



**INSIDE  
LIBYA**

## FOREWORD

The Konrad-Adenauer-Stiftung (KAS) Regional Program Political Dialogue South Mediterranean (PoLDiMed) in cooperation with LIBYA DESK™ is pleased to present our Annual Review on Libya for the year 2021.

This edition looks back at the most important political, economic and social developments that have taken place in Libya over the past 12 months and that have had a decisive impact on the country and wider regional events. We based the report on reliable Libyan sources and provide a summary and contextualisation of developments in the Libyan context.

Some progress that had been made marked the year 2021 in Libya. In March 2021, the Government of National Unity was established and the two military coalitions from East and West agreed to work with the new interim government and the Presidential Council. Most importantly, all sides agreed to hold elections in December 2021. However, the fragility of the progress was underlined by the fact that elections were postponed at the last moment and remain to be scheduled for somewhere this year. The High National Elections Commission announced that despite its technical readiness, it could not meet the 24 December 2021 date for elections.

Against this backdrop, the Regional Program Political Dialogue South Mediterranean of the Konrad-Adenauer-Stiftung renews its commitment to follow up closely the situation in Libya and strives to provide free exchange platforms for relevant stakeholders and topic-matter experts.

We hope that this annual review will give our readers a better picture of the dynamics and multiple dimensions of the many challenges, but also opportunities, that Libya will face in the coming year 2022.

Dr. Thomas Volk  
Director  
Regional Program Political Dialogue South Mediterranean  
Konrad-Adenauer-Stiftung

## EXECUTIVE SUMMARY

- 1.** In 2021, the Berlin Process supported stability, economic growth and renewed societal ties in Libya. However, despite a thorough political roadmap, it failed to advance the primary goal of installing a more legitimate and unified state.
- 2.** Libya's political roadmap may have had ambitious goals and a short timeframe. However, the main culprit behind its unraveling was the lack of political will shown by domestic actors.
- 3.** Relying primarily on networks of influence to control the state, Prime Minister Dabaiba embarked on ambitious economic programmes despite a mandate to prioritise elections, the unification of state institutions, the removal of foreign forces, and national reconciliation.
- 4.** While armed conflict abated in 2021, power dynamics within Libya did not necessarily change. Instead of reconciling differences, political actors have manoeuvred around the country's new realities whilst maintaining grievances.
- 5.** The roadmap's main goal was to establish a new political reset for Libya. However, the framework of this reset was left for institutions with contestable legitimacy to decide, creating room for spoilers to use legal issues as a pretext to remain in power.
- 6.** Libyans were overwhelmingly supportive of December 24 general elections. The unraveling of the political roadmap is an alarming development which is likely to raise public anger and distrust toward national institutions and international actors such as the United Nations Support Mission in Libya.
- 7.** After its 2020 defeat, the Libyan National Army abstained from military engagement. The roadmap's failure is likely to make powerful actors reconsider the military option to force the political reset that fits their agenda.
- 8.** The prevalence of armed groups throughout Libya is likely to remain the country's main long-term roadblock to stability. In 2021, the state was unable to roll-back militias' power as it continued to rely on the politics-militia nexus.
- 9.** The past year saw an extraordinary rebound in oil production and economic activity despite higher inflationary pressures and persistent banking inefficiencies. However, there are several signs that show that sustainable growth may not yet be achieved for Libya.
- 10.** Following the same tactics of 2021 to revive the political roadmap is likely to further derail the political process and lead to dangerous disruptions in Libya.

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## INTRODUCTION

In 2021, Libya experienced rare stability, earned four times more in oil revenues than the previous year, and evolved for the first time since 2014 under a unified government. As the Government of National Unity (GNU) took office in March 2021, optimism was high in international circles as diplomatic efforts driven by the January 2020 Berlin Conference had finally led to positive political change. Alongside the Presidential Council (PC), the new unified Libyan government was primarily meant to implement a political roadmap devised in November 2020 by the UN-appointed Libyan Political Dialogue Forum (LPDF). The key stake for Libya was to follow the positive momentum reached after the October 2020 ceasefire and ensure that war remnants, both in the form of foreign mercenaries and regional grievances hampering national reconciliation, could be dealt with so as to ferry the country toward its first general elections on 24 December 2021. Such polls would eventually have given sovereignty back to the Libyan people after nearly a decade of fruitless internationally-backed political agreements. As such, Libyans were not only expected to directly elect for the first time their president, but also bring in new parliamentarians to a House of Representatives (HOR) which has acted as the “only popularly elected body in Libya” despite the fact that its members were elected close to eight years ago.

Unfortunately, domestic actors interested in consolidating power at a time of transition in Libya used to their advantage the political optimism and economic interest displayed by international partners. At first engaged in cross-factional bargaining, Libyan stakeholders soon reverted to their traditional positions when their maximalist demands could not be met by the other side. Whilst publicly supporting the holding of timely elections, most of these actors sought to shape the electoral process in such a way that would be advantageous to their own interests, and when they felt they could not do so, they chose to spoil the elections to place the international community in front of a *fait accompli*. As a result, December 24, the most awaited date of 2021 coinciding with the country’s independence day, led to disbelief and frustration among the Libyan public as it became clear that it was about to join a long list of failed political roadmaps meant to exit Libya from political turmoil. Equally, national reconciliation and the removal of foreign forces from the country were mostly paid lip-service by relevant local and foreign actors who still remain attached to the country’s status-quo. Overall, this has meant that despite an optimistic start of the year and a clear roadmap to follow with detailed deadlines on each stage of the process, Libya has found itself back at square one in December 2021. In fact, Libya is now ruled by a government whose mandate has ex-

pired, grievances stemming from the Tripoli war and previous civil conflicts are still high in spirit and raise the risk of relapse into local conflict, and finally there are still about 20,000 foreign mercenaries stationed in the country a year and a half after the end of hostilities.

This scenario was not set in stone for Libya as there was nationwide support for the road map's key objectives, especially the goal to effectuate a political reset for a country ruled by unelected politicians. Unfortunately, as explored further in this report, those same politicians found ways to avert their demise and managed to entrust themselves as the guarantors of the roadmap, thus controlling and shaping its results in a way that fit their agenda. Today, there remains much uncertainty as to whether the roadmap should be revised or whether a delay could be enough to sort out issues met in 2021. For now, the United Nations Support Mission in Libya (UNSMIL) pushes for elections to be held in June 2022, and has continued to entrust the House of Representatives and High Council of State (HCS) with the task of reaching a compromise on a legal basis for elections. For this to work, it will be important to look back at why that same approach failed in 2021, so as to ensure that spoilers are not given the same opportunity to derail the roadmap in 2022. Therefore, this Annual Report of Inside Libya looks at the various issues linked to political competition, predatory governance, long-term societal grievances, institutional complexity, legal disputes, economic weaknesses and longstanding insecurity to comprehend why the Berlin Process hit a roadblock in 2021 and what could be done to regain its momentum.

## LACK OF POLITICAL WILL LED TO THE UNRAVELING OF LIBYA'S ROADMAP

*Libya's political roadmap may have had ambitious goals and a short timeframe. However, the main culprit behind its unraveling is the lack of political will shown by several domestic actors who preferred maintaining their maximalist positions in lieu of widening the space for conciliatory politics.*

In 2021, Libya was given the opportunity to follow an ambitious political roadmap devised in November 2020 by the UN-sponsored Libyan Political Dialogue Forum (LPDF) and stemming from the January 2020 Berlin Conference. The roadmap envisioned an interim executive authority tasked with ferrying the country toward presidential and parliamentary elections on December 24, driving the unification of state institutions as well as national reconciliation forward, and removing the 20,000 foreign mercenaries present in the country. The task of appointing this executive authority proved to be challenging for the LPDF, as different stakeholders favoured various mechanisms they believed would put them in an advantageous position for Libya's next political chapter. Nonetheless, compromise within the LPDF was struck as two different appointment mechanisms were chosen to placate opposing camps, and in early February an unexpected ticket composed of Mohammed al-Menfi as head of the Presidential Council and Abdulhamid Dabaiba as Prime Minister won over the frontrunners Agila Saleh, the House of Representatives' (HOR) Speaker, and Government of National Accord (GNA) Minister of Interior Fathi Bashagha.

Despite early issues – including allegations of vote-buying on the part of Dabaiba and public angst over the fact that the LPDF, an unelected body, was devising Libya's main governing bodies – the new executive was received fairly well by the majority of Libyan stakeholders. A wind of change was palpable in the country as political exhaustion and new political players meant that accommodation and cross-factional discussions were favoured over ideological stances and warlike rhetoric. This can be explained by the fact that the new executive authority was quick in initiating overtures to various stakeholders, whose hope for a reshuffling of political cards was raised and therefore did not want to spoil this new momentum. Accordingly, the Government of National Unity (GNU) led by Prime Minister Dabaiba was sworn-in on March 15 in front of the HOR in Tobruk. Within a week, both the Tripoli-based GNA and the eastern-based Interim Government stood down to give the new government sovereignty over the entirety of the country. This relatively smooth transition was not a given, particularly considering that GNA Prime Minister Fayez al-Sarraj

was seeking ways to extend his government's mandate, and the United Nations Support Mission in Libya (UNSMIL) changed its structure after the departure of Acting Special Representative of the Secretary-General Stephanie Williams, a decision that later proved to have negative effects on the roadmap's implementation.

With both the PC and GNU being led by three figures from Libya's three regions, and Tobruk-born al-Menfi touring the east of the country in his first weeks of office, the country's political leaders seemed capable of bridging the geographic gap that had cut Libya in two since 2014. Subsequently, the Deputy PM Hussein al-Qatrani, himself hailing from eastern Libya, moved his office to Benghazi to assert the GNU's presence in a region under the effective control of the Libyan National Army (LNA) led by Khalifa Haftar. This new state of affairs was mainly caused by wide-ranging deal-making across the board, whereby the GNU would carefully balance the interests of opposite factions, which prevented it from siding with either sides of the conflict, i.e. the western-based Volcano of Rage movement and their enemy, the LNA. By emphasizing its task of implementing the roadmap and remaining a neutral actor representative of all Libyans, the executive authority embarked at first on a journey that pacified the country, with the caveat that such tactics were not suited for the long-run as they depended on short-term appeasement. On the international stage too, the executive authority sought to break former alignments and extended a hand to countries that supported opposite camps in Libya. In April, Dabaiba travelled to Ankara for his first foreign trip, before going to Cairo in an official capacity. This gave the message that international rivals like Turkey and Egypt were given equal attention from the Libyan executive authority, and pushed former supporters of Libya's eastern-block to enter into formal relations with the central government in Tripoli. Subsequently, both Dabaiba and al-Menfi made visits to Italy, Germany, Britain, Morocco, Russia, France, and the United Arab Emirates (UAE). This open-door policy further strengthened international support for the political roadmap, at least in rhetoric, in that none of the foreign stakeholders felt they were being ostracized by the GNU. Former backers of the war on Tripoli, which Khalifa Haftar led between April 2019 to June 2020, found it necessary to carve new relations with actors from western Libya and establish new commercial ties instead of solely relying on the LNA.

For the Second Berlin Conference, held on June 23, the international community continued to show a united front in support of the political roadmap, both calling for the timely holding of general elections and the synchronised withdrawal of foreign forces as advised by the International



Follow-Up Committee on Libya (IFCL). This stance was repeated in two subsequent international conferences, including the Libya Stabilization Conference held in Tripoli on October 21 and the Paris Conference on November 12. Nonetheless, the more time went by, the more international unity fizzled out as continuing disagreements between Libyan factions and institutions over the feasibility of elections raised doubts among international players on whether general elections by end of 2021 would happen. On the topic of foreign mercenaries, albeit all stakeholders voiced their support for their removal, Turkey lagged behind in that it emitted reservations to the view that its soldiers deployed in Libya also constituted foreign mercenaries. Despite strong statements in favour of elections and the withdrawal of foreign troops, foreign countries' stances throughout 2021 remained variable and often diverted from public sayings behind closed doors. The same can be said for UNSMIL, whose leadership was split between Mission Coordinator Raisedon Zenenga based in Libya, and Special Envoy Jan Kubis based in Geneva. From adopting a hands-off approach toward national institutions to seeking in vain to apply pressure on spoilers, UNSMIL's approach was at times erratic and its view of the roadmap became strongly divided between the Special Envoy who continued to believe in timely general elections, and the rest of the institution which grew sympathetic to concerns that elections might be too hurried and lead to severe disruptions in the country.

Domestically, a two-faced approach toward the political roadmap also took over the earlier hopeful and conciliatory positions taken by major stakeholders. The GNU quickly came to grips with the fact that any move it wanted to make took too long due to the many, and often irreconcilable, positions from Libyan actors it wanted to accommodate. Honest discussions and conciliation were left for ultimatums and bickering as the main actors saddled in this new political chapter - GNU, HOR, High Council of State (HCS), and LNA - refused to budge on their maximalist demands. In April, the GNU asked the HOR to approve an unexpectedly large 96bn LYD (€17.7bn) budget, the LNA requested additional state and financial prerogatives without showing any sign that it would act as an institution under the PC's command, the HCS called for a constitutional referendum before general elections could be held, and the HOR sought the upper hand in replacing the heads of key state institutions. On September 21, the HOR withdrew its vote of confidence to the GNU in a highly controversial session which did not reach the adequate threshold for votes, claiming that the PM had failed to pursue the political roadmap. These disagreements and the falling out between the GNU and HOR/LNA, as well as the erratic dynamics between the HOR and HCS, made it so that in public each po-

litical actor was in favour of timely general elections whilst in reality they were not working toward that goal in all seriousness. It is possible to say that efforts to drive the political roadmap to success were all made by technical-level bodies such as the High National Elections Commission (HNEC) and the 5+5 Joint Military Commission (JMC), the Economic Working Group (EWG), the IFCL, and to a much lesser extent the High Commission for National Reconciliation. However, when faced with the lack of political will from major actors, these bodies were unable to take on the entire task of implementing the roadmap and deferred to those same actors for a final push for the roadmap, which never came.

## **IS STATE CAPTURE THE ONLY WAY TO GOVERN IN LIBYA?**

*Relying primarily on networks of influence to control the state, Prime Minister Dabaiba embarked on ambitious economic programmes despite a mandate to prioritise elections, the unification of state institutions, the removal of foreign forces, and national reconciliation.*

Interim governments in Libya have consistently overstayed their initial mandate. Personal ambition, corruption, or political opportunism are all valid reasons to explain this phenomenon. Nonetheless, there is also a structural reason: newcomers to power believe they have to capture the state, by for instance installing trustworthy allies in key positions, to govern effectively. In fact, powerful actors are incentivised to use their networks or wealth to first gain power, and then double down on these tactics with more coercive force so as to control more of the state in the long-term and streamline their governance. This model applies well to Dabaiba in that the Misratan businessman and his entourage, including his uncle Ali Dabaiba, have been accused of using bribes to influence the LPDF's vote in February. To form his cabinet, the PM had to compromise some positions to appease competitors, thus forming a large cabinet with 35 ministries. However, over the succeeding months it became clear that he would take charge of most decisions, for instance by being the Acting Defence Minister or embarking on several official foreign visits when it was initially believed PC Head al-Menfi or Foreign Minister Najla al-Mangoush would keep this prerogative. The PM also put to good use his relationship with Islamic scholar and businessman Ali al-Sallabi by appointing his ally Walid al-Lafi as Minister of State for Policy and Communication – a position that was key in tightening control over Libya's media space and pushing forward narratives supportive of the

GNU. In June, the government abolished the Libyan Media Corporation, an organisation whose task among others was to prevent hate speech in the media, and adopted decision 301/2021 in August to bring media supervision more directly under the government's control. Dabaiba also brought in former colleagues who worked as Gaddafi-era civil servants within economic institutions like the Libyan Investment and Development Company (LIDCO) and whom he could trust in pursuing his economic vision.

This economic vision is particularly long-term and ambitious for a government leader who was meant to govern for less than a year, and whose priorities according to the roadmap should have been reconciling former foes, removing foreign troops, and organising elections that would end his term. For instance, Dabaiba unabashedly proposed a large draft budget, turning a blind eye to MPs' suggestions, and put particular emphasis on development projects for which he spent about 17.3 billion LYD (€3.3bn) - representing the highest percentage of a budget spent on development since 2012. This spending clearly going beyond the roadmap's framework was, in part, what led the HOR to refuse granting approval for the GNU's budget draft. Parliamentarians felt the PM did not see himself as a temporary leader but rather privileged spending on long-term projects to raise electoral stakes in his favour, should he decide to participate in presidential elections - something he had vowed not to do as a prerequisite for being appointed in his position. Dabaiba unveiled various projects in e-governance, investment mapping, and an infrastructure plan called "Reviving Life", whereas his Minister of Economy Mohammed al-Hwajj offered insights into Libya's economic potential, often giving incoherent or unrealistic targets regarding the economy's long-term growth potential and ability to take on foreign workers without tackling how Libyans could expect such a bright future when their country still lacked security and a democratically elected government. As suspected by several MPs, the Audit Bureau finally raised the alarm on potential corruption regarding the GNU's development expenditure in December, claiming that the spending did not follow any approved standards and that the government had overspent its monthly appropriations determined by the 1/12 budgetary rule. Although investigations are still ongoing and it is not possible to independently verify corruption allegations, it is likely that focusing on development spending may have given the PM and his entourage the opportunity to spend public money in a much less regulated manner and under tighter control as public development organisations such as the Organisation Development of Administrative Centres (ODAC) were placed under the PM's office and headed by his uncle. This points again to state capture, in that under the guise of working toward improving Libyans' livelihoods over the long-term - a legitimate objective genuinely shared by the

GNU - the government would find it necessary to carve more control over various institutions so as to ensure it has the resources of its ambitions and can carry on legacy projects.

To finance itself without a budget, the government used interim financial arrangements which would not have been possible without close coordination between the PM and key institutions, particularly the Central Bank of Libya (CBL). In contrast to the fraught relations experienced between al-Sarraj's GNA and Sadiq al-Kabir's CBL, the GNU did not have much trouble in getting what it was asking for thanks to the PM's impressive network of influence. An overall 75.2 billion LYD (€14.5bn) was spent since March 2021 following the 1/12 budgetary rule, which helped Dabaiba in turning a blind eye to the HOR, thus effectively bypassing the legislative branch without much consequence. Made of salaries, subsidies, operational and emergency funds, the rest of the GNU's expenditure reflects the continuing imbalances of an economy where most oil revenues are spent to employ a large proportion of the population, and where the ruler can use the remainder to satisfy the population through short-term and populist spending. These actions could not have happened at a better time for Libyans who suffered from growing inflation which reached 21.1% this year compared to 2.8% in 2020, at the end of which as the Dinar was devalued. Shortly after being sworn-in, the PM accomplished promises made by the state in 2013 but never implemented in the form of family grants and an increase in public salaries. The pension of retirees was also augmented significantly, funds raised for the reconstruction of cities devastated by Libya's conflicts, and most indicative of the PM's populist policies, 2 billion LYD (€377m) disbursed into a marriage grant which led to several cases of fraud. Much publicity for the PM and GNU were made in unveiling these items, there again raising the question of whether such spending was economically justified or meant to give Dabaiba an electoral edge in December.

A territorial approach to governance has also meant that differences within the executive authority soon arised, with the GNU outplaying the PC in several arenas. This dynamic can directly be linked to the fact that the division of tasks between the two bodies is unclear and there is no definitive hierarchy between the six officials heading the two bodies. The more the GNU gained importance in Libyan affairs over time, the lesser the PC's influence became as coordination between the two bodies was eschewed and the PC failed to realign its own networks to maintain relevance. Whilst PM Dabaiba slowly veered closer to the western-camp as relations with the HOR/LNA soured, the PC found itself backing a "neutral" position that no longer had any powerful backers. Instead, the GNU was far more effective in

creating relations that mattered and could influence political dynamics inside Libya. From relying on personal relationships and informal channels to cultivate relations with foreign actors like the UAE, to building strong bonds with armed groups in Tripoli and Misrata, the PM made sure to have control over the situation and use his assets effectively to be on top. Dabaiba's ties with the Islamist camp through his friendship with al-Sallabi and aligned interests with al-Mishri, his good working relations with the CBL, and warm ties with some militiamen enabled him to form a new coalition and remain politically relevant when it became clear that the roadmap was unraveling. In contrast, Mohammed al-Menfi was neither felt at home in Tripoli nor able to convince eastern actors that he could have a significant impact on the country's politics. State capture was also visible in Benghazi with Deputy PM al-Qatrani, who became more independent over time and decided to carve his own fiefdom and patronage networks in the east as it became clear that Tripoli preferred centralizing power. Overall, powerful actors in Libya are incentivised to use connections, wealth, and sometimes coercion to not only maintain their grasp on power, but also to ensure the basic task of governing is safeguarded against other actors following the same tactics.

## **NATIONAL RECONCILIATION FELL VICTIM TO POLITICAL EXPEDIENCY**

*While armed conflict abated in 2021, power dynamics within Libya did not necessarily change. This meant that instead of reconciling differences, political actors have only manoeuvred around the country's new realities whilst maintaining grievances.*

The year 2021 was important in breaking ideological positions and creating, at least on paper, a unified political scene in Libya. The executive authority's early emphasis on talking to everybody, both foreign and domestic actors, created a new political reality in which narratives of a war in the defence of democracy or against terrorism no longer were relevant. Instead of sticking to the same local chieftain, foreign stakeholders also diversified their political portfolio by initiating ties with formerly rival camps, whilst local actors saw the political transition as an opportunity to reimagine themselves and evolve along the new lines of Libyan politics. In this context, the usefulness of hardline rhetoric and warlike statements dropped and most actors took on the self-serving role of acting as the guarantor to the political roadmap's implementation - particularly institutions outside the executive authority. In particular, the HOR and LNA acted as self-appointed supervisors of the progress made by the executive authority toward the roadmap's implementation, sometimes using threats and ultimatums to get their point

across, without playing their part for the roadmap's success or facilitating the work of the executive authority. This reluctance to cooperate with the GNU was clear with Khalifa Haftar, who felt he would maintain more leverage by staying out of the GNU's networks and by refusing Dabaiba's several overtures often made through foreign intermediaries. As a result, the PM made numerous attempts to visit Benghazi, which all had to be cancelled at the last minute as neither side wanted the other to rely on their own security detail for the visit. The LNA's unwillingness to engage the executive authority and its self-appointed role as one of Libya's most sovereign institutions supervising the work of the GNU was highly damaging to military unification as Haftar only viewed this process as a means to guarantee his long-term grasp on the country's armed forces. As Haftar's staunch position became clear, the PM also reverted to incisive comments, warning that the military institution could not be controlled by a particular person, let alone someone who used the army to "point the barrel of its gun at the chests of the people of the country" - a reference to the Tripoli war.

Whilst failing to engage the eastern camp's most recalcitrant but powerful group, Dabaiba also failed to show any decisiveness against western-based armed groups that have further entrenched themselves in Tripolitania since the end of the war. After the May 7 attack on the PC's temporary seat at Tripoli's Hotel Corinthia by such groups, Dabaiba and Minister of Interior Khaled Mazen failed to initiate any proper investigation on the matter. With an eastern-Libya still under *de facto* control by Haftar and western-Libyan revolutionary groups not willing to let go of their strengthened position as defenders of the capital, real power dynamics were still unchanged and the GNU simply did not have any coercive tool in hand to maintain the third way it was supposed to have opened for Libya. Instead, as grievances resurfaced throughout the months and regional power holders regained assertiveness, the GNU fell back on previous dynamics with Dabaiba drawing closer to the western camp and al-Qatrani aligning himself with the HOR. This situation can be explained in part because political expediency, or the need to cement a new political transition before moving fast toward general elections, meant that transitional justice never was an option. Power dynamics also explain why it is currently not conceivable for Libyans to go after war crimes committed by each side of the conflict, and the roadmap preferred a political solution through which, hopefully, political competition and popular vote would filter problematic figures. Unfortunately by mid-2021, the process of national reconciliation was effectively aborted as the promise of a new reshuffling of cards through general elections refueled competition and the assertiveness of those same problematic figures on the political scene.

This situation left few resources for efforts to alleviate the difficulties of those directly affected by war. In April, the PC formed the High National Reconciliation Commission (HNRC) meant to identify the needs of citizens, something which ultimately proved to be a hollow effort by an institution with limited authority. Joint initiatives with the Ministry of Justice to release the arbitrarily detained left meagre results as just a few hundreds were released in 2021, compared to the 3,000 freed between the unstable years 2018-2020. Tribal representatives, particularly from the Awlad Suleiman, Mgerha, and Gdadfa pleaded for more serious efforts on the part of the executive authority, but the reality remains that Libyan prisons still hold at least 5,000 pre-trial detainees and liberation of prisoners are often made through give-and-take deals instead of genuine efforts toward reconciliation. Genuine efforts by the GNU and the 5+5 JMC were made to remove war remnants and reconstruct housing units for the displaced in geographies such as south Tripoli and Tawergha, which helped about 225,000 internally displaced people (IDPs) to relocate to their original geographies. Nonetheless, Libya still has 200,000 IDPs, and according to the UN, 1.3 million people are still in need of humanitarian assistance, including 700,000 requiring food assistance – nearly double the 2020 rate. This is partly due to high unemployment rates, the impact of Covid-19 on the economy, and precarious food security which has artificially been contained by the state through price ceilings and some quotas. Additionally, Libya has continued to be a transit hub for migrants, 610,000 of whom are residing in Libya and suffering from destitution and discrimination, particularly as the GNU significantly decreased its cooperation with international aid organisations in Libya.

Nonetheless, 2021 also saw improvements in that Libyans got to travel nationally as commercial flights that had been discontinued for years between western and eastern cities were reinstated. Further events occurred to cement unification, with the integration of the power grid and shortly before the Second Berlin Conference, the reopening of the Coastal Road which not only enabled east-west travel by car but also offered a lifeline to Sirte which was cut off from the rest of the country for many months as it was the line of conflict between the GNA and LNA. Nonetheless, a symbolic incident that occurred in March, when the camel of a peace traveller going from the border of Egypt to Tripolitania was slaughtered by a Zawiya militia, speaks to the precariousness of Libya's security situation and the continued grievances that exist between regions. In fact, interactions between formerly opposite camps continued to stir controversy throughout the country, thus showing that grievances were still brewing in spite of the newfound political stability. For those who fought the Tripoli war, it is still very hard to accept the integration of former foes into the new polity. In eastern Libya, the LNA has continued to paint itself as the sole sovereign armed force in the country in opposition to the disparate armed groups of Tripolitania and it has also

continued to reject Turkish influence in the country - a position which could be overturned as Turkey has increasingly sought to engage Cyrenaica, but Haftar's hard-to-get approach has for now prevented this from happening. Equally, hardliners in Tripoli, Misrata, and Zawiya have continued to eschew the LNA as an important Libyan stakeholder and strongly criticised the visit to the Libyan capital by an Emirati delegation as Abu Dhabi was one of Haftar's main backers during the war.

With the two opposite sides distrusting each other, the removal of foreign mercenaries has been a slow process and continues to raise the spectre of war over the country. Arguably, the presence of foreign troops of more or less equal force in Libya has stabilised the country through an effective balance of power. Nonetheless, the continued rotations and presence of such mercenaries have meant that parties to the war have not adequately dealt with their differences and still rely on potential foreign firepower to maintain their positions. In fact, it was initially believed that following the October 2020 ceasefire, foreign mercenaries would quickly be evacuated over the first few months of 2021. However, as time passed, there was little to no progress despite continuous meetings by the 5+5 JMC which is composed of high-ranking officers from both the western-based Libyan Army and the LNA. The longstanding obstacle in negotiations between the two camps seems to have been hardline elements affiliated to the Libyan Army who continue to stress on the legality that Turkish-backed troops were invited to Libya by the GNA, whereas LNA mercenaries in the form of the Russian private military contractor Wagner Group and Sudanese, Chadian, and Syrian foot soldiers are illegally present in Libya. This prompted a long-delay in the reopening of the Coastal Road as the Sirte-Jufra Operation Room wanted the departure of Wagner troops before evacuating the zone, a demand that was rescinded after mediation with Russia and through discussions with the PM. After several international conferences in which the proposal of synchronised withdrawal was raised, it was only in early October 2021 that opposite parties through the 5+5 JMC agreed on a four-phase plan that would go until 2023 to withdraw foreign mercenaries. Nonetheless, the three first phases tackle actions which should have smoothly been carried out much earlier, as they only tackle confidence-building, the use of international observers and establishing a record as well as monitoring mechanism to keep track of the number of foreign troops on the ground. There has only been mild progress since then, with the LNA sending back 300 mercenaries through French intermediation. Regardless of such advancements, UN experts have warned in December that there was no evidence of any large-scale withdrawal taking place and that existing stockpiles were sufficient to sustain any future conflict. Even if there were far fewer arms embargo violations in 2021, arms



supply chains controlled by states like Turkey, Russia, Egypt and the UAE continue to exist and could swiftly be reutilised to ignite war. The end of 2021 saw greater liaising between Libyan military officials and the two main foreign backers of mercenaries in Libya, i.e. Turkey and Russia. This signals growing acceptance by both Moscow and Ankara that having thousands of troops in Libya is not sustainable over the long-term. However, the insistence on a gradual removal which would not impact the balance of power on the ground remains highly problematic, and the current limbo over what is to come will certainly delay the JMC's plan for the withdrawal of mercenaries.

## **THE CHICKEN AND EGG OF POLITICAL LEGITIMACY IN LIBYA**

*The roadmap's main goal was to establish a new political reset for Libya. However, the framework of this reset was left for institutions with contestable legitimacy to decide, thus allowing them to spoil elections and use legal issues as pretext to remain in power.*

The main reason behind the failure to hold general elections can be attributed to the failure of the HOR and HCS to decide on their legal framework. This failure was compounded by the fact that the international community, UNSMIL included, was unable to mediate between the two institutions and allowed the issue to drag on without seriously considering a contingency plan. According to the roadmap, the HOR and HCS had until February to settle on a legal framework for elections - a deadline that kept being pushed without any resolution in sight. Good offices and intermediation were initiated by several states such as Egypt, Morocco, and Italy for the two Libyan institutions to find common ground, but a split was effectively made during the third Hurghada meeting in February when the Constitutional Committee made of HOR and HCS representatives disagreed on the issue of a constitutional referendum prior to general elections. Level-headed personnel such as HNEC Director Emad al-Sayeh had convinced a significant number of MPs that it was not possible to hold both a referendum and elections within the same year. This created a rift with the HCS led by al-Mishri who has pushed for the adoption of constitutional limits to the powers of the next Libyan executive as a means to guarantee stability and avoid authoritarian rule in Libya. When the HOR failed to adopt constitutional arrangements in a full-quorum, which could have acted as an alternative to a referendum, it became clear as soon as March 2021 that legal issues would become a key obstacle to a smooth transition for the country.

Nonetheless, at that time, the country was focused on the inauguration of the new executive authority and in contrast to what was advised by the roadmap, UNSMIL decided to push the deadline for a legal framework to elections further into the summer. In theory, the LPDF was meant to take over this task as soon as national institutions failed to find common ground. In practice, the LPDF's Legal Committee was only asked by the Special Envoy to write down a draft proposal on the elections' legal basis in late April to then be presented to the rest of the forum in late May. Unfortunately, subsequent LPDF meetings held until early July showed that the body, deemed to be the custodian of the roadmap, had itself fallen into severe divisions with many members questioning the roadmap's cornerstones. Reflecting the rift between the HOR and HCS, many members no longer supported direct presidential elections and further pushed for a constitutional referendum prior to elections - something that the Special Envoy had ruled out. The reason why the issue of adopting a constitutional basis through referendum or parliamentary vote has been so controversial is that the current draft issued in 2013 is not particularly inclusive and was made by the same groups which strongly advocate for its adoption. Former regime constituencies, ethnic minorities, and generally the eastern camp aligned with Agila Saleh and Khalifa Haftar do not view the draft as neutral and have perceived attempts to compel its adoption as a ploy to influence Libya's political scene in the future. For instance, the draft constitution bans dual citizens, such as Haftar who is believed to be a U.S. national, to be presidential candidates.

Overall, the bickering over the elections' legal basis proved to be primarily political, with each camp seeking to write down the rules that would put them in an advantageous position for Libya's next political chapter. When it became clear that neither a constitutional basis nor electoral laws for elections could be agreed with the HCS, the HOR took unilateral and questionable steps in drafting a presidential electoral law in early September, followed by a parliamentary electoral law in October. By then, the country had entered a legal maze caused by its complex institutional set-up and the subsequent international initiatives meant to stabilize Libya. Both the HOR and HCS brandished their own versions of an electoral law, each referring to previous and often conflicting legislation. For the HCS, which was completely bypassed, the HOR's laws were drafted to favour certain candidates such as Haftar and Saleh. This narrative was also pushed by PM Dabaiba who entered the presidential race in late November, which according to the HOR's law was too late as per Article 12 candidates should have resigned from official posts 3 months prior to polls. The inability of the HOR and HCS to compromise cannot solely be attributed to their adherence to different camps. Both Saleh and al-Mishri are cunning politicians who have managed to maintain themselves at the top of their institutions for many years. This

necessitates apt negotiating and bargaining skills, and both actors first sought to adopt a give-and-take approach to the issue, by for instance haggling over who gets to appoint the new heads of key institutions such as the CBL, Administrative Control Authority, Supreme Judicial Court, National Anti-Corruption Commission, Audit Bureau, Attorney General and HNEC. However, the stakes linked to elections were far too high to be assuaged through such behind the scenes agreements, and both decided to get on the route that would best serve their interests.

This situation represents a great quagmire for the international community and Libya. No one has uncontested legitimacy to bring forward a bullet-proof pathway to general elections, and as a result the task has been left to national institutions which have the most to lose from the holding of presidential and parliamentary elections since this would initiate a significant political and institutional reset for Libya. For fear of interfering with what is deemed to be a domestic matter, UNSMIL and the international community acted as bystanders hoping to see a last-minute railroad crossing for a train set on wrong railings. Instead of decisive action, there has been a proliferation of committees meant to deal with the roadmap's struggles, and subsequently offer an autopsy to its failings. This continues to be the case in 2022 with the HOR's Roadmap Committee. The newly-appointed UN Secretary-General's Special Adviser for Libya Stephanie Williams sees no other alternative than to let Saleh and al-Mishri continue their deliberations. Overall, the legal issues surrounding elections have shown that the roadmap did not have any authoritative enforcer; its broadlines continued to be questioned well into 2021, without UNSMIL or any other actor being able to nudge spoilers into accepting the roadmap. This comes in contrast with what occurred in the beginning of the year with the LPDF, when Williams pressured its members to find consensus so as to appoint a new executive authority. Now that both the HOR and HCS are back at discussing a framework for increasingly distant and unclear elections, it seems that there are more grounds to fully revise the November 2020 roadmap and give the legal issue the utmost attention it deserves. The key goal will be to ensure a level-playing field for all stakeholders in the future, and a strong enough custodian to call out dishonest criticism made by spoilers who, no matter the situation, would still have found legal pretexts to avoid elections.

## **FAILED ELECTIONS ARE A LOST OPPORTUNITY FOR LIBYANS TO INFLUENCE THEIR COUNTRY'S POLITICS**

*Libyans were overwhelmingly supportive of December 24 general elections. The unraveling of the political roadmap is an alarming development which is likely to further raise public anger and distrust toward national institutions and UNSMIL.*

The majority of public opinion polls carried out in 2021 showed that most Libyans supported general elections on December 24. This support was made visible in the “December 24 movement” which took form within civil society as soon as the GNU was sworn-in to remind stakeholders of the roadmap’s endgame. With 2,865,624 registered voters, which is about 500,000 more than the last voters’ registration made in 2014, as well as 98 initial presidential candidates and more than 5,000 parliamentary candidates, Libyans showed their enthusiasm for this opportunity to make political change in the country. Nonetheless, as the roadmap unraveled and the political process remained exclusively in the hands of self-serving institutions, civil society pleas were ignored and Libyans faced a lack of accountability on the part of many stakeholders as neither UNSMIL, the HOR, or the HNEC were able to put the electoral process back on its rails. This failure will hit the legitimacy and authority of such bodies, especially considering that the December 24 date had been called “non-negotiable” by the Special Envoy Kubis and the United Nations had enshrined this date in a resolution, thus further cementing frustration and disbelief on the part of Libyans. After the highly contested 2014 parliamentary elections and miscarried 2018 general elections, there is a sense that the people are consistently forbidden their right to have a direct say in their own politics and become the final arbiters of Libya’s chaotic political scene. Overall, it has become clear that the electoral process was not given the level of priority it deserved as by end of the year, both domestic and international stakeholders started enumerating the many shortcomings of the process, without having offered any earlier solutions.

In hindsight, it is possible to say that the electoral process blindly and naively followed reassurances from various stakeholders, including from all branches of government as well as the HNEC. In public, all actors were adamant to hold general elections on time and provide the HNEC with the necessary financial, logistical, and security means to accomplish its mission. Early on, the GNU’s Ministry of Interior devised a nation-wide security plan involving as much as 35,000 personnel, whilst around 100 million LYD (€18m) were disbursed to the HNEC’s account by the GNU - a sum which was topped up by international contributions through the UNDP’s “Promo-

ting Elections for the People of Libya” Project. Additionally, the process of new voters’ registration was made by text message and the Libyan Telecommunications Holding Company lent its call centres for people to call in case of voters’ registration failure or to switch their polling stations, a process that stressed the HNEC’s insistence on using technology to the best of its ability to minimise voter fraud. As a result, by the mid-year the HNEC already had claimed to be almost ready for elections and said the only remaining step was the adoption of a legal basis for elections - a step which proved fatal for the electoral process. However, before tackling the legal quagmire that prevented elections from happening, it is also important to raise some other weaknesses that will continue to hamper fair and transparent elections in the country. Importantly, voter awareness and the role of political parties as multipliers of such awareness in addition to contested electoral procedures remain problematic as shown in local elections held in early 2021. Organised by the Central Committee for Municipal Council Elections (CCMCE), elections in various Tripoli municipalities not only showed a participation rate not exceeding 30%, but also led to a few rerun in some polling stations as local courts rejected “incorrect procedures.” Although national elections would certainly have enjoyed greater participation, it is also possible that such participation would not have been optimal due to the country’s political culture which continues to circle around personal figures instead of political parties and programmes.

Of course, there were a slew of political parties engaged in the electoral process, many of whom had developed more or less detailed political programmes and some of which created a bloc of parties to cement their support for elections. This is true of Islamic scholar and businessman Aref al-Nayed’s “Ihya Libya “ party, which liaised with close to 20 political parties to remind that the political process did not have to focus solely on a particular set of powerful figures. Unfortunately, this is exactly what happened by November as it became clear that controversial figures such as Khalifa Haftar, Saif al-Islam Gaddafi and Abdulhamid Dabaiba had become candidates. These announcements rocked an electoral process which had already been weakened by the HOR and HCS’ inability to find common ground. In fact, it is clear that after these national institutions and the LPDF’s failure to craft a legal basis for elections by the final July 31 deadline, the HNEC simply drifted from its duties and became unsure whether it could actually hold elections – without divulging such doubts until the last minute. The candidacy registration process was characteristically late as it started on November 7 and ended on December 7 for parliamentary candidates, thus leaving very little time to solve the many procedural claims raised against candidates’ registrations. Without consensus on the elections’ legal basis, every aspect of a candidate could be contested and the HNEC’s reliance on the HOR’s electo-

ral laws made the Commission lose legitimacy, which was further weakened as it was accused of applying at will the legislation. For instance, none of the candidates were disqualified for violating Article 12 of the presidential law - the clause asking candidates to have resigned from public office 3 months prior to polls. The confusion around who may be a qualified candidate was further increased by a round of appeals and counter-appeals made in local courts where security and independence were not always guaranteed. In Sebha, Saif al-Islam Gaddafi and his lawyer struggled to tackle appeals raised against his candidacy as militia leader Masud Jedu belonging to the Awlad Suleiman tribe prevented the local court from doing its job, partly because his tribe has long been a rival to the Gdadafa tribe. This is one example among many in which national, local, and tribal disputes impeded the electoral process and could have easily escalated in localised conflict. This is particularly dangerous as Libya is now seeing the rise of new political factions, particularly the former regime's "Greens", who have increasingly minimised their internal divisions and sought to regroup to influence Libyan politics after a decade of ostracisation.

The inability to agree on common rules for elections further complicated the process and made sure that, if polls went through, results would have been heavily contested. The whole debate around the elections' legal basis was itself related to efforts by one or another camp to carve rules that would have disqualified particular candidates. In addition, there were in fact several cases of procedural shortcomings and potential voter fraud as some voters could not retrieve their voters' card as they had been snatched by unknown people likely seeking to spoil the process. More worryingly, further questions were raised after the failed elections, with some MPs and politicians claiming that the country was facing widespread fraud with forged national identity numbers and civil registry records, electoral cards being stolen or issued to the deceased or non-nationals, as much as 600 parliamentary candidates having proven criminal records and security threats such as planning of bombings or control over polling stations by unruly armed groups. Without the work of international observers, it is difficult to ascertain whether such claims are precise or rather meant to further delegitimise the electoral process. The HNEC itself has claimed that at least 11 cases of fraud for presidential candidates were raised, most of them involving the submission of false recommendations. As a result of continued political wrangling in courts linked to appeals, the HNEC never submitted its final list of approved candidates, and rather let the HOR decide on the next steps for elections whilst advising they be delayed to no later than January 24, 2022 - which is highly unlikely considering that the process remains controversial and by the time compromise can be reached earlier preparations will become obsolete.

The failed electoral process has shown that political actors preferred competing one another outside of polls through various spoiling tactics employing legal, coercive and judicial means. Many observers continue to question whether general elections as planned could be a level-playing field considering that there are huge differences between the means of candidates and their ability to reach out to the population. Candidates had next to no time to campaign or travel throughout the country without any hindrance. The prevalence of key figures in public debates around the elections also reflects aforementioned comments on state capture as powerful candidates are more likely to use their wealth, networks, and armed allies to come out on top. For instance, serious doubts were raised about whether LNA soldiers had any choice to vote for another candidate than Haftar. The focus on key figures like Haftar, Gaddafi and Dabaiba also revived war-time grievances as each of the candidates left their pretence of campaigning on a national level to focus on their own constituencies. Banning one controversial candidate whilst allowing another to run in elections would likely further the rift in Libya, whilst allowing them all to compete for the popular vote would have at least demonstrated which side holds more legitimacy and silenced those who claim to represent the Libyan people without any justification.

## **A FRUITLESS POLITICAL PROCESS MAY RESUSCITATE THE MILITARY OPTION**

*After its 2020 defeat, the Libyan National Army faced a slew of issues and abstained from military engagement. The toning down of warlike rhetoric in Libya is however not set in stone as the roadmap's failure is likely to make powerful actors reconsider the military option to force the political reset that fits their agenda.*

This is not the first time in recent Libyan history that an internationally-devised political roadmap fails to reach its expected results. When the LNA called the Libyan Political Agreement (LPA) void by the end of 2017 and plans to hold general elections the following year failed, this ultimately motivated Haftar to choose the military option in April 2019. The failure of the LPDF's roadmap in 2021 may lead to the same scenario over 2022 as the LNA Commander has continuously warned that he could resort to arms should elections fail. From mid-2021 when relations between the GNU and HOR soured, Saleh and Haftar drew closer to each other after months of difficult relations. This alignment reinforced threats to the newfound stability and unity of the country as Saleh also warned that a parallel government could permanently take its seat in eastern Libya to compete with the GNU, thus reviving the institutional divide that split Libya from 2014 to early 2021. With the HOR

supporting the LNA's financial demands for the GNU's draft budget, Saleh also ensured that the LNA would not hold him responsible for the roadmap's failure and instead consider him as a fellow critic of the GNU. Overall, the LNA neither directly spoiled the roadmap as it self-interestedly supported the elections, nor did it take any important step to support its implementation. This reflects the traditional approach of Haftar to political processes in the country in that the Commander waits for his rivals to make a blunder so as to enter the arena with a vindictive aura. The gradual alignment of Dabaiba with western factions and his inability to curb militias are likely to be utilised by Haftar as a means to justify his position and claim that governing from Tripoli is futile as long as a security sweep has not occurred in the region.

The military option was eschewed for several reasons in 2021. As mentioned, the balance of power created by the presence of foreign mercenaries in Libya is an important reason why conflict did not resurface. This was compounded by the fact that political and economic stakes for international actors were pushing them to eschew any military movement that could jeopardise deals with the GNU. Regionally, a move towards detente was also initiated by Ankara to carve better relations with Arab rivals like Egypt and the UAE, thus lowering animosity between the formerly opposite camps. Those former backers of the LNA had the option to diversify their political portfolio away from the mercurial Commander, with Russia and Egypt boosting ties with Gaddafi for instance - without cutting ties with the LNA however. This difficult international situation for the eastern powerhouse was accompanied by domestic hardships. As the war on Tripoli ended and militiamen allied with the LNA went back to their hometowns, particularly Benghazi, insecurity and criminal activity became prevalent thus prompting the LNA to initiate several security sweeps and institutional changes. Two high profile assassinations were carried out in the city, killing Special Saiqa Forces' Commander Mahmoud al-Werfalli in March and Kaniyat militia leader Mohammed al-Kani in July. Both had become liabilities for the LNA, the former for acting as a henchman for the local elite and the latter for having too much of a tainted legacy for war crimes perpetrated in Tarhuna, a city located in western Libya and where corpses of civilians killed arbitrarily continued to be excavated throughout 2021. Through internal purges and institutional reforms, the LNA had to strike a difficult balance to remain in power as eastern Libya's most important actor and walk its talk by ensuring that the region under its control does not become divided between various militias like Tripolitania. On the one hand, it had to delegitimize voices from Cyrenaica which sought to engage the GNU and sideline the LNA. As soon as it became clear that the HOR no longer was interested in compromising with the GNU, such threats became much less apparent. On the other hand, the LNA also had to withstand its own hardliners who wished to resort to arms to pressure the executive authority.



This political manoeuvring in the east led to a dangerous environment for journalists and critics, with continuous threats and kidnappings from unidentified gunmen throughout Cyrenaica. Tribal leaders who had gathered around the LNA in 2020 as a means to claim greater control over their region's resources also started to show their discontent with the security situation and the LNA's unwillingness to engage adequately with the executive authority. Through military processions and societal gatherings, Haftar sought to tone down public discontent but it is clear that his institution is no longer at the peak of its power since it has continuously struggled to pay its soldiers as a result of the rift with the GNU, and has become increasingly authoritarian, which means that it may have prevented unrest at the cost of its own popularity. This is another reason why the LNA has not yet followed up on its threats, but the more other actors fail to bring forward a political solution to Libya's current predicament the more the LNA will have ground to amass popular support for a military intervention. This intervention needs not to be a repeat of the Tripoli war, which severely impacted the LNA's image. Instead, there have been signals at the end of 2021 that the LNA was willing to engage with western actors aligned with its security agenda, particularly former Interior Minister Fathi Bashagha. Both actors share the same animosity towards particular militias in western Libya and have built their political identity around the issue of Security Sector Reform (SSR).

## **POLITICAL STABILITY WITHOUT SECURITY**

*The prevalence of armed groups throughout Libya is likely to remain the country's main long-term roadblock to stability. In 2021, the state was unable to roll-back militias' power, it also relied on the politics-militia nexus.*

Instead of curbing militia groups, powerful government figures have often contributed to complexify the security landscape by entering patron-client relationships with armed groups. When they leave power, the armed group on which they relied continues to live a life of its own and evolve to not only survive but also thrive. This is exactly what happened with the Security Stability Apparatus (SSA) created by PC Head and PM Fayez al-Sarraj in early 2021, and headed by the leaders of the Ghnewa militia and the Tripoli Revolutionary Brigade (TRB). The creation of the armed group was a botched attempt at power consolidation by al-Sarraj to compete with his GNA rival Bashagha controlling the Interior Ministry and aligned with powerful militias like the Special Deterrence Force (SDF). The Interior Minister was even targeted by the SSA when his motorcade passed through western Tripoli in February, which

led to the death of a few members of his security detail. Instead of abating after the departure from power of al-Sarraj and Bashagha, those same militias linked to state bodies continued their rivalry whilst gaining autonomy. The important point is that such armed groups operate under the pretence that they are part of the state and are legitimate in using force against their competitors, which are often themselves linked to a state body. For instance, the SSA took on the 444 Brigade in September, claiming that it had not complied with military orders from the PC and maintained an unauthorised banking account as well as unapproved members. However, the 444 Brigade is itself affiliated to the GNU's Chief of Staff and had earlier in April launched a campaign in which it stormed several militia dens to allegedly return such properties to their rightful owners as requested by the GNU. During their numerous clashes throughout the year, state-backed militias caused important material damage and even led to the death of several civilians.

The Ministry of Interior has not been able to bring any effective Disarmament, Demobilisation and Reintegration (DDR) or SSR initiatives. In May, Khaled Mazen gave a 1-month ultimatum for individuals carrying unlicensed weapons to deliver them to the nearest police station and for every local security institution to establish a weapons licensing department. There was no follow-up on this issue after the deadline's end and it was clear from the beginning for Tripoli-based ministers that they should directly contact armed groups in the capital to secure themselves security detail, instead of relying on the Interior Ministry. Noteworthy, the Interior Ministry's headquarters were stormed by militiamen in late August in a show-of-force, followed by an attack on the Administrative Control Authority's building in a bid to pressure its head. Other militias outside of Tripoli, particularly in Zawiya, also caused significant damage as they competed over the city's many resources, particularly in the field of smuggling. This is particularly true of Mohammad Bahroun and Muammar al-Dhawi's militias which have fought each other as well as the SSA throughout the year so as to gain a greater share of the fuel smuggling black market. Alongside Tripoli and Misrata, Zawiya has gained greater political and military power in western Libya and managed to draw on networks tied to the GNU to secure the release in April of Abdulrahman Milad, aka "al-Bidja" who had been charged with migrant trafficking. Considering similar levels of impunity in LNA-controlled territory, it is clear that the most overlooked aspect of Libya's roadmap has been transitional justice as criminals are not held accountable for their wrongdoings and even take part in political coalitions as henchmen for powerful politicians. The nexus between politics and armed groups is likely to continue well into the future as long as the spectre of war exists in the country. Politicians bolster their favoured armed group with the expectation that this investment would ensure their security and create the

coercive leverage they need to effectively operate in Libyan politics. For the state to gain monopoly over the use of violence, it is therefore important to tackle the existing divisions within the executive authority and ensure that only one unified armed force represents the state throughout the country. Without breaking individual politicians' ties to particular armed groups, it will be next to impossible to have nationwide DDR.

Apart from militia groups, there are continuing external threats to Libya's security, including transnational terror groups like the Islamic State and cross-border rebel groups belonging to neighbouring countries, particularly the Front for Change and Concord in Chad (FACT). These threats mainly exist in the south of the country, which is also where more than half of foreign mercenaries are located. Since the region remains under the nominal control of the LNA, this force had to deal with an IS terror attack on a checkpoint manned by the Criminal Investigation Agency in June as well as clash against FACT troops near the border with Chad in September. Ironically, the Chadian rebel group had fought alongside the LNA in previous conflicts within Libya, but the killing of Chadian President Idris Deby in April meant that the group represented a threat for Libya's national sovereignty as it used its territory to kill a foreign head of state. The Chadian issue raised hopes that the PC, which is technically the head of armed forces in Libya, and the LNA could work together to defend national borders. Unfortunately, this opportunity never materialized as movement of troops by one side was looked at with distrust by the other. This episode also showed that despite being unified in theory, the country was divided between areas of influence, and the taking of an abandoned military base by either side was viewed with deep suspicion and met with dangerous warnings.

## **THE START OF A PROSPEROUS DECADE OR A SHORT LULL IN ECONOMIC STAGNATION?**

*The year 2021 saw an extraordinary rebound in oil production and economic activity despite higher inflationary pressures and persistent banking inefficiencies. However, there are several signs that show that sustainable growth may not yet be achieved for Libya.*

With oil flowing more or less unhampered throughout 2021, Libya managed to gain 103.4 billion LYD (€19.9bn) in hydrocarbon revenues, which is quadruple the amount reached the previous year. A business-friendly government open to the world, the GNU quickly drew the attention of international investors and encouraged the reopening of several embassies in Libya. Much effort

was spent on the part of the government to send the message that Libya is back for business and that long-term business deals disrupted by years of conflict can be reenacted. As a result, old projects such as the Italian-led Coastal Highway were put back on track in a hope that economic activity and long-term projects would underpin stability in the country. External trade also skyrocketed with the likes of Turkey, Italy, China, Germany and Spain, and the work of economic attaches and delegations suddenly became more important than their political counterparts for a while due to the widespread international interest in Libya's economy. Reinstating the office of Minister of Oil in the person of Mohammed Aoun, the GNU also presented a positive outlook on oil output, with 1.5 million barrels per day targeted for the end of year and 2.1 million bpd by 2024, whilst drawing international oil companies closer for additional investments like France's Total and Italy's Eni or re-entry into the market as seen with Russia's Lukoil.

However, the early enthusiasm around the country's economic potential turned lukewarm as soon as it became clear that political wrangling could still derail Libya from a path of sustainable growth. Around the summer, the government was not only struggling with getting its budget draft approved by the HOR, it also stumbled on the process of economic unification as the submission of a detailed audit report on the CBL by Deloitte in July did not effectively lead to the unification of that institution. Instead, CBL Governor al-Kabir informed the public in December that such unification would not take place before the next six months, thus further delaying important policies such as gradually reducing the exchange rate, allowing eastern banks to enjoy the same cheque clearance system as western-based banks, or improving businesses' access to loans and foreign exchange. As a result, effectuating long-term change through economic reform is not yet within the government's reach since it does not have the adequate policy toolkit and must deal with a still divided economic institutional set-up in Libya. Moreover, the short-term mandate of the GNU defeated the purpose of its ministers' long-term plans for the economy and their economic vision oscillated between the necessities of economic diversification, which calls for privatisation as well as renewables, and the traditional rentierism of the oil-state where governors use both oil wealth and coercion to keep the population happy, by for instance offering generous subsidies or artificially maintaining prices low through price caps.

In fact, the structural weaknesses of Libya's economy require long-term planning and implementation, which has so far not been possible due to the continuous political instability and divided institutions. It is likely that the oil-rich country will gradually follow plans followed by Gulf countries in terms of economic diversification and privatisation drive, but this remains a debate within

the country as technocrats are still attached to a centralised system of governance which views private actors with suspicion and opposes the sale of state assets. Businesspeople in Libya have continued to feel the state's overbearing presence over the economy, with the state's share growing from about 30% of the economy in 1999 to more than 60% now, without counting semi-public enterprises. Pleas by PM Dabaiba to privatise sectors like telecommunications and healthcare, as well as to invite International Oil Corporations (IOCs) to buy more shares in oil fields in Libya to ensure adequate investment in the sector, are likely to draw opposition from actors who support economic nationalism and fear the rise in prices that privatisation is likely going to lead to. Overall, the country is left with a large unearthed potential in renewable energy, logistics as well as construction, and it is not clear whether its leaders will have the time to put in place the basis for sustainable growth. As PM Dabaiba has reminded, the country may only have a maximum of 20 years to fully utilise its hydrocarbon wealth to first reconstruct itself and move up its economy toward renewables, technology and other aspects of the new economy.

Representing 95% of government revenues in 2021, the oil and gas sector represents high stakes in that its continuing growth is a prerequisite for the country. Although an average of 1.3 million bpd were produced in 2021, the sector continued to face critical challenges that have hampered the implementation of government objectives and even led to a momentary low output of 700,000 bpd in December 2021. One key issue behind this shortcoming is the inability in Libya to have unified budgets approved by the legislative and the continuing use of parallel fiscal arrangements which lead to severe imbalances in allocations to state-owned enterprises like the National Oil Corporation (NOC). This situation means that the NOC hardly gets any amount close to what is immediately needed for repairs, rehabilitation, maintenance and development of current infrastructure believed to cost €10.5bn (of note, the 2021 draft budget only included €1.3bn for the sector). This has led to several instances of fields and pipelines being shut throughout the year, thus resulting in the loss of more than €1bn in oil revenues. Subsidiaries to the NOC, particularly Sirte Oil Company (SOC) and Arabian Gulf Oil Company (AGOCO) have also faced risks of bankruptcy and at times cut down output to lower costs until the NOC figured a way to pay the national companies' debt. This situation led to the NOC temporarily declaring force majeure on the port of Hariga in mid-April 2021, so as to put pressure on the Attorney General to hold the CBL accountable for its unwillingness to transfer earlier financial arrangements meant for the NOC. This action led to a loss of output around 300,000 bpd for a week and also reflects another weakness in the country's oil and gas sector: political competition and institutional rivalries.

As seen in 2020, the NOC and CBL have not enjoyed a smooth relation, and other Tripoli-based institutions such as the Administrative Control Authority (ACA) and Audit Bureau have raised accusations of corruption as well as other irregularities against the NOC and sought to suspend its Chairman Mustafa Sanallah. This opposition was made stronger this year with Minister of Oil Mohammed Aoun who has sought to dilute the NOC's independence and accused Sanallah of not implementing laws and official decisions, being too close to foreign governments, and offering IOCs overly favourable conditions. In turn, the NOC has rejected such claims by arguing that it was targeted by a "coalition of militias, smugglers, corrupt politicians, ideologies and stakeholders [...] seeking to blackmail and politicise it away from the neutral position it has maintained over the years for the benefit of all Libyans." The new rivalry between the NOC and Ministry of Oil is not suitable for proper policy-making and coordination around the country's most important source of wealth. Additionally, difficulties in salary payments have not only led to protests in the oil sector, but also among several professions such as doctors who were not included in PM Dabaiba's populist salary increases. In December 2021, following an oil blockade on the Sharara and Wafa fields by a fringe part of the Petroleum Facilities Guard (PFG) asking for military accreditation and other prerogatives, the NOC had to declare force majeure on the ports of Mellitah and Zawiya, thus causing a loss of 350,000 bpd in output which was made worse by the loss of 200,000 bpd due to the maintenance of a pipeline linking the Samah and Duhrah fields. This situation reminds observers that the free flow of oil could not easily be guaranteed in Libya in 2022.

## CONCLUSION & RECOMMENDATIONS

By the end of 2021, the consensus shifted from broad support for timely elections to the conviction that the timeline was hurried. More surprisingly, this view was even shared by some who helped draft the roadmap, thus demonstrating a lack of resilience on the part of those who should have brought more solutions, including political pressure, to ensure the roadmap could be implemented. The excuse brought in for the roadmap's failure has been that of a lack of time, and it seems that stakeholders are continuing to push for the same tactics whilst expecting a better outcome for 2022. After close to a year of fruitless deliberations and increasing rifts between the HOR and HCS, it seems that hope is still attached to the view that national institutions are responsible enough to put their differences aside and favour a solution that goes toward Libyans' best interests. This situation is likely to further derail the roadmap and raise the profile of the military option. It therefore remains to be seen whether or when UNSMIL will start to change tack, by for instance either asking a revamped LPDF to come up with its own legal basis to elections, or giving in to the HCS' demand for constitutional arrangements to be decided prior to polls.

The international community should not forget that the GNU no longer enjoys the same momentum it did in March 2021, and that patience is likely to run thin amongst several Libyan actors outside the executive authority. For example, the LNA had started with tacitly approving the GNU last year but over the months a gap emerged between the two bodies and the situation now resembles the pre-2021 status-quo in which Libya is effectively cut in two between a civilian government backed by militia firepower in Tripolitania, and a military institution likely to seek the formation of a parallel government in eastern Libya with the help of HOR Speaker Agila Saleh. This is the result of a failed reconciliation attempt which had no real framework to drive discussions toward coordination and appeased relations. In fact, reconciliation between rival camps and institutions quickly took the form of give-and-take offers, whereby one side would accept to deal with the other if given something in exchange. These demands were often excessive and did not leave any room for compromise, thus allowing actors to revert to their original camp and stir old grievances as a default setting.

## POLICY RECOMMENDATIONS

● **Establish a neutral and authoritative guarantor who can preside over the implementation of the roadmap.** Despite the continued existence of the LPDF, the roadmap virtually did not have any custodian able to solve roadblocks and ensure the implementation of its key objectives. Without a neutral and authoritative custodian who is ring fenced from the usual divisions of Libya's political scene, the way is open for spoilers to jump in and derail the roadmap. Entrusting such spoilers with the hope that they would transcend their own agenda and interests is ill-advised, and can only lead to a scenario where the roadmap's fate is left to political wrangling and competition between rival institutions.

● **State capture and legacy projects by an interim government should not be encouraged by the international community.** There again, the role of the roadmap's custodian should have been to remind the executive authority of its priorities. There was no buffer put in place as to what policy area the GNU could engage or not, thus leaving it with enough leeway to focus on its own areas of interest - which widely differed from the high-level and short-term goals of foreign troop removal, national reconciliation, and general elections.

● **Invest in and encourage the implementation of national reconciliation efforts.** The failure of national reconciliation should not be seen as the result of fixed and unsolvable differences. 2021 showed that rivalries are far less ideological and deep-rooted than they are political bargaining tools. Most Libyan actors are ready to deal with their former enemies, what blocks them from doing so is the price they are asking to do so. National reconciliation forums, diplomatic intermediation and other mechanisms could therefore be put in place to lower that price and ensure that opposite camps prioritise talking over fighting.



## WHAT TO WATCH FOR IN 2022

- Since all deadlines initially set by the LPDF roadmap have been missed, various actors such as the LNA now see themselves as legitimate in pursuing disruptions and pressure tactics. Military movements, local oil blockades, and renewed violations of the arms embargo are likely to occur in 2022 as a result of the new situation.
- Equally, foreign powers which had shown a more or less united front in 2021 are likely to bring forward their own initiatives to trump the political roadmap. This is likely going to impact UNSMIL's view of the roadmap and, if national institutions continue to fail in their deliberations, a revision is likely to occur.
- Failure to deliver elections has created a palpable frustration amongst Libyans that was seen in the outrage directed towards the UK Embassy's statement that it will continue recognising the GNU after December 24. This frustration has been duly noted by national and international actors, leading many to move cautiously, fearing that civil unrest could be building up, thus wanting to steer clear of it. Many local actors will try to utilise the growing nationalist sentiment and outrage to revitalise themselves and further their own interests.
- International actors will likely find themselves having less influence on the actions of political actors in Libya as distrust in the international community not wanting to find a genuine solution in Libya increases.
- So-called "Greens", supporters of the former Gaddafi regime, will have a more pronounced presence in Libya's political landscape following the return of Saif al-Islam Gaddafi to politics. A decade of exclusion and grievances will likely lead this group to escalate their rhetoric and actions. However, this could be mitigated through genuine reconciliation efforts or by allowing them to participate in the political process.

**Authors:** Mohamed Dorda and Oliver Crowley from LIBYA DESK™.

**Contacts:** EDITOR@LIBYADESK.COM | WWW.LIBYADESK.COM | @LIBYADESK

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### **Konrad-Adenauer-Stiftung e. V.**

Thomas Volk

Director

Regional Program Political Dialogue South Mediterranean

[www.kas.de/poldimed](http://www.kas.de/poldimed)

Konrad-Adenauer-Stiftung e. V.

Regional Program Political Dialogue South Mediterranean

Le Prestige Business Center, No. F.0.1

Rue du lac Windermere, Les Berges du Lac

1053 Tunis, Tunisia

Telefon: +216 70 029 460

E-Mail: [info.poldimed@kas.de](mailto:info.poldimed@kas.de)



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