulated to further national divisions instead of being a reliable tool for reconciliation. Although those accused may be guilty, the violation of legal procedures, involvement of non-state armed groups, and the political dimension of their trials means that many judicial cases could be reopened in the future, thus further straining national reconciliation and the rule of law.

CONSOLIDATION OF INFORMAL ARMED GROUPS INTO THE STATE APPARATUS

As the GNU strengthens its presence in Tripolitania, powerful armed groups are seizing the opportunity to integrate into formal state structures to secure their power and influence.

The 27th of August clash between pro-GNU and pro-GNS armed forces has had a stark impact on Greater Tripoli's security architecture. Powerful groups such as the Nawasi Brigade fled the capital, leaving behind Ghnewa al-Kikli's Stability Support Apparatus (SSA) and Abdulraouf Kara's Special Deterrence Force (SDF) as key power holders in the capital. Moreover, GNU Interior Minister Khaled Mazen was dismissed in September and replaced by former militiaman Emad al-Trabelsi, who despite his controversial background has been far more active than his predecessor in reforming the capital's security architecture. Such efforts have by no means diminished insecurity and violent competition between western Libyan armed groups, but Security Sector Reforms (SSR) announced by al-Trabelsi in January further link Libya's formal security apparatus with informal armed groups. For instance, Muammar al-Dawi's 55th Battalion was integrated into the Ministry of Defence to strengthen the GNU's control over intersections linking Tripoli, the western coastal road, and the Nafusa mountains whilst ensuring

the allegiance of the armed group which had formerly backed the GNS. Far from being a sign of a strong government able to rein in non-state armed groups by absorbing them, the integration of such groups often reflects the influence of their leaders, who are now managing to carve official positions for themselves, gain state resources for their soldiers, and immunity for any crime committed prior. State bodies in Tripoli have become dependent on such security actors, with 2022 government expenditure figures showing that a majority of the PC and Ministers' Cabinet's budgets was spent on "security agencies", accounting for 1.7bn LYD (€340m) for both entities. Equally, steps to absorb non-state armed groups help government officials in downplaying the role of "militias" in everyday affairs, presenting them instead as official "battalions" as done by al-Trabelsi.

Such haphazard steps toward SSR are not restricted to the GNU, as prior Tripoli-based governments also pursued similar policies to achieve short-term goals such as regime survival. In eastern Libya, the LNA has also been adept at absorbing problematic units to give a new image without reviewing their violent practices or delving into their criminal past. This situation can partially be explained by the fact that SSR is seldom accompanied by Disarmament, Demobilisation and Reintegration (DDR) since the latter is contingent on an overarching nationwide policy based on long-term peace, reconciliation, and strong political will. The consolidation of non-state armed groups into the formal state apparatus also serves as a warning for all stakeholders involved in the peace process to reassess their overall objectives. Short-term, incomplete and corrupt SSR efforts over the last decade have undoubtedly created deep-rooted issues in Libya which have in turn jeopardised the country's peace process and the holding of elections. The imprint of informal armed groups on formal state apparatus is likely to be long-term and the objective of achieving long-standing stability is likely to overshadow the fight against corruption as well as transitional justice efforts. There are therefore no simple answers to Libya's overall security architecture, but the more the country remains divided and each region creates its own security environment, the more difficult any step toward state unification and reconciliation will become. In the meantime, al-Trabelsi's efforts to unite and enhance security, military and intelligence components of the western region are likely to create tensions the more the Interior Minister moves outward of the Greater Tripoli area to expand the GNU's influence.

THE LIBYAN NATIONAL ARMY ASSESSES ITS INTERNAL CHALLENGES

The Libyan National Army is mulling over tackling institutional corruption, recalibrating some of its international ties, and reshuffling top positions. Its rebranding efforts, however, will not dent the role of the Haftar family nor change its problematic ways.

The LNA has been keen to project the image of a patriotic actor monitoring Libya's political process from the side-lines. In reality, the military institution has been actively involved in Libyan politics – above all, seeking its own financial, political, and strategic interests. This manoeuvring has placed the LNA in a dominant position as the institution has maintained tight political cooperation with eastern actors such as the HOR and GNS, but also pursued tacit agreements in the field of energy and financial arrangements with the Dabaiba clan. Nonetheless, the LNA has become increasingly aware of its internal weaknesses and is currently engaged in internal discussions about its structure and leadership post-Khalifa Haftar, who will be 80-years-old in 2023. Throughout 2022, Saddam Haftar has risen in the ranks to be seen as his father's most likely successor.

Saddam's growing role and expanding networks are now much of a fait accompli for career generals who were ill-at-ease with Haftar's sons' increasing influence over the institution. Initiatives have taken place to reinforce the Haftar family's imprint on the LNA, while a shake-up of top positions is likely to occur this year to introduce a new generation of officers. Policies branded as "anti-corruption" are also being pursued to placate growing frustrations among Libyans over institutional corruption but are designed not to touch upon the ruling family's own activities. Haphazard SSR policies have also taken place to evade growing criticism over some units linked to the LNA. For instance, the 20-20 unit of the Tariq Bin Ziyad Brigade (TBZ) was integrated into the newly formed Benghazi Security Battalion in late December, following an Amnesty International report lambasting the entire TBZ Brigade for grave human rights violations. The LNA also sees the need to recalibrate its foreign relations by gently steering away from Moscow and building ties with Washington, which has increased pressure on Haftar to cut ties with Russia's Wagner group - particularly during a rare visit of CIA Director William Burns to Benghazi on January 12th.

Domestically, the LNA has placed the proverbial egg in every basket and is talking with all key stakeholders to remain relevant in Libya's political process. For now, Haftar seems content with letting the new SRSG implement his next plans for Libya's political process, but he has clearly outlined the redlines that such a process will need to respect. By placing the participation of military personnel in presidential elections as a redline, Haftar has had a direct impact on the current deadlock faced by HOR-HCS track. In early December during a speech in Ajdabiya, he also made a reference to

the right of Libyan regions to govern their own affairs and manage their own resources independently from Tripoli should the country's current quagmire and "militia control over Tripoli" continue. Although the LNA's General Command has clarified the military institution does not support secession in any sense, the LNA also knows popular discontent in eastern and southern Libya will be difficult to manage without offering either a break to the country's political deadlock or pushing for greater autonomy. In other words, secession is becoming a greater threat for the country, although it is seen as a double-edged sword by the LNA, a weapon which can be used to apply pressure on other stakeholders but which could also backfire against the LNA in placing it in the role of the primary actor in Libya's division.

INTERNATIONAL AGREEMENTS AT RISK DUE TO LIBYA'S POLITICAL SITUATION

Internal divisions and an indefinite transitional period are costing Libya important contracts sought by international actors pursuing the country's untapped opportunities.

The prolonged transitional period and rivalry between Libya's divided authorities has rendered international agreements difficult to achieve and created a situation in which large-scale deals are not only over-politicised, but also involve foreign partners overlooking Libya's sovereignty and disregarding long-term mutual interests. This is proving unsustainable for the country's economic future, particularly at a time when the National Oil Corporation (NOC) has called upon foreign companies to lift their force majeure on Libya and resume activities to secure development goals. Since the signing of an MoU on maritime demarcation between Turkey and the GNU in October 2022, there have been a series of turnarounds and announcements showing heavy international competition in the absence of a unified Libyan government. Egypt, which has already for a few months decided to vacate regional events hosted or presided by the GNU, chose in December to unilaterally announce its own maritime demarcation with Libya to counteract Turkish objectives in the Mediterranean. Despite Cairo's close ties with eastern Libyan authorities, the move was reportedly made without prior consultations and received condemnation from both the GNS and GNU. In January, Tripoli's Court of Appeals issued a ruling to suspend the implementation of the Turkey-GNU MoU, citing legislation preventing any transitional government from concluding consequential international agreements.

Nevertheless, international oil corporations have demonstrated growing interest in Libya, particularly following Russia's invasion of Ukraine which has increased demand for alternative sources of gas to feed the European market. In this context, Libya's political problems could not have come at a worse time in that lucrative deals fall victim to internal divisions. After months of deliberation, Italian giant Eni signed a €7.2bn gas supply deal on 28th January during the visit of Italy's Prime Minister to Tripoli. Inside Libya, the

deal has been rejected not only by the GNS, but also by the GNU's Ministry of Oil & Gas. It also led to a partial and momentary halt of energy exports to Italy due to protesters storming the Mellitah Oil & Gas Complex in the western coastal region. On top of the deal being signed by an interim Libyan authority whose legitimacy is heavily disputed, opponents of the energy pact such as GNU Oil & Gas Minister Mohamed Aoun and GNS Prime Minister Fathi Bashagha have raised an issue with Eni's shares in the Mellitah Oil & Gas Company increasing. Opposition by the GNU's own ministry shows that on top of divisions between the GNU and GNS, differences between officials in Tripoli also render international deal-making more complex.

Discord between the Tripoli-based NOC, Ministry of Oil, and CBL is likely to grow in 2023, making it more difficult to implement economic plans. Overall, dealing with Libya as an economic or strategic partner is likely to become more difficult if the stalemate persists. To pursue their interests, some foreign states are getting comfortable with choosing one side of Libya's political divide, regardless of the risks of furthering the country's political crisis. Similarly, 2022 data released by the CBL and GNU Finance Ministry have shown many inconsistencies and violations of financial regulations. Particularly, the NOC has so far been non-transparent about how part of the €6bn emergency budget allocated to it in 2022 has been spent, leading many to believe that funds earmarked for energy projects were actually spent through informal channels for unrelated expenditures such as providing funds to the LNA following a tacit agreement the Dabaiba and Haftar families.

CONCLUSION & FORECASTS

Currently, most actors involved in Libya, whether international or domestic, are waiting on the HOR-HCS track to fail so as to propose their own political initiatives. The most awaited initiative will be the SRSG's plan to break the current deadlock and involve other actors in the constitutional track should Saleh and al-Mishri fail in their mission by March. Current levels of public anger toward the political elite represent an opportunity for UNSMIL and the international community to pressure key political stakeholders.

This could help in avoiding a repeat of 2022, during which such stakeholders kicked the can down the road and withheld Libyans' right to choose their own representatives through elections. However, for this to work, appropriate channels need to be opened with the country's civil society and a coherent front between key international players must be formed. Much effort needs to be put in linking the SRSG with activists, independent media players, and emerging politicians to break the political elite's monopoly over Libya's fate. Equally, the fluid international scene around Libya represents both an opportunity for the country's political process, but also a threat. Regional and European countries have oscillated between diversifying their contacts within Libya's political spectrum and falling back into unilateral decisions which solidify divisions. If the international community wants to have a positive impact in Libya, it will need to ensure that its pressures encompass all of Libya's key stakeholders, especially their allies.

The risk of the HOR-HCS track failing in early 2023 concerns the possibility of uncoordinated, contradictory, and ultimately ineffective domestic and international efforts being implemented. This would further slow progress on Libya's political process and create more frustration among the population without any productive channel for such frustration to be expressed. If unaddressed, growing popular anger against both Libyan and international actors could result in further rifts. For instance, local populations could attempt to blockade critical infrastructure. As warned by the SRSG, growing frustration could also drive the country down the path of secession. Additionally, anger translating into protests also runs the risk of further tightening the space for civic engagement. Indeed, armed groups – whether belonging to the GNU or LNA – have shown low tolerance toward public criticism and have created a securitised environment where civil society operates with great difficulty.

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