



**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 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. Libya's future is growing more uncertain as various unilateral initiatives are burgeoning without much attention or interest in a multilateral political process which could lead to general elections and usher in a real democratic transition.
2. Abdoulaye Bathily, the new Special Representative of the Secretary General and Head of the United Nations Support Mission in Libya, is taking up post at a critical juncture in Libyan politics. He will have to manage risks of deflagration, popular frustration and scepticism toward the international community.
3. House of Representatives (HOR) Speaker Agila Saleh and High Council of State (HCS) Chairman Khaled al-Mishri have agreed on appointing a new Supreme Court head and made progress toward devising a constitutional basis for elections.
4. Although the Government of National Unity (GNU) Prime Minister Abdulhamid Dabaiba has consolidated his power in Tripoli, a scathing report by the Audit Bureau has reopened the debate about government corruption and the need for oversight on public finances.
5. Government of National Stability (GNS) Prime Minister Fathi Bashagha sees decreasing chances of ever governing from Tripoli as his allies entertain other potential political projects.
6. Libyan National Army (LNA) Commander Khalifa Haftar continues touring various Libyan cities to gain popular support for his own rickety project, which would pit the armed forces against Libya's corrupt political class.
7. While military commanders have sought to dilute tensions, militiamen and key politicians continue to consider a military solution, thus continuing to make western Libya's security situation incredibly tense.
8. This month saw several court cases discussing the ownership of Libyan funds located abroad. This is representative of how Libya's economic potential and assets have been at risk over the past decade.
9. Without applying pressure on key domestic players who now operate with self-confidence and resources toward their narrow objectives, Libya is unlikely to see any positive transition.

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INTERNATIONAL GAMES AND RIVALRY OVER LIBYA PICK UP

While the international community seeks to lessen conflict risk, regional players and the media platforms they back are engaged in campaigns and initiatives to smear rivals and gain an advantage on the ground.

September started with the appointment of Senegalese diplomat Abdoulaye Bathily as Special Representative of the Secretary General (SRSG) and Head of the United Nations Support Mission in Libya (UNSMIL). As explained in the [Inside Libya issue 25](#), Bathily comes at a critical juncture in Libyan politics, in which he will not only have to face high risks of deflagration but also unprecedented popular frustration and scepticism towards the international community. Such ambience is so palpable that Stephane Dujarric, the Spokesperson for the Secretary General, felt it necessary to remind that the UN is “not a colonial power” and that it would not impose solutions but instead help Libyans come to a breakthrough themselves. Dujarric also admitted that the situation in Libya was “very difficult”, particularly after recent setbacks such as recurrent conflict in Tripoli and major disagreements between parties, both domestic and international. This pessimism was shared by the European Union’s top diplomat, Josep Borrell, who acknowledged that there was “nothing new in Libya” and that he could not be “very optimistic about the situation” there. Overall, the sense is that the country’s situation is clearly not sustainable, as laid out by the U.S. Ambassador Richard Norland, who called upon all domestic actors to work with the new Head of UNSMIL to organise general elections as soon as possible. Norland also identified security and economic interests of Libyan parties and their lack of trust with some members of the international community as key factors in worsening Libya’s condition.

Understandably, since the overall feeling towards Libya of internationals is negative, there are no encouraging initiatives being prepared and most of the focus is spent on managing the symptoms of the crisis, instead of addressing its causes. The top priorities according to the UN Secretary General are to stop violence, maintain peace between Libyan parties and expedite elections whose results are acceptable to all. Although elections continue to be seen as the holy grail that will break Libya’s quagmire, the tools at hand for the international community to pressure domestic actors are few and there is little to no talk about how to reach the goal of elections by Libyan politicians or local media outlets. Norland clearly laid out the fact that neither Prime Ministers from the Government of National Unity (GNU) or the Government of National Stability (GNS) could run the country, however, nothing has yet been envisaged to either control GNU Prime Minister Abdulhamid Dabaiba’s spending or put a serious break on GNS Prime Minister Fathi Bashagha’s plans to take over Tripoli. Instead, European envoys keep meeting domestic actors in the hope that continuous emphasis on elec-

tions, peace, and the removal of foreign mercenaries will change the self-centred goals of Libyan politicians. In all fairness, while this approach may not bring a solution to the current deadlock, it still keeps Libya away from the threat of deflagration as domestic actors are warned that reckless behaviour will face sanctions. In Berlin, from 8-9 September, representatives of the P3+2+2 which brings together France, Germany, Italy, the U.K. and the U.S. in addition to Turkey and Egypt, met one another to make a public stand against “instability and unilateral action” in Libya and pledged support to Bathily’s work. This international discourse, as highlighted by GNU Foreign Minister Najla al-Mangoush during the 77th UN General Assembly, is overwhelmingly positive as it rejects militarisation and is a proponent of rationalising differences so as to avoid war in Libya.

Nonetheless, the positive discourse pervasive on international tribunals has little to no similarity with what is being said on the ground and behind closed-doors, especially in regional capitals. In fact, UNSMIL recently warned against the spread of fake news and disinformation after a fake letter claimed to have been written by its Acting Head Raisedon Zenenga was circulated online to smear the mission. Moreover, UNSMIL also raised the alarm on incendiary rhetoric which is clearly making a comeback on media platforms and among Libyan officials. One of the hard-earned consequences of the October 2020 ceasefire was regional powers diminishing their rivalry and media platforms censoring inflammatory statements that utilised deep-seated grievances to fuel conflict in the country. Now that the political process is at a stop and the military solution becomes more attractive, international competition and subversive media campaigns are once again on the rise. According to the former Head of UNSMIL, Ian Martin, foreign interference remains one of the key challenges for the mission as external parties are increasingly ready to fuel the brewing political armed conflict, as seen with the reports of Turkish drones being used by the GNU in late August to repel Bashagha’s latest attack. Likewise, pro-Libyan National Army (LNA) outlets have doubled down on their criticism of states such as Algeria, Turkey and Qatar while expecting Egypt to take a stronger stance against the GNU.

There is no better example than the drama occurring at the Arab League to stress international rivalries. For the 158th ordinary session of the Arab League Council held in Cairo at the Ministerial level, Libya assumed the presidency which led Egypt to withdraw its delegation so as not to give legitimacy to the GNU, and later repeated this action in New York for a consultative meeting of Arab foreign ministers. It is safe to say that the Arab League is becoming more polarised, with Agila Saleh calling upon the international organisation to form a legal committee to study the GNU’s legality and support the GNU while 54 pro-Dabaiba MPs called upon the League’s Secretary General to reject such demands and look into the House of Representatives (HOR) Speaker’s abuse of power. Fortunately, divisions are not yet so entrenched to forbid regional states to reconsider their position and reach out to rivals. Cairo and Ankara have kept high-level security contacts

throughout the month to keep conflict at bay, and Egypt has also sought to assuage tensions with Tripoli as it does not want to see the GNU put obstacles to its exports of agricultural products and manpower. Similarly, the Turkish Foreign Minister pointed out that his country adapts to changing circumstances and said former Libyan critics of Turkey have changed their mind, with a Turkish parliamentary delegation set to visit eastern Libya soon.

Qatar, which alongside Turkey has been a major antagonist for eastern Libyan parties, welcomed Agila Saleh and Belgasim Haftar in Doha, two days after receiving Dabaiba, in order to bring the views of the two sides closer. After the Doha meeting, reports surfaced about a hypothetical power-sharing agreement, with the possibility of Dabaiba remaining Prime Minister by accepting a government reshuffle that would satisfy the LNA and place Agila Saleh at the top of the Presidential Council (PC). However, none of the concerned parties are willing to say whether such proposals are being actively discussed, and Libya is still far away from a miracle solution struck in a foreign capital. In fact, although such initiatives exist and are oft-surprising considering the idea of a GNU-LNA rapprochement, they are also highly speculative. As explained later in this report, like all other Libyan politicians, LNA Commander Khalifa Haftar is looking into many directions at once; everyone is looking for that move that may earn them more leverage than others, and foreign countries pursue self-styled peace initiatives that satisfy their sense of importance rather than the actual needs of Libyans on the ground. As a result, there are few honest interlocutors and mediators. Germany no longer plays its trailblazing role led by former Chancellor Angela Merkel, Italy remains far too engrossed in the politics of migration, France is constantly criticised for having too much of a bias for eastern Libyan actors, and overall Libyans have little hope of seeing positive work from the international community. The double game of regional actors, on the one hand pledging to support peace and international consensus, while on the other hand actively pursuing their self-interest in zero-sum games behind the scenes, is likely one of the more dangerous developments for Libya. Local actors are already tense and showing signs of recklessness. If their foreign patrons join in this trend, the country could easily fall back into conflict. Libyan media and social media has already spread rumours of how Turkey and Egypt may have directly backed last month's military clashes in Tripoli. Whether deceitful or based on sound suspicion, these news are preparing the ground for escalation and indirectly push regional players to prepare for a military scenario.

CONSTITUTIONAL TRACK MOVES AHEAD AS LEGISLATIVE BODIES FEAR IRRELEVANCY

House of Representatives (HOR) Speaker Agila Saleh and High Council of State (HCS) Chairman Khaled al-Mishri have agreed on appointing a new Supreme Court head, and made progress toward devising a constitutional basis for elections.

Developments this month showed that the legislative and advisory bodies, i.e. the HOR and High Council of State (HCS), can work together when they feel their interests align. In fact, the two bodies agreed upon the appointment of Abdullah Burazizah as Chief Justice of the Supreme Court, which was reinstated last month by the GNU. Since 2017, Burazizah was member of the Court and is known for having pushed for the independence of the judiciary and the improvement of technical expertise through the creation of new departments such as the Department of Criminal Expertise, Department of Weapons, Fire and Explosives as well as the Department of Machinery while heading the Centre for Judicial Expertise. His appointment, however, remains deeply political as he replaces Mohamed al-Hafi who was seen as an ally of Dabaiba. In a way, the decision to appoint Burazizah is seen as a preemptive step by Agila Saleh and Khaled al-Mishri to prevent the Supreme Court from convening a Constitutional Court that could sideline the HOR/HCS's own constitutional track and make the two men irrelevant. This is therefore in line with previous assessments that Libya's judiciary is becoming more politicised and there might even be a geographical division between Supreme Court members friendly to Agila Saleh – who would like the body's HQ to be located in the eastern city of al-Bayda – and those closer to Dabaiba who want it to be located in Tripoli. Both Saleh and al-Mishri are correct in their fears that the Constitutional Court could push them into irrelevancy, especially as PC Head Mohamed al-Menfi has warned in New York that the two politicians did not have unlimited time to come up with a constitutional basis for elections. Before Burazizah took over the Supreme Court, its Constitutional Court already started to look into appeals on various constitutional amendments made by the HOR as well as Law No.6/2018 related to constitutional referendum and dividing Libya into three districts instead of one.

The appointment of a new Supreme Court Chief Justice, initiated by the HOR and HCS in a bid to avoid losing ownership of the constitutional track, also pushed Saleh and al-Mishri to make advancements on the constitutional basis with the intermediation of Egypt. It is important to remember that both men are uneasy with the idea of actually reaching an agreement on such a basis, since it could accelerate parliamentary elections – possibly supervised by their rival Abdulhamid Dabaiba – that would ultimately unseat them. So far, the main disagreement was over the eligibility of can-

didates with dual nationality and the participation of military personnel in elections. There is now talk of such obstacles being removed by closer coordination between the two bodies which are expected to share their final draft soon in order to undercut any parallel effort, particularly following criticism by both al-Menfi and Dabaiba regarding the two bodies' delay in issuing a constitutional basis and their role in postponing the December 2021 general polls. Additionally, Saleh and al-Mishri also feel the pressure of MPs, HCS members, and hopeful candidates who have called for the High National Elections Commission (HNEC) to decide upon a date for parliamentary elections before the end of the year, regardless of the adoption of a constitutional basis.

In other news, several political parties established a communication network to put forward proposals to solve the current political impasse and enhance communication between various stakeholders. This step, alongside other statements by fairly independent domestic actors, is a positive sign in that it shows that Libyan civil society still has vitality and could eventually break the tie between the GNU and GNS if given enough support. Moreover, the activities of political parties in a country where personality-led movements are the norm, is also encouraging and should be closely followed so as to give general elections a better chance of succeeding. Despite widespread frustration and pessimism among Libyans, there are still calls for the holding of elections, with 40 presidential candidates demanding a deadline to be set for the polls' first round so as to give Libya's political process new momentum and set goals to achieve. One of such candidates, Abdelhakim Baio, has also called for mass civil disobedience on 24 January 2023 to put pressure on domestic and international actors for the holding of elections. The Union of Civil Society Organisations in Libya also announced the formation of the Supreme National Council for Women in Tripoli, a body that will act as a forum for Libyan women leaders and push the country toward holding general elections, adopt regulations to protect women online and offline, and eschew violence as well as territorial division.

DABAIBA HAS A CLEAR STRATEGY TO STAY IN POWER BUT SUFFERS REPUTATIONAL CHALLENGES

Although the Government of National Unity (GNU) Prime Minister Abdulhamid Dabaiba consolidates his power in Tripoli, he faces challenges from the Audit Bureau and criticism from his own camp over his foreign overtures.

Despite heavy pressures and the need to constantly be on his toes, Abdulhamid Dabaiba has reemerged as one of the key political players in Libya, following the failure of his rival Fathi Bashagha to capture Tripoli. The GNU Prime Minister is feeling empowered by his recent territorial gains in and around Tripoli and sees his legitimacy validated by the continued support he receives from key international partners. His government officials are still widely accepted in international forums, he was warmly welcomed by both Turkey and Qatar in September, and greater access to Central Bank of Libya (CBL) funds allow him to entertain his governance objectives since July when a partial oil blockade was lifted after a reshuffle at the National Oil Corporation (NOC). As explained in previous reports, Dabaiba has found the right recipe to maintain power by placing himself as a champion of general elections battling status-quo stakeholders. This strategy lets him think that he will come out on top, no matter the outcome; in fact, he either eventually keeps his promise and organises elections that Libyans have patiently awaited or the failure of other stakeholders like Saleh or al-Mishri to bring forth the political process allows him to stay in power.

As a result, the GNU Prime Minister has continued governing like it is business as usual, and has increased the number of project announcements compared to the first half of the year when he struggled with political pressures. His Minister of Transport has approved a 656 million LYD (€132m) infrastructure maintenance project to improve the Wadan-Sirte Road and the Coastal Road. The same minister also started serious discussions to advance three railway projects suspended since 2011 and has received orders from Dabaiba to set a clear timetable for the development of the Tripoli International Airport project in conjunction with the contracted Italian company. The GNU Prime Minister was present in Misrata for the inauguration of a 8,000 square metres departure hall at Misrata's Airport, a project which saw the cooperation of public and private sector actors. A Turkish company also signed a Memorandum of Understanding with the Ministry of Transport to repair some roads in the Fezzan. The Minister of Transport was also present during a visit by a Tajoura delegation to Dabaiba, who discussed ways to accelerate more than a dozen stalled projects within the municipality that lies east of Tripoli. All these announcements and achievements help the GNU Prime Minister in projecting an image of normalcy and performance.

However, the picture is not all too rosy for Dabaiba, as many of his actions also attract much criticism, not only from those who oppose him and are very cynical toward his professed pro-election goals, but also from those supposed to be in his camp. For example, his decision to destroy the Sinbad (a.k.a. Lido) resort in Tripoli when Rada (Special Deterrence Force/SDF) took it from the Nawasi Brigade in late August is drawing much attention, as ordinary Tripoli inhabitants ask why he would give such an order after initially supporting the million-Dinar repairs led by Nawasi Brigade when the latter was still favourable to the GNU Prime Minister. Dabaiba has also been heavily criticised for assigning several plots of land to the embassies of Qatar, Turkey, the United Arab Emirates (UAE), and the United States, which many saw as a means to court foreign powers. Even Mufti al-Gharyani, a staunch ally of Dabaiba, expressed his strong opposition to allocating land to the UAE, a country which actively took part in the 2019-2020 war on Tripoli on the side of Khalifa Haftar and has normalised relations with Israel following the Abraham Accords. Since the end of the war, Abu Dhabi has significantly changed its position and sought deeper political and commercial ties with the government in Tripoli, and remains a potential powerbroker alongside Egypt, Turkey and Qatar. Similar accusations against Dabaiba's reliance on foreigners were levelled when British Navy ship HMS Albion docked in Tripoli in late September, a move that Dabaiba thought could showcase his international support and solidify the backing of armed groups in Tripolitania. The GNU has also been accused of hampering the movement of MPs seeking to travel to Benghazi and of the German Envoy to Libya Christian Buck, who sought to visit Misrata to meet with Fathi Bashagha. Several government agencies in eastern Libya such as the Anti-Illegal Immigration Agency have said Tripoli cut off much-needed financial support and see poorer performance in dealing with illegal immigrants from sub-Saharan Africa. Additionally, Dabaiba's decision to appoint militiaman Emad Trabelsi as Deputy Minister of Interior has raised widespread stupefaction as Trabelsi has a long list of human rights and humanitarian law violations. Naturally, this appointment comes after the Ministry of Interior's shifts that occurred following the late August clashes in Tripoli and represents one of the many ways in which Dabaiba uses official positions to gain personal loyalty from armed groups.

The most harmful developments for Dabaiba are the many accusations of corruption that have surfaced against him and his government. This month, the Audit Bureau released its 2021 Report, in which many violations were registered, including the use of the budget's emergency funds to buy unrelated goods such as luxury watches for the GNU Prime Minister's guests amounting to 12 million LYD in total (€2.4mn), cleaning expenses for his personal home amounting to 1.6 million LYD per month (€320k), or the direct assigning of contractors instead of using public tenders. For this latter reason, the Audit Bureau said it did not have financial coverage for the 20 billion LYD (€4bn) spent for development projects. Other violations include decisions by the likes of the Ministry of Education to spend 155,000 LYD (€30k) to distribute iPhone 13 Pro Max phones to some employees. Dabai-

ba's reaction was to accuse the Audit Bureau of being politicised and led by a political rival, i.e. Khaled Shakshak, who was a candidate in the failed December elections. The GNU Prime Minister pledged to prove all the allegations brought by the report untrue and knows that such accusations could bring greater challenges as his opponents will use the report as a justification for future actions such as oil blockades. The public outrage caused by the report is also fertile ground for figures who will make their fight against the GNU a fight against corruption. Preemptively, Dabaiba issued Order No. 6 of 2022 to codify several operating expenses related to travel, accommodation, and subsistence for government officials, as those areas were significantly highlighted as prone to corruption by the Audit Report.

Nonetheless, the work of supervisory bodies against corruption is in full-swing as Sulaiman al-Shanti, the Head of the Administrative Control Authority (ACA) announced in a report that investigations into 204 cases related to public funds and the indictment of 554 individuals involved in violations over the previous years, with 216 of them related to the year 2021 when the GNU came into power. Al-Shanti also came to the defence of his institution's report as he explained its publication was made to bolster the principle of transparency despite political and security difficulties going on in Libya. The U.S. has also shown great interest in the file of transparency and corruption in Libya, and its embassy announced it was meticulously going through the Audit Bureau's report. Richard Norland and Khalid al-Shakshak have launched a training programme backed by the International Organisation of Supreme Audit Institutions to form 45 auditors and support the principles of transparency and accountability. The spotlight has also been cast on other key actors in Tripoli, specifically CBL Governor Sadiq al-Kabir who since the start of his tenure in 2014 has been accused of corruption and of financially supporting militias. As explained by MP Sadiq al-Kahili, the Audit Bureau's report only looked into domestic expenditure and could not access foreign bank accounts, state-owned companies' accounts, and foreign investments that are more or less under al-Kabir's supervision. A key development that further raises suspicions on al-Kabir has been the granting of five credits worth 1.4 million euros in late August to the Libyan Wings Company through the Libyan Islamic Bank under the item of "ground services and maintenance." Libyan Wings Company is a private airline co-owned by Abdel-Hakim Belhaj, the former leader of the Libyan Islamic Fighting Group (LIFG), a defunct group which has been designated by several governments as a terrorist organisation. Belhaj has recently made a comeback in Libya and entertains his own political ambitions and deep ties with traditionally pro-Dabaiba Islamist figures like Ali al-Sallabi. Non-transparent spending, recurrent accusations of corruption, and the linkage between financial institutions and armed groups should raise red flags for any future initiative to create a financial mechanism in Libya. In fact, there can be no serious initiative without skirting actors involved in such actions.

THE PRO-BASHAGHA CAMP NO LONGER HAS ONE LINE OF VISION

Government of National Stability (GNS) Prime Minister Fathi Bashagha sees decreasing chances of ever governing from Tripoli as his allies entertain other potential political projects.

After late August clashes in Tripoli, where pro-GNS militias were driven out of the city centre, Fathi Bashagha has seen his political platform weakened. In fact, the GNS Prime Minister has had a fruitless travel to Turkey in which he understood Ankara would not support his armed efforts to gain Tripoli, he also has seen Haftar's duplicitous comments in which the LNA Commander implicitly said he could go at it alone, and finally Bashagha has got wind of both Saleh and al-Mishri's potential plans to replace him. As a result, Bashagha is slowly coming to terms with the current situation and seems to have understood that his coalition is pursuing other alternatives. For instance, upon his return from Turkey in early September, Bashagha made it clear that the GNS would exercise its duties from Sirte and Benghazi because he "did not want to shed blood or ignite division", thus implicitly laying down arms meant to retake Tripoli. The GNS Prime Minister has often oscillated in his willingness to choose the violent option to govern Libya as a whole and during moments of weakness, he seems to choose the peaceful option and hope for the opposing side to make a fatal mistake. If discussions between the HoR and HCS actually include the formation of a new government to replace the GNS or the holding of general elections, there is a high likelihood that Bashagha would not oppose this as long as he is allowed to be a candidate for the premiership contest, whether it is decided upon by the parliament or the Libyan people. This would allow him to dampen claims of his illegitimacy and show his goodwill in contrast to Dabaiba. Overall, Bashagha is in a position of weakness and has been summoned at the end of September by the HoR to go through his government's six months of work. The GNS Prime Minister knows that his coalition partners are no longer as invested in him as they were at the beginning of his tenure. None have for now abandoned him, including Haftar, but they are all considering other options.

This is partly why Bashagha is doubling down on statements to comfort Libyans and partners that his government is doing its best to govern Libya and oppose Dabaiba. The GNS has increased pressures on municipalities to stop dealing with the GNU and adopt the seals of the Bashagha-led government; it has also kept a close eye to clashes between militias in Tripolitania, as seen with the example of fighting in Zawiyah which was blamed by Bashagha on the GNU's decision to "give legitimacy to outlaws." As might be expected, the GNS surfed on the waves of public outrage caused by the publication of the Audit Bureau's report and pledged it would end the GNU's financial corruption, called for the NOC to become fully independent, and the formation of a management mechanism that could transparently control

and disburse Libya's oil wealth for the benefit of the people. The GNS Prime Minister also criticised Dabaiba for failing to guarantee international standards in terms of fiscal policy and decried the fact that the GNU's 2022 budget had no clear summary or executive proposal. Bashagha also said he would soon reveal his plans for Libya after holding consultations with domestic and foreign partners. He called upon his ministers to envisage the implementation of infrastructure projects such as airport maintenance and to develop public utilities. However, none of these announcements hold much significance considering the GNS' financial difficulties and the fact that it remains a parallel government in the eyes of the international community, thus diminishing the likelihood of any foreign contractor signing deals with the GNS.

Interestingly, actors like Agila Saleh have not capitalised as much as expected on the reports recently published by Tripoli-based supervisory institutions. Instead, the HOR Speaker has continued to call for appointing new heads of sovereign institutions and pressured the HCS to follow suit. In political terms, this may be a wrong move as Saleh could have gained by showing appreciation to the likes of Shakshak and al-Shanti in their publication of proof against Dabaiba. Instead, Saleh has said that the sovereign bodies linked to such personalities have "lost their legal status and are no longer affiliated to the parliament." On another note, the HOR Speaker remains under pressure from western-based MPs who continue to eschew attending plenary sessions in Benghazi and condemn Saleh for his unilateral actions. During an official session to elect a second Deputy House Speaker and discuss the unified salary law for state workers, Saleh withdrew from the session after one of the candidates for the deputy position accused him of forgery, specifically during the appointment of Fathi Bashagha as Prime Minister in February 2022.

POPULIST RHETORIC COMES BACK STRONGER THAN EVER IN AL-RAJMA

Libyan National Army (LNA) Commander Khalifa Haftar continues Libyan tour to gain popular support for his own rickety project pitting the armed forces against Libya's corrupt political class.

The LNA Commander has grown disillusioned with the political process as Fathi Bashagha has been unable to capture Tripoli. This has raised the profile of populist rhetoric, military aesthetics, and militaristic approaches in al-Rajma, where the LNA has its headquarters. Haftar's recent domestic travels and speeches have indeed demonstrated new-found rage and inflammatory rhetoric that is meant to galvanise his supporters, in addition to populist promises and slogans that are meant to appeal to broader masses. In a village 130km southeast of Tripoli, the Commander attended large-scale military exercises of LNA Brigades and made comments about his determination "to get rid of terrorism in the coming period." He also stressed that

all political agreements that ignored the Libyan people have caused “a drain on wealth, the spread of corruption, and threats to the safety of the nation” in addition to turning western Libya into a “hotbed for the occupier and hired mercenaries.” Later in the month, during a visit to the southwestern town of Ghat, Haftar reiterated populist claims, saying that only the Libyan people were the source of authority and that politicians or foreign interference would not change Libya’s current situation. He explained that the LNA’s battles against terrorism, which are still continuing in the south albeit at low intensity, “were aimed at paving the way for other battles to build the state and determine the fate” of the country. His final comments directly asked Libyans to “lead the battle of change against conspirators and corrupt people.” In the southern town of Brak al-Shati, he highlighted that political leaders had failed to agree on a way to end the political deadlock despite several opportunities, and once again called upon Libyans to “take control of their affairs.” Haftar also made sure to underline the fact that the LNA had sought to achieve reconciliation and a comprehensive settlement but could not as the majority of political leaders are “symbols of corruption.”

The focus on corruption, the lumping of all political leaders into one bag, and the direct outreach to the Libyan people are not unforeseen with Haftar but their recent use represents a significant change from previous statements. In terms of image as well, Haftar is no longer seen wearing suits during public gatherings and prefers wearing his military fatigues which further project his message that the LNA is a forceful actor standing away from civilian stakeholders controlling Libya’s fate and ready to use weapons to make its case. The LNA’s Spokesperson Major General Ahmed al-Mismari has also announced an upcoming 10-month comprehensive annual training plan for LNA soldiers, a move that shows the General Command’s focus on strengthening skills and building upon reconfigurations that have occurred over the past year. Special training will also be provided to counter-terrorism forces that have gained vast knowledge of how terror groups operate in southern Libya as well as their terrain. Counter-terrorism has indeed been an important part of the LNA’s activities, with the recent killing of Islamic State member al-Mahdi Dango, the main mastermind behind the 2015 kidnapping and beheading of 20 Egyptian Copts in Sirte. The militant was killed in Murzuq and his right hand, Asman Nour, was arrested during the LNA operation. The LNA has also considered the reactivation of seven free zone areas in Cyrenaica to bring much-needed investments into the region and build up the image of the armed forces as a benevolent economic actor. However, this remains doubtful as the mainly French companies tasked with developing such zones may not feel comfortable dealing with non-civilian clients and Libyans may also not appreciate the encroachment of their economy by military actors like the LNA, which itself has a history of corruption and financial misconduct.

The LNA is very much on offensive mode in terms of public relations. However, it is not likely to reach its objectives in terms of attracting a broader audience. Many Libyans remain circumspect toward the military institution

and more particularly the Haftar family. Numerous exactions and human rights violations perpetrated by LNA troops or affiliates are not a good look for an institution that seeks to embody national momentum for freedom, democracy, and prosperity. This scepticism was palpable in Brak al-Shati where some youths stormed the premises of the LNA event to condemn the military institution's theatrics, as it had all of a sudden cleaned up the town and provided it with plenty of goods ahead of Khalifa Haftar's visit. This month, the Libyan Crimes Watch (LCW) reported that one of the main LNA Brigades, i.e. the Tariq bin Ziyad Brigade, had set fire to Senussi al-Mahdi's house, an activist who had spoken against the recent blockading of Sirte's Buhadi area by LNA forces. Additionally, Haftar may speak of wanting foreign forces out of Libya, but foreign mercenaries attached to his troops continue to roam Libya freely and sometimes act as criminals as seen with troops linked to the Sudan Liberation Movement, whose services Haftar has used in the past, storming a police station in Zillah to release one of their members imprisoned for molesting a girl. Haftar himself is facing legal challenges in the U.S. and has recently contracted a new law firm to come to his defence in a Virginia court. Finally, there is also one key obstacle preventing Haftar from reaching his goals of becoming a nationwide movement against politicians: the corruption in his own ranks. The LNA has been known for encroaching on the domestic economy and those close to Haftar, particularly his two sons, have been accused of mixing business and politics in many illegal ways. Without tackling this tarnished image, the LNA Commander has little chance of eliciting public support that could make him a third party who would break the tie between the GNU and GNS in a civil manner. Nonetheless, he remains at the head of a powerful force which could unleash chaos and overturn the political situation if he chooses to prioritise a military solution over a political one. This is particularly troubling as the LNA Commander has struck a surprising bond with Osama al-Jeweili, a major commander in western Libya. Al-Jeweili, alongside key armed group leaders in western Libya, could ultimately choose to enter a full-fledged alliance with the LNA to "liberate" Tripoli from Dabaiba and the GNU, leading to a potential new conflict that would not fall under the traditional "east-west" divide.

LIBYAN ARMED FORCES READING THEMSELVES TO WEATHER THE STORM

While military commanders have sought to dilute tensions, militiamen and key politicians continue to consider a military solution, thus continuing to make western Libya's security situation incredibly tense.

After the deadly clashes of the past months, Tripoli has avoided another lapse into heavy conflict pitting pro-Dabaiba and pro-Bashagha forces. This can be attributed to several factors, including mediation from foreign actors like Turkey and statements by western Libyan military officials close to the 5+5 Joint Military Commission (JMC) who have issued statements

in favour of peace and against any fighting that could further divide the country. However, the high-level security landscape was not without drama as seen with rumours that the GNU Chief of Staff Mohamed al-Haddad, in conjunction with the Intelligence Chief Hussein al-Aib, were behind the operations room that allowed the use of Turkish drones from Mitiga air base to repel pro-Bashagha forces. Accusations were also levelled by some tribal leaders of the coast and western mountain regions against al-Haddad for his alleged threats to invade Warshefana. Although such claims of threat were later denied by the Chief of Staff, this level of paranoia and quick circulation of fake news show that it could be very easy for an escalation to happen without any solid ground.

By all means, Tripolitania was not calm throughout September as many clashes occurred, although most of them were related to turf wars between militias. Some clashes, however, were the continuation of a push by pro-Dabai-ba forces to expel pro-Bashagha forces from around the capital, as seen with early clashes in Warshefana. At al-Jibs Gate and Tripoli's old airport, Mis-ratan forces led by Abdelsalam al-Zoubi fought against Zawiya's Mohamed Bahroun's forces, the latter saying that he would not hesitate to fight if dragged to war. Medium and heavy weaponry was used during the fighting, which brought other armed groups into the scene such as the Directorate Support Force and the 444 Brigade. The main cause behind the clashes appears to be that Bahroun's forces were trying to recapture the above-mentioned area, which they had been forced to evacuate after the late August clashes. In Zawiya, some sort of turf war occurred with members of the al-Sala militia being attacked by the Sifaw militia. At the end of fighting, which also included medium and heavy weapons, the Libyan Ambulance Service reported that 13 people were injured and 5 killed, including a child according to the United Nations High Commissioner for Refugees (UNHCR). A few militiamen were arrested by the Deterrence Apparatus for Combating Organized Crime and Terrorism (DACOT), which promised to investigate the accused.

The comeback of Abdelhakim Belhaj has also led Mufti al-Gharyani, who is a natural support to the former Islamist militia leader, to emit warnings against Rada for its detention and arrest campaigns against former Shura Council combatants that have grown active in Tripolitania. As a reminder, Rada is one of the most powerful armed groups in Tripolitania but has recently suffered from its refusal to become affiliated with the pro-Dabai-ba camp. Such calls from al-Gharyani could create further tensions in the region over the next weeks, something that will make actors like Khalifa Haftar or Osama al-Jeweili more prone to act. Foreign powers are also being vigilant and quietly preparing for a worst-case scenario, with Turkey continuing reinforcements to its military bases in Libya. Foreign troops continue to create security problems in Libya, as seen with the aforementioned case of Sudan Liberation Movement troops attacking a police station in Zillah. Equally, an armed group belonging to the Somali community attacked their country's embassy in Tripoli, prompting the General Department for the Protection of Diplomatic Missions to intervene.

Finally, several reports were published this month that highlight the severe security lacunae of Libya. In a study titled “Illicit Financial Flows and Asset Recovery in the State of Libya”, the UN Interregional Crime and Justice Research Institute (UNICRI) explained that Libya loses on average €1.2 billion per year due to transnational organised crime, with about 80% of the funds being linked to oil smuggling, particularly to Malta, 15% linked to the mafia smuggling migrants through the Mediterranean, and the rest being linked to small arms and light weapons smuggling. On another topic, the World Organisation Against Torture laid out a chilling study in which it found that state law enforcement agents and militias in Libya killed at least 581 individuals, 84% being nationals, over the last two years. Officials at the top of the organisation said identifiable cases were only the “tip of the iceberg” and called extrajudicial killings of civilians in Libya “endemic.” These reports are undeniable proof for the failure of Libyan statesmen and international players’ efforts to reform the country’s security sector and remove militias from the security landscape. As expected during this time of deadlock, there is little talk of how to deal with militias who continue to harm security, whether affiliated to the GNU, LNA, or operating on their own. Recent comments were however issued by U.S. officials, with the ambassador stressing the need to distinguish between militias so as to integrate capable and professional armed groups into the army in the future and go after the criminal gangs that currently operate as armed groups under state seal. U.S. Assistant Secretary of State for Near Eastern Affairs Barbara Leaf also expressed American concerns about the transfer of public funds to armed groups, after meeting PC Head Mohamed al-Menfi and Attorney General al-Sadiq al-Sour in Tunisia.

ASSET RECOVERY AND LEGAL DEFENCE, A TALE OF HOW LIBYAN WEALTH REMAINS AT RISK

This month saw several court cases discussing the ownership of Libyan funds located abroad. This is representative of how Libya’s economic potential and assets have been at risk over the past decade.

Recent studies published by the World Bank should serve as a wake-up call for Libyan stakeholders and the international community. In 2021, the country’s GDP per capita was about half in value of what it was in 2010. Inflation, partly driven by the increase of food products’ prices, was 32% higher in May 2022 than the previous year for the minimum expenditure basket and 50% higher than two years prior. Some steps were introduced this month, with the example of discussions over the establishment of a Libyan Grain Bureau which would be in charge of building a strategic stockpile on a yearly basis, support local production, and eventually achieve food security and affordability. The CBL also launched an electronic system meant to facilitate the functioning of commercial banks in Libya, actors whose distribution of credit has so far been lacking but whose participation in Libya’s economy is critical for development and growth of the private sector. This

electronic system would enable banks to automatically submit their data in a unified electronic format, thus creating a modern mechanism of data collection to strengthen monetary supervision, transparency and efficiency. There was no indication whether eastern commercial banks would benefit from such a venture.

Apart from decreasing living conditions, Libya has also experienced difficulty in regaining its state assets. There are plenty of reasons for the freezing of state assets held in foreign accounts, from suspicions of corruption or terror financing to claims laid by foreign companies in courts. The result, however, is a country with billions of euros of assets that ultimately belong to the Libyan people, being unused, not gaining interest, and sometimes being withheld forever by other entities who are benefitting by having those funds under management. September was a month in which many court decisions were given on this topic, often in the favour of Libya. In Paris, the Court of Appeal invalidated seizures made by Tunisian Siba Plast of some of the Libyan Foreign Bank (LFB) assets worth €280 million. Since last year, the LFB has adopted a series of strategic transformation projects to protect its assets and investments. Equally, the French Court of Cassation nullified executive seizures submitted by Kuwaiti M.A. Kharafi & Sons Group against the Libyan Investment Authority's (LIA) assets in France to pay off debts. The same court also confirmed the decisions of the Paris Court of Appeal to do away with an award of €452 million that had previously been issued against Libya in favour of French company Sorelec. It was in fact found that the company had colluded with former Libyan officials to sign a 2017 settlement agreement. The case refers to a 2003 contract and was opened back in March 2013.

Abdulhamid Dabaiba has also been focused on the case of foreign assets. However, his efforts to unfreeze such funds remain controversial as it is not clear whether any mechanism would be put in place to ensure that unfrozen assets are spent transparently and efficiently back in Libya. The GNU Prime Minister was in Malta in late August to negotiate the release of millions of euros in frozen Libyan bank deposits, mainly held with the bankrupt St. Julian Bank, Satabank, and ultimately the Central Bank of Malta. This trip was not successful for Dabaiba as Maltese authorities refused his request but ensured that Libyan depositors were slowly getting back their money as long as there were no suspicions of impropriety – a long process in Anti-Money Laundering and Counter-Financing of Terrorism. Some of the money held in Malta also refers to close to €1 billion worth of parallel Libyan Dinar, printed in Russia for eastern Libyan authorities and seized by Valletta in 2020. The GNU is also interested in Mutassim Gaddafi's money held in Bank of Valletta, which should be returned to the Libyan state per a June ruling in Malta. This decision was allegedly appealed by Mutassim's mother, Safia Farkash, who seeks to keep the funds close to €100 million within the Gaddafi family.

Court decisions were not all in favour of Libya, with a French court giving the verdict that the NOC should redeem three Swiss companies for debts incurred, a decision which was strongly opposed by the NOC. Assets held in France of the joint venture with TotalEnergies, known as Mabruk Oil, will be used to recover such debts. However, this decision is a good example of how the NOC has for long accumulated debt and been unable to pay contractors. It is therefore important to keep in mind on the one hand that many court decisions in regards to Libyan state assets are grounded, but also strive on the other hand for the protection of assets belonging to the Libyan people, and which have had a history of being embezzled by their officials to ultimately be monopolised by foreign entities. This month, the European Union confirmed its readiness to cooperate with the Libyan Money Recovery Office to help it manage recovered assets with technical and technological assistance. Such support is very much needed, and more tools such as legal assistance or an international trust fund earning interest should be considered to give Libyans the best return on their money held abroad, instead of seeing such wealth wasted due to political feebleness and narrow commercial interests.

The politicisation of the oil sector, made worse in September with the GNU decision 790 which reactivates the Higher Council for Energy (HCE) and places Dabaiba at its head, will likely worsen Libya's financial situation in the coming weeks. In fact, the decision shows the unravelling of the behind-the-scenes agreement struck between the Dabaiba and Haftar households that led to the July oil blockade lifting. Decision 790 ultimately implements a Gaddafi-era ruling, i.e. the creation of the HCE, in order to limit the powers of the NOC Chairman and monopolise decisions on energy matters around the GNU Prime Minister, Minister of Oil, as well as the CBL Governor. This risks angering the top brass at the LNA and there have already been threats of renewed blockade in the east, with the Petroleum Facilities Guards threatening to close Sidra, Harouge, and Ras Lanuf ports unless the NOC increases their salaries.

CONCLUSION & FORECASTS

As Josep Borrell has aptly said, there is “nothing new” in Libya and little reason to be optimistic about the future. Abdulhamid Dabaiba is now more entrenched in power despite growing accusations of corruption and self-interest, Fathi Bashagha is slowly becoming a second-tier player due to his failure to capture Tripoli, the politicisation of the energy sector is likely to prompt renewed blockades, and the LNA Commander has shown growing appetite for conflict. Tripolitania continues to be engulfed in internecine conflict between armed groups and each foreign power, particularly regional states, is pursuing its own initiative and mediation effort to gain the high ground. On top of that, local independent journalists have found it increasingly difficult to continue working in an environment where inflammatory and divisive rhetoric is making a comeback, and a country where armed groups, whether GNU or LNA-affiliated, are quick to judge and repress free media if the latter’s narrative does not please them. This all means that efforts to prevent a war and ultimately push Libya toward a democratic transition will need to be colossal.

Abdoulaye Bathily started his mandate on 25 September from New York and will be present in Tripoli in early October for a round of meetings with key stakeholders to gain his own understanding of local dynamics and of Libya’s political landscape. Although no one is holding their breath in regards to Bathily’s chances of making a breakthrough, his arrival on the Libyan political chessboard could still bring momentum. There are in fact a few positive developments that need to be supported by UNSMIL in the hopes of changing the status-quo. First of all, civil society should be given greater attention and support. Anger, frustration, and muffled hope are widely present within Libyan society. As seen in Brak al-Shati or during early July protests, the youth is ready to oppose status-quo figures and call for radical change. This political vitality should be channelled and institutionalised into a third party that can ultimately break the current tie between the GNU and pro-Bashagha coalition.

Greater cooperation between the HOR and HCS should also be given proper attention as it is quite rare. Agila Saleh and Khaled al-Mishri should be supported, if not pressured, to go through with their plans to issue a constitutional basis for elections and look over past disagreements. Arguably, their fears of becoming irrelevant with parliamentary elections should be alleviated through some promises, just to ensure that they make the final push and remove the excuse used by the GNU and PC in regards to delays in holding elections. Of course, as rightly said by MP Abdelsalam Nassiyah, Libya’s crisis does not revolve around legal issues and will not reach a miracle when a constitutional basis and electoral law are finally drafted. Yet, any small progress will help in keeping the momentum of Libya’s political process alive.

For Nassiyah, Libya's crisis is a security-political one. With the December 2021 elections, we have seen that institutions and actors, and not the law or lack thereof, are often the spoilers. For this problem to disappear, much effort should be disbursed to ensure full separation of power in Libya, by putting an end to the politicisation of the energy and judicial sectors for instance. Security Sector Reform (SSR) and Disarmament, Demobilisation and Rehabilitation (DDR) should ultimately make a comeback in real terms, and not only in foreign actors' statements. This is crucial considering the immense harm inflicted to Libya by armed groups who kill, maim, smuggle, and embezzle the country's people and wealth. Armed groups and militias should not be the only actors pressured, key politicians also have their fair share of responsibility in empowering criminals and enriching themselves through corruption. It would be a tactical error to create financial mechanisms that do not take into account growing proof of the corruption done by the likes of the Dabaibas, Sadiq al-Kabir or the Haftars. UNSMIL, with the help of responsible actors in the international community, should act as a trailblazer finding new routes to ensure Libya's security, financial soundness, and ultimately democracy. It is by putting pressure on recalcitrant actors or fiery figures that UNSMIL will regain its credibility among Libyans, not by pandering to their self-interests.

Admittedly, these recommendations are impractical for the time being as we are at a critical juncture where UNSMIL is at its weakest point and war is a non-negligible probability. However, any tangible step toward showing the Libyan people that internationals do care about their fundamental issues – and not necessarily of the qualms of their elite – will help in rebuilding the mission's political capital and allow it to pressure status-quo actors with the help of civil society into building on their own past progress and move forward toward the political process by eschewing war, accepting financial mechanisms for the fair distribution of wealth, and holding general elections in a sound and secure environment.

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