



INSIDE LIBYA

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FOREWORD

The Regional Program Political Dialogue South Mediterranean (PoDiMed) of the Konrad-Adenauer-Stiftung (KAS) in cooperation with LIBYA DESK™ is delighted to continue our monthly reports on Libya for 2021. 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.** The appointment of the Government of National Unity (GNU) has raised hopes that Libya can unify peacefully despite the persistence of domestic political divisions.
- 2.** The Libyan Political Dialogue Forum (LPDF) produced an unexpected outcome by appointing Abdulhamid Dbaiba as Prime Minister and Mohamed El Menfi as Head of the Presidential Council. These figures have startled the status-quo and sought to open the way to broader consensus-making.
- 3.** February has been the month of outreach and bargaining, with many promises being made, old fault lines being crossed and traditional political positions revised.
- 4.** Divisions within the House of Representatives (HOR) have raised the risk of spoilers in Libya's political process, while also highlighting the continuation of geographic and ideological competition within the country.
- 5.** HOR divisions have also made it impossible for constitutional arrangements to be approved and have opened the way for potential political manoeuvres meant to preserve the status-quo at the expense of popular vote.
- 6.** The Prime Minister designate's delay in unveiling a cabinet at the end of February reflects the complexity in assigning official positions in Libya.
- 7.** Following the seventh Joint Military Commission (JMC) meeting, progress toward the demilitarisation of Sirte has been recorded but violent events across Libya highlight the vast security vacuum awaiting the new government.
- 8.** Disruptions to the oil and gas sector are likely to occur in a more localised fashion and require steadfast cooperation between various domestic institutions.
- 9.** Reaching free and fair general elections in December 2021 is the GNU's priority. However, Prime Minister designate Abdulhamid Dabaiba's appointment has also raised confidence in the private sector.
- 10.** Optimism surrounding the appointment of a new executive authority in Libya may decline as competing domestic agendas threaten the process of state-building and controversy threatens the legitimacy of the UN-led process.

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AN UNEXPECTED OUTCOME AT THE LPDF

The figures appointed by the Libyan Political Dialogue Forum have startled the status-quo and sought to open the way to broader consensus-making.

Taking place between 1-5 February, the Libyan Political Dialogue Forum (LPDF) was an important milestone in Libya's political process that resulted in unexpected nominations. The 74 LPDF members convening in Geneva had to choose from a pool of 24 candidates for positions within the Presidential Council (PC) and 21 contenders for the premiership. None of the PC candidates managed to garner 70% of the cast votes in their respective regional electoral college and the fall-back system of lists was activated, whereby LPDF members would cast their votes for lists of four candidates (one Prime Minister and three Presidential Council members). After an unfruitful first round where none of the four lists reached the required 60% threshold, the final face-off placed the expected winner (List #4) against a dark horse (List #3).

List #4 was headed by PC Head hopeful Agila Saleh who had earned the highest share of votes from the eastern college and led the first round of the list-based voting system around 6 percentage points ahead of List #3. The list Saleh had managed to assemble benefited from wide-ranging international support and brought together former enemies in positions of power who were ready to collaborate to preserve the status-quo. As Speaker of the House of Representatives (HOR), Saleh had backed Khalifa Haftar's offensive on Tripoli and became Egypt's point of contact in Libya but also reached out to the High Council of State's (HCS) Chairman Khalid al-Mishri to abate the conflict last summer. To enable List #4 to appeal to the broadest range of LPDF members, al-Mishri withdrew from the race to allow the Government of National Accord (GNA) strongman Osama al-Juweili, who had fought the Libyan National Army (LNA), to run as the western Libyan candidate for the position of PC deputy head. Abdelmajid Saif al-Nasr, former ambassador to Morocco and in the pole position in the southern electoral college, was brought into this list to be the second PC deputy head. GNA Interior Minister Fathi Bashagha, supported by Turkey and in alliance with the Justice and Construction Party (JCP), was vying for the premiership in this list. His coalition with Saleh was not surprising as the two had long been groomed by Western powers as potential leaders of Libya.

Despite the favoured position of List #4, it fell five votes short behind List #3 in the final round. With 39 votes, the winners of the LPDF nomination were far less public figures than their contenders, and had been ruled out as un-

derdogs. The Tobruk-born PC Head-designate, Mohamed Menfi, was not in Libya over the last years. His deputy from the west, Abdullah Hussein Lafi, had gained only 2.7% of regional college votes while Musa al-Koni, a Tuareg from the south, had stood aside from politics in 2017 when he resigned as a Presidential Council member to protest the GNA's failures at the time. The Prime Minister-designate Abdulhamid Dabaiba, a famous businessman from Misrata, had been a shadowy figure in Libya's politics whose family name is linked to a culture of clientelism that dates back to the Qaddafi era. The surprise nomination of List #3 also reflected the constant haggling that took place within the LPDF and the growing frustration toward List #4 being presented as an inevitable outcome. What became clear during the LPDF was that foreign and domestic power brokers were less interested in supporting a set list based on its programme than they were in building a rapport with different lists to make sure the final results would not harm them.

Correspondingly, there was no backlash to the LPDF result. The entirety of foreign actors engaged in Libya welcomed the nomination of List #3, including powers such as France and Egypt that stood to lose most from the defeat of the Saleh-Bashagha ticket. Domestic actors on each side of Libya's political spectrum, including those who lost in the LPDF, also voiced their support to the appointed figures. Not only were the losers comforted by the idea they could now run for the December elections, they would also have faced tremendous costs should they have decided to act as direct spoilers to a UN-backed political process. Despite months of politicking and allegations that Dabaiba was involved in vote-buying, the LPDF gave way to a surprising but encouraging momentum where former enemies gave the impression to finally favour national reconciliation. As to how Libyans received the nomination, reactions were diverse but united in the hope that the newly-designated Government of National Unity (GNU) could succeed in unifying Libya and achieving a peaceful transition. There is widespread political exhaustion throughout the country and a desire to finally turn the page on years of instability. Nonetheless, the LPDF's outcome was also received with reluctance as Libyans only played a bystanding role in it and are concerned that the international community could once again bypass them by dealing with the GNU as an "elected" body or by allowing the LPDF to single-handedly determine Libya's political scene.

REACHING OUT TO LIBYA'S OPPOSED CAMPS

February has been the month of outreach and bargaining, where old fault lines seem to be crossed and traditional positions revised.

Upon their designation, Libya's political figures have stressed their intention to build an inclusive government for all Libyans and to communicate with all segments of society. These statements, in addition to the foreign and domestic travels made by Dabaiba and Menfi, have aimed at solidifying consensus around the GNU. The strategy to achieve this goal has been one of outreach and narrative-building. Accordingly, the GNU has painted itself as a patriotic force capable of crossing geographic or ideological fault lines. To back this claim, each of the four appointed figures have connected with their respective region and sought to sweep misconceptions regarding the perceived political orientation of the GNU. For instance, the winning list has been perceived by some eastern Libyan actors as being supportive of Turkey and the Muslim Brotherhood. To downplay such concerns, Mohamed Menfi embarked on a tour of eastern Libya during which he met with influential personalities like Khalifa Haftar and Agila Saleh, whose support is deemed critical for the GNU's success.

Through several travels and the increase in east-west interactions, the newly-appointed figures have also portrayed themselves as pro-active and effective would-be governors, capable of working closely together toward selfless and statesmanlike goals. On the international level, Prime Minister-designate Dabaiba has also pushed the image of a government willing to speak to all actors. For instance, he made his first foreign trip to Turkey off the record before going to Cairo on an official visit where he discussed potential security and economic partnerships with Egyptian President el-Sisi. This sort of positioning goes a long way in encouraging reluctant countries like Egypt to fully support the GNU and adopt a more neutral stance toward Libya's political chess game. Current consensus-building efforts across Libya have also fortified hopes among countries like France, Algeria or Morocco that they could act as intermediaries and in the meantime catch up with or outrun their international competitors.

Overall, there has been an optimistic welcome toward the LPDF results, one that has been bolstered by the GNU's strategy of outreach and appeasement. However, many challenges still remain in front of the GNU before the current chapter can be described as a turning page in Libya's political history. For instance, allegations of vote-buying raised against the Dabaiba family

in November 2020, at the time discarded far too quickly, are currently re-emerging to cast doubt over the GNU's legitimacy. The strategy of outreach has also resulted in far too many promises being made to a wide-range of actors with contradictory agendas. It is therefore likely that discrepancies between such political promises and reality will soon catch up with the GNU. There has also been an added risk component to the current transition. Indeed, the leadership within the United Nations Support Mission in Libya (UNSMIL) has changed with Ján Kubiš taking over as Special Envoy, Raisedon Zenenga as Mission Coordinator and Georgette Gagnon as Humanitarian Coordinator. This has meant that UNSMIL, the towering figure over Libya's political process, has not been capable of facing the current challenges with its full capacities as the new members first need to build a rapport with Libya's influential figures before being able to advance the Mission's work.

TENSIONS FLARE BETWEEN AGILA SALEH AND LIBYAN MPS

Divisions within the House of Representatives (HOR) have raised the spectre of spoilers and the continuation of geographic and factional competition within Libya.

One of the most immediate threats to the successful formation of the GNU have been divisions within the HOR. Ideally, the HOR would convene a session where a quorum was met to adopt the LPDF's outcomes and give a vote of confidence to the GNU's cabinet. However, such steps have been hampered by Agila Saleh's negotiating in fear of losing the position of HOR Speaker. In fact, Saleh had far more to lose from the LPDF nominations than other candidates as he had eyed the role of PC Head as a comfortable exit route from his eroding position within the HOR. His concerns regarding his current role were validated following the selection of Mohamed Menfi as President of the new Presidential Council and MPs from southern Libya raised the claim that a southerner should get the speakership of the HOR to promote equal regional representation in key Libyan institutions. Consequently, these MPs want to see Saleh replaced by a lawmaker from the south and have called on fellow MPs from the Tripoli bloc to add the election of a new HOR Speaker to the upcoming sessions' agenda.

As a result of these internal divisions, the HOR has been unable to meet the required quorum, which further casts doubts concerning the unification of this vital institution for the current efforts transitioning to elections. Both blocs from Tobruk and Tripoli have been chased by UNSMIL and the GNU to

come to some sort of an understanding and not hinder the political process. Agila Saleh himself met with the PM-designate and the new UN Special Envoy, and subsequently expressed his support for the GNU. Yet, in practice, Saleh and the breakaway MPs have continued to place themselves on a collision course by refusing each other's proposals as to which city to meet in. In mid-February, the Tripoli-bloc met in Sabratha while Saleh held his own session in Tobruk. MPs agreed to Saleh's proposal of meeting in Sirte but asked the Joint Military Commission (JMC) to swiftly give guarantees of the city's security situation. JMC members affiliated to the GNA replied that Sirte wasn't secured yet, while those affiliated with the LNA ensured the HOR could meet there. As a result, the session which should have taken place between 23-24 February was further postponed.

It remains to be seen whether Saleh will be unseated. His deputy speakers Fawzi Nweri and Ahmaid Houma fear that such a scenario would further fragment the HOR as too many MPs would compete for the position, thus further diminishing the chance of a full-quorum to validate the GNU's cabinet. The dynamic within and around the HOR remains the most determining factor for the success of the political process. Theoretically, the GNU could override the HOR should it fail to validate the cabinet 21 days after its presentation by the PM-designate. In this case, the LPDF would take centre stage to consider options forward as far as the cabinet approval is concerned, but the lack of HOR vote of confidence would jeopardise the GNU domestically and risk its legitimacy being called into question and open the door for legal challenges in Libyan courts – not unlike what happened to the Government of National Accord in 2015. Since Agila Saleh sees the HOR as the only institution elected by Libyans, he could then reject the GNU and allow the Interim Government of Abdullah al-Thani to operate in eastern Libya, thus hampering efforts to unify the country. Overall, current political infighting within the HOR and demands for regional representation this month have been reminders that geographic and factional fault lines remain potent in Libya.

CAN LIBYA GO TO VOTE WITHOUT A CONSTITUTION?

HOR divisions have made it impossible for constitutional arrangements to be approved and have left the way open for political manoeuvres meant to preserve the status quo at the expense of popular vote.

This month, the HOR's inability to meet with a full-quorum put a halt to earlier progress made by the constitutional committee. As explained in the

[seventh issue of Inside Libya](#), the constitutional committee formed of representatives of the HOR and the HCS had earlier agreed to hold a referendum on the draft constitution. At the time, what needed to be done was to determine how such a referendum would take place and when. However, in its third meeting in Hurghada, the constitutional committee backtracked on the idea of a referendum to be held before the 24 December general elections. On the one hand, the committee announced it agreed to hold the referendum twice, with the second time being an amended version of the draft should the first referendum be rejected. On the other hand, it also agreed to carry on with the general elections should there be no referendum. This view reflected the concerns held by many, including Emad al-Sayeh, chairman of the High National Elections Commission (HNEC), that the window of time was too restricted for the referendum to take place without having to delay general elections. Agila Saleh also interjected that the country should not rush into holding the constitutional referendum as the latter could be held after the general elections. Accordingly, the constitutional committee agreed to refer the draft constitutional amendment to the HOR for it to adopt it in a full-quorum. However, the legislative body failed to hold such a session and the 60-days deadline given to the committee to determine constitutional arrangements passed.

The issue of constitutional arrangements has now fallen in the LPDF's court, where the Legal Committee has been tasked to determine the necessary arrangements. In one of her last speeches before leaving office, former Head of UNSMIL Stephanie Williams had warned the constitutional committee that failure to reach an agreement within the set deadline would jeopardise the various tracks of Libya's peace process. Unfortunately, the issue of constitutional arrangements has not been the focus of interest considering the many other important political developments in Libya in February. There is, however, a direct threat to the general elections in that the lack of clear constitutional arrangements could open the way for spoilers to cast doubt on the political process and reject the elections' results. Further, without much supervision from the international community, the constitutional file could be hijacked by self-interested politicians. There have already been concerns that the Legal Committee could lobby for the elections to only be parliamentary, with the elected MPs selecting Libya's next government at the expense of popular vote. Although this scenario remains unlikely considering international and domestic pressures to have direct parliamentary and presidential elections, it is still important to note that the LPDF determining the major part of Libya's political framework is not without causing concern to many Libyans.

FORMING A BALANCED CABINET TO UNIFY LIBYA

The delay in unveiling the cabinet at the end of February reflects the complexity in assigning positions in Libya.

The formation of the cabinet is one of the most challenging tasks at hand for PM-designate Abdulhamid Dabaiba. In order to get support behind his government, Dabaiba made promises to various audiences and has been under tremendous pressure from all sides to reflect such promises in his cabinet. For instance, he vowed to the international community a technocratic government that would uphold the 30% female quota presented at the LPDF. On the domestic level, he reportedly received 3,000 applications and competing requests from various factions regarding the same ministry, most notably Defence, Foreign Affairs, Justice and Finance. He has also been faced with the competition inside the HOR, with several MPs either being interested in cabinet positions or supporting set candidates and Agila Saleh wanting to minimise the role of the breakaway bloc within the cabinet.

As a result of these competing agendas on multiple levels, the PM-designate failed to unveil his cabinet by the deadline of 26 February. Instead, he sought to buy more time and deflect responsibility to the HOR by presenting MPs with his government's overall structure and vision, and hinting that his cabinet members would be announced during the upcoming HOR confirmation session. He also caused consternation and widespread criticism by stating it would be hard to attain the promised 30% female quota, but later met with women's groups and LPDF members to review this possibility. It also remains to be seen whether technocratic figures can emerge from a process where the PM-designate is expected to bargain and give concessions to major power brokers. Complicating matters further, a leaked report by the UN Security Council (UNSC) Panel of Experts on Libya seen by Agence France Presse (AFP) reportedly supports claims made by Libyan commentators back in November 2020 that the Dabaiba family bought votes in the LPDF. Should such claims be confirmed and made public by the UNSC Panel of Experts on Libya, the progress made by the LPDF and the executive authority it produced would be in jeopardy.

This means that the situation in Libya continues to be fragile. There are now even more poles of power distributed between the GNA, GNU, HOR, eastern-based government, LNA, and the LPDF — besides the continued presence of foreign mercenaries on the ground. These poles continue to rule over their respective constituencies and to present new policies, including

a new decentralisation proposal by GNA PM Fayez al-Sarraj to divide Libya into 12 administrative regions and 7 economic zones. In short, all pay lip service to the GNU but continue to use their own prerogatives to portray themselves as viable alternatives should the GNU fail to be approved. The role of the LPDF today also starts becoming problematic as some members are either trying to get into the future cabinet or want the forum to become a political body with major oversight powers. Should the HOR fail to confirm Dabaiba's cabinet, we may see a scenario in which the LPDF would vote to approve, and potentially influence, the new cabinet. This would further delegitimise UNSMIL as the political process would effectively be self-serving and vulnerable to particular interests. Moreover, the process of approving the cabinet inside the LPDF would be arduous and problematic in and of itself; at present, there are no clear rules or legal framework that outline how the LPDF members would vote to approve the cabinet and what would happen should they fail to do so.

IMPOSING SECURITY TO BE GOVERNMENT'S HARDEST TASK

Following the 7th Joint Military Commission meeting, progress toward the demilitarisation of Sirte has been recorded but violent events highlight the vast security vacuum awaiting the new government.

The appointed PC Head Mohamed Menfi stressed early on the goal of tackling Libya's security challenges by removing foreign mercenaries and militias, supporting the Joint Military Commission (JMC), reorganising security directorates, and unifying the army and police force through different steps. These objectives remain the most ambitious for the transitional government, and are likely to be more aspirational than pragmatic. In fact, the GNU does not have the tools required to keep in check Libya's various security apparatuses and pressure foreign governments to remove their mercenaries.

The ambivalent incident that occurred in Janzour, west of Tripoli, is a case in point as it opposed the Stability Support Authority (SSA) recently formed by GNA PM Fayez al-Sarraj to the motorcade of Interior Minister Fathi Bashagha. Each side suffered one casualty in what was presented by Bashagha as a "well-planned assassination attempt." Regardless of whether or not the shootout was an assassination attempt, it speaks to the lack of coordination in Tripoli and the multiplication of security bodies directly affiliated with the state, which means that the new government not only has to deal with fiery

militias outside of the state's purview but also with unruly security bodies within the state. The event has also given strong arguments to different figures. For instance, Bashagha used the opportunity to showcase his high profile and the GNU's need for him in terms of Security Sector Reform (SSR), while the lack of security in and around Tripoli bolster Agila Saleh's demands to see the government move to Sirte. Nonetheless, eastern Libya has also suffered from brewing insecurity, particularly in Benghazi where the eastern government's Interior Minister Ibrahim Boushnaf raised the alarm and described the situation as nearly "out of control." The east has indeed become more fragmented despite the LNA's supposed security campaign. Agila Saleh rarely leaves al-Guba due to his poor relations with Khalifa Haftar who decided to back Saleh's contenders in the LPDF. Likewise, Haftar's generals are growing concerned with the insecurity in the region and the brazen attitudes of Russian-backed fighters. Finally in the south, despite tight security elsewhere in the country for the celebrations of the tenth anniversary of the revolution on 17 February, Sebha fell victim to an unknown mortar attack that killed one child.

In these circumstances, the GNU has a tight room for manoeuvre and has mainly sought to build a strong rapport with the JMC to advance immediate objectives such as the reopening of the coastal road. In this regard, the JMC met from 4-7 February and agreed to demine Sirte so as to withdraw armed vehicles from the region and open the coastal road. Around the same time, the UN Secretary General called for an advance team of ceasefire monitors to be dispatched to Libya to prepare practical proposals for a full-blown ceasefire monitoring mission in the country. These international observers are likely to be dispatched after the reopening of the coastal road, and it remains to be seen whether the UN will muster enough support to broaden UNSMIL's mandate. The presence of UN security guarantees, in addition to the provision of legal and technical assistance for elections, would go a long way in securing the path toward elections. However, even these guarantees might not be enough to remove foreign mercenaries as their presence is now a fait accompli. Neither Russia nor Turkey, let alone countries that finance the LNA's foreign mercenaries like the UAE, are likely to make the unilateral and conciliatory step of removing their forces. Instead, it seems that the best thing that the JMC and UNSMIL can achieve is to ensure mercenaries are confined to outlying military bases.

FACING LOCAL GRIEVANCES IN THE OIL SECTOR

Disruptions to the oil and gas sector are likely to be more localised and require steadfast cooperation between various institutions.

The steadfast commitment by the National Oil Corporation (NOC) Chairman Mustafa Sanalla to boost output and deposit ever growing oil income in the Libyan Foreign Bank (LFB) has earned him the prize of “anti-corruption champion” from the U.S. Secretary of State. However, as discussed in the [seventh issue of Inside Libya](#), the energy sector is not immune from disruptions. These disruptions have mainly been restricted in set geographies and reflect local grievances linked to non-payment of salary. However, without coordinated efforts between various authorities, these local grievances could escalate on the national level and cause prolonged port closures in 2021. This nearly happened around 9 February when the Petroleum Facilities Guard (PFG) of Hariga port prevented two tankers from loading crude at the port and threatened to replicate such actions in Ras Lanuf and Sidra, which would have brought down the Oil Crescent’s main ports. This action was averted when the GNA’s Minister of Defence, Salah al-Din al-Namroush finally issued a special procedure to release the salaries of the PFG in the eastern, central, and southern regions.

Negotiations with the PFG have been undertaken by a wide-range of institutions within the Tripoli-based government, including the NOC, the Ministry of Defence, the Ministry of Finance and the Presidential Council. Technically, most of the PFG fall under the Ministry of Defence’s purview and are meant to preserve the security of NOC facilities. There have however been bottlenecks in how these institutions have replied to the demands of the PFG, hence the delay from the Ministry of Defence in implementing an order issued by the Presidential Council to pay the PFG. Financially for the NOC, the current situation remains precarious as recent emergency funds allocated to it are not deemed enough to ensure the operation of all facilities, let alone ensure that the demands of oil workers are met. As a result, the General Syndicate of Oil has threatened in late February to take further measures that could disrupt the flow of oil should salaries in the oil sector not be increased, as stipulated in a law issued in 2013 by the General National Congress, Libya’s then legislative authority. Overall, the lack of certainty over how authorities can fulfil their financial duties toward public employees, most importantly those employed in the oil sector, is exacerbating the crisis and pushing various groups to threaten the flow of oil so as to gain their demands.

FOREIGN ECONOMIC INTERESTS COULD STABILISE LIBYA

Driving the political transition is the GNU's priority. However, PM Abdulhamid Dabaiba's appointment has also raised confidence among foreign economic stakeholders.

Prior to June 2020, the prime area of competition between foreign powers in Libya was military. With the advent of the LPDF, that area of competition moved into politics and will increasingly be economic following the nomination of the GNU. Of course, internal dynamics do not discard the risk of a relapse into fighting but foreign powers have strong interests in seeing the GNU stabilise and unify Libya so as to unlock its economic potential. In early February, UNSMIL announced that Libyan authorities had agreed upon an emergency unified budget, the first one since 2014, to mainly cover government wage bills over the year's first two months. Later, the Unified Financial Committee met in Bayda to work toward the unification of the 2021 budget and ensure enough funds are available for Libya's various governments in March. This positive step toward budget unification and growing oil revenue give foreign investors enough confidence that the Libyan state could finance part of the reconstruction costs and distribute contracts to foreign firms. The cost to rebuild Libya is likely to exceed €80bn, with a third of expenses needed to fix the exhausted medical sector.

Turkey will be a major actor in Libya's reconstruction and could potentially bolster its position on the Libyan market with a free trade agreement. Karanfil Group recently finished the first phase of what is to become Libya's largest cement factory, and therefore a major engine of reconstruction. By speaking to Anadolu for his first foreign interview, PM-designate Dabaiba made it clear that Turkish commercial interests, including its maritime agreement with the GNA, would not be challenged. In the meantime, Egypt has also increased its links with various Libyan chambers of commerce and has plans to link Benghazi to its high-speed railway project in addition to building a road to sub-Saharan Africa through Libya. There have already been hints of economic competition between Ankara and Cairo, with Egypt seeking to bridge the gap with Turkey. For instance, the Libyan-Egyptian Economic Chamber has surfed the wave of recent protests against the Electronic Cargo Tracking Note (ECTN) of Tripoli's port to blame Turkey for trying to create monopolies in Libya, including in the logistics sector. Indeed, the recent ECTN has been brought by a private Turkish firm and has been blamed by local stakeholders for increasing the cost of doing business.

Albeit competing to gain shares of the Libyan market, each foreign power will recognise that stability and the free-flow of oil are a must to pursue economic interests. As such, Libya's reconstruction could be a double-edged sword as it could further entrench foreign powers while stabilising the country in parallel. The economic route has already been taken by Egypt to rebuild relations with the west of Libya. Turkey also hopes to gradually make amends with eastern Libya, where big reconstruction contracts are likely to be unveiled, notably in Benghazi. As economic activity picks up in Libya, there will also be the need for stricter anti-corruption supervision and measures so as to ensure greater transparency in business dealings and avoid the issue of fraudulent letters of credit in the export/import sector.

CONCLUSION & FORECASTS

The LPDF was an important milestone for Libya as it led to the nomination of figures whose sole mission is to ensure that the UN-backed political, economic, and security tracks are achieved by the end of the year. Initially, the LPDF's outcome did not create any immediate backlash from Libya's various factions and it even led to a wave of optimism from both foreign and domestic actors. However, this optimism is likely to be short-lived. The appointed Prime Minister and Head of the Presidential Council have sought to mirror the hopes of each and every actor involved in Libya through a charm-offensive campaign of outreach and by framing themselves as a united front capable of communicating with all segments of Libyan society. Albeit welcome, this policy of the extended hand has inadvertently exacerbated political competition and placed the Government of National Unity at the whims of multiple actors who make consensus hard to attain.

Divisions within the HOR have not only halted the progress made by the HOR-HCS constitutional committee, they have also delayed the legislative approval of the LPDF's outcomes and cast doubt as to whether a session with a quorum could be held before March 19 to grant confidence to the PM-designate's cabinet. In a way, threats to a smooth transition of power are not laid bare as all stakeholders pretend to support the GNU. Rather, it is the political competition behind the scenes that risks hurting the transition as new positions are up for grabs while figures holding office for a long time are in a precarious position. Fault lines, particularly those on a geographic level, continue to be felt on a daily basis with stakeholders from each region looking to secure their interests. In the meantime, political competition between various groups, particularly within the HOR, is negatively impacting the Libyan peace process by further delaying the unification of the 2021 budget, casting doubt as to whether constitutional arrangements will be set before the December elections. Likewise, the politicisation of bodies such as the JMC, which are meant to be apolitical so as to give demilitarisation of Libya and unification of the army a chance, is threatening the fragile cease-fire that has been in place since October 2020.

As Libyan institutions like the HOR fail to fulfil their duties and work toward unification, the LPDF could see its prerogatives increased so as to act as a political and supervisory body. However, the LPDF also suffers from inherent flaws that might impede it from adequately performing such a role. These include the lack of a clear legal framework, the absence of internal rules and procedures on voting for a new cabinet, and the ongoing allegations of corruption within the forum. Over the next month, we might witness

an attempt to approve the proposed cabinet through the LPDF as a fall-back option should the HOR fail to hold a full-quorum session. Albeit possible, this step might cast a large shadow on the legitimacy of the UN-backed political process. Indeed, a leaked document from the UN Panel of Experts seems to validate claims that the newly-designated PM was involved in corrupt practices at the LPDF. Therefore, the LPDF cannot be perceived as a fully independent and impartial body as Libya's political infighting has had ripple effects on the forum. There could be a scenario where the work of the LPDF is increasingly challenged as self-interested politicians seek to further delegitimise the forum to better control the political transition. For instance, a cabinet approval from the LPDF could lead Agila Saleh to reject the GNU as it would have failed to garner the HOR's vote. Alternatively, governing bodies that are long-established such as the eastern-based government and the GNA could also present themselves as better alternatives should the GNU fail to take power.

Moreover, if the allegations of bribery and corruption within the LPDF are confirmed and made public by the UNSC Panel of Experts on Libya, the progress made by the LPDF and the executive authority it produced would be in jeopardy. To deal with this risk, the new UN Envoy will have two options. On the one hand, he could choose to continue with the political process and convince the HOR or the LPDF to approve the GNU, despite the challenges and limitations of such a scenario. On the other hand, he could decide that such revelations would severely damage both the UN's and the new unity government's legitimacy inside Libya, making it impossible for a cabinet to be approved. In turn, this scenario would open the door for GNA Prime Minister Sarraj remaining in office and committing to hold general elections by December 24, 2021.

A number of Libyan figures have reportedly already asked Russia to launch its previously planned political process to avoid a political vacuum in Libya. Some Libyan and international stakeholders have expressed fears of the political process falling apart and have raised concerns that Libya lacks a safety net to avoid the country plunging into conflict once again. As such, a number of actors have begun the tenuous process of building bridges between key actors such as Khalifa Haftar and Fathi Bashagha in the unlikely hope that this would allow for the necessary components of a holistic security sector reform (SSR) and disarmament, demobilisation and reintegration (DDR) campaign in Libya. Whether or not the HOR is able to meet and grant confidence for this new government in the next month will dictate the trajectory for the political process in Libya.

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