



# INSIDE LIBYA

July 2022

No°23

## FOREWORD

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

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

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

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

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## EXECUTIVE SUMMARY

1. Libya is facing an uncertain future beset by political vacuum, economic strain and risks of military escalation compounded by the expiration of the Libyan Political Dialogue Forum's (LPDF) roadmap on June 22.
2. In contrast to a majority of Libyan stakeholders, the United Nations does not recognise the end of the LPDF roadmap and has stated that the June 22 expiration date was contingent on general elections taking place.
3. The Government of National Stability (GNS) has become the first Libyan government in eight years to have its draft budget approved by the House of Representatives (HOR), thus giving it more leverage to manoeuvre politically.
4. Nonetheless, the continuing oil blockade and economic difficulties make any viable governance highly unlikely, especially due to political competition over the Central Bank of Libya (CBL).
5. The mandate of the Government of National Unity (GNU) and Presidential Council (PC) now rests on shaky grounds. Efforts to maintain legitimacy continue but internal support for Prime Minister Abdulhamid Dabaiba appears to be waning.
6. Without international recognition of Fathi Bashagha's government, the House of Representatives has refused to lead the Cairo constitutional talks to fruition.
7. The resumption of 5+5 Joint Military Commission (JMC) talks is a good development that may secure Libya some stability amid continuing military mobilisation and heightened tensions.
8. Aside from failing to deliver general elections, the LPDF's roadmap launched in November 2020 has had no progress on the removal of foreign mercenaries and disarmament of local militias.
9. Today's political situation continues to take a heavy toll on Libya's oil and gas sector, leading to widely contrasting reports on crude output levels and intensifying institutional competition.
10. The prolongation of the post-December 2021 status-quo may be the preferred option for the international community, but Libyan stakeholders have sent strong signals they are no longer willing to act like business as usual.

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## INTERNATIONALS FOCUS ON DELIVERING ELECTIONS, NOT SOLVING LEGITIMACY CRISIS

*In contrast to a majority of Libyan stakeholders, the United Nations does not recognise the end of the LPDF roadmap and has stated that the June 22 expiration date was contingent on general elections taking place.*

“The Libyan Political Dialogue Forum (LPDF) roadmap set the expiration of the transitional phase on 22 June, provided that presidential and parliamentary elections are held by then, which has not been the case. We therefore urge Libyan leaders to refrain from using the date of 22 June as a tool for political manipulation,” Farhan Haq, the deputy spokesperson of the United Nations Secretary-General said, before adding that elections are the “only path to address and renew the democratic legitimacy of all Libyan institutions.” This statement from the UN is reflective of the international community’s own position, which so far has made no real sign of shifting recognition away from Abdulhamid Dabaiba’s Government of National Unity (GNU). As a reminder, Dabaiba was sworn in by the House of Representatives (HOR) in March 2021, as part of the LPDF roadmap with the mandate of unifying institutions, removing foreign mercenaries and delivering general elections on 24 December 2021. Following political disputes over the GNU’s draft budget and clear signs that the transitional government would fail to deliver on most of the political roadmap’s targets, the HOR removed its vote of confidence to Dabaiba in September 2021 and appointed Fathi Bashagha as Prime Minister of the Government of National Stability (GNS) in March 2022 to replace the GNU. This appointment was the result of an intra-Libyan agreement between members of the HOR and members of the High Council of State (HCS), as well as key powerbrokers in western and eastern Libya, who negotiated without overt international backing to form a new government. Albeit suffering from frail legitimacy due to the HOR Speaker Agila Saleh’s questionable voting rules and staunch opposition from some HOR/HCS members, the process which led to the GNS has been hailed by its supporters as a domestic response to myriad of failed international political processes, as well as a Libyan-led roadmap to finally bring consensus over a constitutional basis and hold general elections in the medium-term. Those supporters include an important portion of both the HOR and HCS, the Libyan National Army (LNA), tribal sheikhs from the east and south of the country, and a growing number of western Libyan stakeholders who are drawn by Fathi Bashagha, who himself comes from Misrata and was Interior Minister of the Tripoli-based Government of National Accord (GNA) from 2018 to 2021. As seen later in this report, this coalition has managed to control the majority of Libyan territory and has become the country’s largest, with several powerful western powerhouses such as Osama al-Jeweili, factions from Zawiya or Tripoli-based militias like the Nawasi Brigade supporting it.

This situation creates a discrepancy between the UN's stance and the reality on the ground, and holds a risk for not only the reputation of the international community but also the viability of any future international-backed political initiative. Understandably, the United Nations Support Mission in Libya (UNSMIL) works on the correct premise that no Libyan institution, including the HOR, holds enough legitimacy to bring about its own solutions, let alone a roadmap which creates serious tensions with the Tripoli-based GNU as seen in recent months and can only bring general elections in at least a year. As seen in the eighteenth issue of Inside Libya, domestic institutions such as the HOR were very much at fault for the failure to hold general elections on 24 December 2021. However, this situation gives way to another trend observed in previous international-backed political processes: governments overstaying their mandate and creating a legitimacy vacuum that brews military escalation. Apart from the Cairo constitutional track, which is yet to produce tangible results, UNSMIL sees few options to deliver general elections in Libya and eventually remove Dabaiba from power. Furthermore, this situation leaves a lot of uncertainty and gradually shrinks Libyans' confidence in the international community since each election deadline, the latest being the one promised by Dabaiba himself who said elections would be held in June 2022, keeps being missed. At the same time, pressure keeps growing on Fathi Bashagha from his coalition partners to change tack and adopt a more forceful approach to oust the GNU from power. For supporters of this coalition, the fact that nothing changes in the international community's position following the LPDF's expiration is another clue that foreign powers simply do not want to give credence to any domestic initiative, such as the intra-Libyan agreement that brought the GNS. Internationals' stance is also a good indication that history keeps repeating itself in Libya, as the GNU starts mirroring the GNA in its last years in power. Enmity toward the UN and growing nationalistic sentiment is not an attribute only found within the pro-Bashagha coalition; in fact, radicals supporting the GNU such as Islamist preacher Mufta al-Gharyani have called for the departure of UNSMIL and accused the mission of destabilising the country in collusion with foreign intelligence agencies. Of note, international developments such as Russia's invasion of Ukraine have also broken down international consensus over Libya, with Russia abstaining to vote for the EU's Operation IRINI's mandate renewal to inspect vessels suspected of violating the Libyan Arms Embargo, saying that it was not convinced of the mission's effectiveness. Moreover, NATO identifying Russia as its "most significant threat" is likely to further harm any real chance of an agreement to remove foreign mercenaries, thousands of whom belong to the Russian private military contractor known as the Wagner Group.

For now, foreign powers look at the current situation in Libya as "business as usual" while calling for general elections the soonest as the only way to solve the country's political quagmire. This leaves the question of how to deal with the two rival governments unanswered. Nevertheless, chan-

celleries seem confident enough that they do not yet need to change their approach as there is still a chance that elections could “take place sooner than many think,” as U.S. ambassador Richard Norland said in early June. In fact, the latter posited later in the month that general elections could be held without resolving the standoff between the GNU and GNS. The U.S. has indeed been working with UNSMIL and international partners to create a financial mechanism that could oversee spending and provide a “short-term pseudo-governmental function until elections take place.” This option rests on the belief that the HOR and HCS would ultimately reach consensus on a constitutional basis for elections, and also builds on several discussions made with eastern and western actors to reach a compromise between rival factions. In other words, the U.S. initiative would bring forward a technocratic management and disbursement of Libyan oil revenues to bring an end to the oil blockade applied by eastern factions since April and motivated in part by disputes over the Tripoli-based government’s sharing of Libya’s oil wealth. However, disputes over oil revenue distribution are not the crux of Libya’s current problem, instead, oil is being used for other political reasons, namely the pro-Bashagha coalition demand that foreign powers recognise the GNS as Libya’s legitimate government and accept the intra-Libyan roadmap to deliver elections. For instance, HCS members who backed the intra-Libyan agreement have already rejected the American initiative as “a violation of Libyan sovereignty” and called upon sovereign financial institutions such as the Central Bank of Libya not to get involved in such a scheme. There is still a lot of ground to be covered before the pro-Bashagha coalition accepts a solution that does not involve the GNS being recognised as Libya’s only government and the only actor responsible for disbursing state funds and delivering general elections.

In the meantime, foreign embassies continue to reopen their doors in Tripoli, such as the British and Dutch embassies, whilst Japan and Russia have also shared their desire to have a presence in the Libyan capital in the near future. For some within the pro-Bashagha coalition, the opening of embassies around the expiry of the LPDF is a clear sign that some foreign powers endorse the GNU and oppose the GNS, a perception that differs from chancelleries’ message of neutrality and calls for mediation. Finally, UNSMIL is also in a tough position as Special Advisor to the Secretary General (SASG) Stephanie Williams is meant to leave her post within the next months and there seems to be a lot of political competition at the United Nations Security Council to appoint her successor. The latter will have to deal with a significant portion of Libya’s political elites being highly circumspect toward any international initiative and a high degree of acrimony from key stakeholders such as Agila Saleh. For instance, the latter has said that some local and international parties had the intention of prolonging Libya’s crisis and shared his surprise at “international parties that only back agreements that support their interests and seek to sabotage any intra-Libyan agreement.”

## HOUSE OF REPRESENTATIVES APPROVES GOVERNMENT OF NATIONAL STABILITY'S BUDGET

*The Government of National Stability (GNS) has become the first Libyan government in eight years to have its draft budget approved by the House of Representatives (HOR), thus giving it more leverage to manoeuvre politically.*

As seen in the section above, the pro-Bashagha coalition does not see eye to eye with UNSMIL in regards to Libya's current political situation. In fact, the GNS Prime Minister sent a letter to Secretary-General Antonio Guterres telling him that the UN mandate to set forth a pathway to elections had officially ended and that he would "lead all efforts to bring elections to Libya at the earliest possible opportunity." Fathi Bashagha also later said that Libyan governments emanating from the legislative authority, i.e. the HOR, do not have to wait for international recognition and accused UNSMIL of seeking to control the situation in the country. These statements are indicative of growing frustrations within the pro-Bashagha coalition regarding the international community's stance toward Libya, and could create significant obstacles to any serious progress in the constitutional track, efforts by the U.S. to create a financial mechanism to lift the oil blockade, and mediation between eastern and western armed groups to avoid conflict. For now, the GNS is keeping its peaceful approach of not escalating militarily, but pro-Bashagha coalition partners are becoming more vocal in their assessment that Tripoli can only be taken through force. In this context, the approval of the GNS' 2022 draft budget was an important step for the Sirte-based government in that it gives it a significant negotiating card to pressure rivals into recognising it. In fact, the HOR approved in mid-June a budget of around 90bn Libyan Dinars (€18bn), which represents the first approved budget in eight years in Libya, something that was not granted to Dabaiba's GNU for political reasons as MPs did not want him to control a similarly large budget for 2021. For opponents of the pro-Bashagha coalition, this approval remains on shaky grounds. Although Bashagha said this parliamentary decision was the "culmination of a collective national effort by the Finance Parliamentary Committee, members of the HCS, the CBL, Audit Bureau, the Administrative Control Authority and Anti-Corruption Bureau and a number of national experts," most heads of sovereign institutions invited by the HOR to Sirte did not show up, either excusing their absence on tight schedules or simply refusing to join parliamentary discussion on the budget adoption. Instead, mid-level civil servants came to represent the sovereign institutions and the budget was approved by 103 HOR members, five of whom voted via recorded message. This HOR vote, once again below the 120-threshold mandated by the country's current constitutional declaration, coupled with the absence of Tripoli-based institutions' heads, led some observers to describe the budget adoption as a "non-event".



However, the value of the budget approval lies in its being a powerful political tool to give the GNS greater stature and place it as Libya's unitary government. The prime target of this manoeuvre is arguably CBL Governor Sadiq al-Kabir, who has been warned by the HOR that any refusal to fund the budget would result in legal pursuits. The GNS Prime Minister himself linked the lifting of the oil blockade to the CBL's disbursement of the 2022 budget and stressed that he did not expect al-Kabir to ignore a well-defined budget affecting the lives of all Libyans — of note, the largest chapters of the budget continue to be salary and subsidy payments. This puts the CBL Governor in a tough spot as joining Bashagha could be a good move for political survival compared with maintaining ties with the GNU, however, it is known that al-Sadiq is too enmeshed in the Tripoli political scene and would not be able to justify any sort of action that could be perceived as betrayal by local militias and power holders. Realistically, the pro-Bashagha camp knows that the Tripoli-based CBL is unlikely to make funds available for the GNS, thus making the latter's plans to operate effectively throughout Libya a pipe dream. Nevertheless, this was never the plan for the coalition. Rather, the pro-Bashagha camp is looking for better optics, particularly in comparison to the GNU, and can use the budget to further rally support and bring rivals to its camp, as the GNS gradually gains legitimacy points by being the first government in eight years with an approved budget. As explained later in this report, the budget's approval works as a negotiating card in several arenas, particularly the constitutional talks, to pressure rivals and the international community to recognise the GNS. For instance, it is known that Agila Saleh has held parallel talks with Presidential Council members Mohamed al-Menfi and Abdullah al-Lafi to bring them across the political divide in Libya and drop their support to the GNU in exchange for keeping their positions and influencing the GNS cabinet's composition.

In many ways, the GNS is seeking to avoid by all costs the fate of the eastern-based Interim Government of Abdullah al-Thinni, in that it seeks to expand its influence domestically and internationally instead of being limited to a certain zone of influence. In early June, the GNS Foreign Minister Hafez Kaddour ramped up the pressure by asking all Libyan diplomatic missions to shun any GNU directive. Although similar requests were made by previous rival governments in Libya, the fact remains that the GNS' range is far wider. In fact, the pro-Bashagha camp is meticulously observing foreign states and international institutions' relations with the GNU and escalates the matter with them to try and get their recognition. For example, after the African Union delegation head and Congolese Foreign Minister Jean-Claude Gakosso met with Dabaiba and GNU Foreign Minister Najla al-Mangoush, the HOR denounced the visit and the Congolese diplomat affirmed that "the legitimacy of the Libyan government headed by Fathi Bashagha is flawless." Bashagha himself is pulling under the rug the fact that the country remains divided between two governments and has claimed that the Libyan state was now united. The GNS Prime Minister also unveiled a "Roadmap to Sta-

bility and Recovery” revolving around eight topics, namely stabilisation of basic services, transparency and accountability, fiscal accountability and stability, safety and security, full franchise to all, stabilisation of oil production, fighting corruption and getting support from the international community. The GNS Prime Minister particularly stressed on the issue of security, calling for new security arrangements under UNSMIL’s supervision to clear Tripoli of all types of heavy and medium weaponry. He has also continued to seek support from western Libyan stakeholders, by for instance welcoming a statement issued by the Tripoli district of Souq al-Jumaa’s security leaders who rejected the dismissal last month by the GNU of deputy head of General Intelligence Service Mustafa Kaddour for his support to Bashagha.

These developments leave Libya in an uncertain position. Since its budget approval, the GNS may be in a much better position, especially compared to its blunder of 17 May when seeking to enter Tripoli. Yet, its newfound confidence pours more gas into the fire as it is fixed on continuing the showdown with the GNU and showing the international community that it is actually Libya’s only viable political option. In a way, we are once again observing a transitional government promising a lot to its citizenry, despite lacking popular legitimacy and having no realistic way of receiving its budget funds considering the current oil blockade and CBL divisions. Its communication also seems to have weaknesses as on the one hand Bashagha maintains that the GNS is Libya’s only government whilst on the other hand warning that chaos will continue unless Libya has a unified government. All points to further pressures by the pro-Bashagha camp in the future to make sure that domestic and international actors join the intra-Libyan agreement instead of seeking other pathways to elections. Bashagha himself said that general elections had little chance of being held this year, and recent comments by his deputy Prime Minister Ali al-Qatrani regarding the need to disarm militias prior to holding free, fair and transparent elections give way to further doubts regarding Libya’s political future. In this situation, it is highly likely that third-parties are going to emerge to change the narrative over the GNU-GNS showdown. Albeit non-significant, there have been recent statements issued by notables from southern Libya warning that a third government could be formed in the Fezzan to properly take care of the region’s population and push back against non-native elements, particularly foreign mercenaries and troops affiliated to the LNA. Moreover, the U.S. initiative for a temporary financial mechanism is likely to find a mutually beneficial relationship with Libyan parties seeking to form a third political consortium away from the Dabaiba and Bashagha camps. Ihya Libya’s Aref Nayed and Mawtani Party’s Mohamed al-Muntasir have for instance met with the former pushing a 10-point plan that mirrors the U.S. proposal in that both the GNU and GNS would remain in their respective territories whilst a financial mechanism is established to co-manage state funds and oversee elections.

## LIBYA ENTERS A SUMMER OF ANGER AS ECONOMIC HARDSHIPS BUILD UP

*Nonetheless, the continuing oil blockade and economic difficulties make any viable governance highly unlikely, especially due to political competition over the Central Bank of Libya (CBL).*

As explained above, the GNS' budget proposal is more of a political victory than an achievement that will bring economic development to Libya. In fact, as long as the oil blockade continues and the CBL's relation with the Sirte-based government is inimical, Libya will not see effective governance. The most immediate economic boon that the budget's approval offers to the areas under the GNS' control is the fact that it will be easier for the government to get loans from eastern-based banks. Otherwise, should there be no understanding between al-Kabir and Bashagha, the eastern branch of the CBL will be forced to start printing its own money — likely with the help of Russia like it did under the al-Thinni government — thus further driving up indebtedness and dislocating the Libyan economy. For now, pressure tactics to bring al-Kabir to the GNS' camp do not seem to work, particularly because of negative personal ties between al-Kabir and Bashagha, with the latter accusing the former of helping Dabaiba in squandering state funds. The eastern branch of the CBL has accused the bank's Tripoli headquarters of failing to provide it with sufficient liquidity whilst telling commercial banks to obtain cash from its issuance departments. It further warned al-Kabir that should 500 million Libyan Dinars (€100m) not be provided immediately, it would resort to "alternative solutions", meaning money-printing. Of note, the CBL has claimed that it has in fact distributed altogether 2.1bn Libyan Dinars (€420m) from January to late June to the eastern branch's exchange department and eastern commercial banks, but this amount is far too small for Cyrenaica's liquidity needs. Overall, these statements show that the process of CBL unification which was announced in January has seen very little progress and this continues to harm Libyans' livelihoods. Political tensions in the economic realm have also been present with the HOR asking regulatory bodies in Libya to present a report on the GNU's spending, as a way to further put the rival camp under a negative spotlight. Simultaneously, figures by the GNU Finance Ministry and CBL were unveiled this month, but observers were quick to spot stark differences between the two datasets, with the Finance Ministry putting total expenditures from January to end of May 2022 at 28.3bn Libyan Dinars (€5.6bn) while the CBL put that number at 31.1bn (€6.2bn). It remains unclear whether such discrepancies are due to differing accounting methods or possibly to corruption.

Political disputes continue to have a heavy toll on the Libyan economy and people's livelihoods. The oil blockade ongoing since April has had a severe impact on the electricity sector, with as much as 1,000 MW of power gene-

ration being lost according to the GNU's spokesperson Mohamed Hamou-da. Naturally, Libya's already strained electricity infrastructure has been put further under pressure, with outages being more prevalent as the hot summer months start and industrial output having to be curtailed to save energy. In the meantime, the General Electricity Company of Libya (GECOL) employees held protests in several cities to demand the disbursement of their financial dues, salary increases and better health and security insurances. Such a dire situation with the electricity sector led Dabaiba to suspend GECOL's board of directors and refer them for administrative investigation to check any potential squandering of money, non-completion of contractual procedure to carry out periodic maintenance projects, and look into reasons behind the delay in introducing some new power stations to the public power grid. Dabaiba announced he would discuss the formation of a new GECOL board of directors on 17 July, but it is not lost to many Libyans that the GNU itself is responsible for unmet promises to improve the electricity sector. In fact, whilst practically not covered by the Libyan press present in western Libya, protests are a regular occurrence in the country against poor living standards and the stagnating quality of public infrastructure. Continuous political strife over the last decade and recent years has meant that the Libyan state has not managed to introduce serious reforms to diversify its economy and launch a privatisation campaign to bring better financial and operational management to the many state-owned companies that are profoundly inefficient. For instance, the Chairman of Brega Oil Marketing Company Ibrahim Abu Bredaa unveiled this month that the accumulated dues of Libyan Airlines and African Airways were up to 320 million Libyan Dinars (€64m) as of April 2022 — this being one example among a myriad of public enterprises losing money on a daily basis and being unable to make any plans to improve their services.

This situation raises the question of what will happen to the multibillion-dollar deals signed between the GNU and foreign companies in the first half of 2021. International conferences and exhibitions to invest in and trade with Libya continue to take place abroad and domestically. However, the fact remains that there is little chance for reconstruction to happen under current circumstances. This is in spite of the GNS now taking the relay from the GNU in calling for international investments into Libya. Deputy Prime Minister al-Qatrani has recently comforted Egyptian companies with the promise that the GNS would provide all facilities to help them participate in the reconstruction of Libya, however, no viable economic engagement can take place in Libya so long as cross-factional rivalries risk to disrupt the country's stability and prevent the Libyan state from operating effectively as one unified institution.

## INTERNATIONAL-BACKED EXECUTIVE AUTHORITY RISKS COLLAPSING

*The mandate of the Government of National Unity (GNU) and Presidential Council (PC) now rests on shaky grounds. Efforts to maintain legitimacy continue but internal support for Prime Minister Abdulhamid Dabaiba appears to be waning.*

Abdulhamid Dabaiba is adamant that the expiration of the LPDF does not in any way affect his legitimacy or decrease his ability to govern Libya. In fact, the GNU Prime Minister said that “the international community rejects all fabricated solutions and has become more inclined to hold elections as the only and correct option.” In other words, Dabaiba sees the UN’s above-mentioned stance as support to his position and has once again portrayed himself as the political leader who will deliver general elections for Libya. Dabaiba has understood that the international community has pinned most of its hopes on the Cairo constitutional talks to move Libya away from its current quagmire, and has told the Jeune Afrique that elections could take place within a month or two as soon as the HOR and HCS agree upon a constitutional basis. In the meantime, the GNU has nothing to be afraid of according to Dabaiba since the CBL allegedly has €47.7bn in reserves to back up the Tripoli-based government’s spending. Similar to Bashagha, the GNU Prime Minister has reassured his audience that no war would take place under his watch, a welcome statement that reflects foreign chancelleries’ mediation efforts but does not completely reflect the security situation on the ground. Overall, Dabaiba has very much sought to put himself under a good light in the eyes of internationals as he knows his political survival relies on his approval of UNSMIL’s approach.

Faced with a lot of popular anger regarding economic hardships, Dabaiba has promised new initiatives to calm protesters and bring more economic stability to the country. His Ministry of Finance and Justice managed to have the Judiciary Police suspend their strike initiated last month and his government issued a decision to reduce the price of jet fuel to local airlines by 50%. Dabaiba has also formed a committee to address the fuel shortage crisis within the capital in addition to the above-mentioned changes within GECOL. Interestingly, he formed a new committee to study a mechanism to replace direct fuel subsidies with cash subsidies, an idea that was floated early in his mandate but quickly disappeared from the agenda without much explanation. Too little too late initiatives were also made by the Presidential Council (PC) which launched its National Reconciliation Project on 23 June 2022, a day after the expiration of the LPDF roadmap, which as mentioned above was drafted in November 2020 and made national reconciliation the PC’s first objective. Similar announcements were made throughout 2021 by

the PC, with no real progress as explained by the Secretary of the Arab Organisation for Human Rights Abdelmoneim al-Hur who asked whether retributive or compensatory justice would ever be considered, before adding that no national reconciliation can happen in a country lacking rule of law. Once again, the PC finds itself beating a dead horse in that it is very much an institution without authority, be it for the national reconciliation file or the general organisation of the military despite its role as Supreme Commander of Armed Forces. Of note, the PC has also been called upon by tribal leaders to issue a decree that would end the work of the HOR and HCS should they fail the Cairo constitutional talks, but the executive authority is simply not strong enough to pull such a trick and probably prefers to keep good relations with Saleh considering its behind-the-curtains negotiations.

PC members are aware of their lack of authority and, as aforementioned, they are possibly being co-opted by the pro-Bashagha coalition. In fact, the GNS would be more than happy to have the PC join its ranks and possibly cooperate with Bashagha should the latter try to install himself in Tripoli once again. Moreover, PC members are also aware that despite Dabaiba's show of confidence and the overall 'business as usual' atmosphere following the LPDF's expiry, the GNU Prime Minister's inner circle is dwindling. In fact, there are clear indications that more and more western Libyan stakeholders, from militiamen to civil servants, are considering joining the ranks of the pro-Bashagha coalition as they are not getting their dues promised by Dabaiba and also share the GNS' frustration regarding international interference in Libyan affairs. For instance, a statement was issued by some employees of the GNU's Interior Ministry, saying that the only legitimate bodies are those elected by the citizen, i.e. the HOR and the GNS which emanates from it. Of note, the HOR has claimed to be Libya's only legitimate institution as its members were elected in the parliamentary elections of 2014 – a claim that has helped it justify its own initiatives but does not represent a consensus since MPs have obviously overstayed their term as a result of the lack of parliamentary elections. Finally, Dabaiba himself continues to consider his political options to avoid being Libya's black sheep after the eventual end of the GNU and prevent rivals from taking him to court for alleged corruption cases. The politician hailing from Misrata is still thinking of getting into a temporary power-sharing agreement with LNA Commander Khalifa Haftar, but his ways have clashed with members of his own family, namely Ali and Ibrahim Dabaiba. Thanks to his relations to some loyal Misrata and Tripoli-based militias, the GNU Prime Minister remains in power despite the end of the LPDF's roadmap. However, as more time passes the GNS is likely to further chip away at Dabaiba's alliances, making it more difficult for him to be authoritative. Throughout June, several incidents have shown that Dabaiba is finding it difficult to even travel within areas under the GNU's control as inimical armed groups from Zawiya, Zintan and Tajoura have either cancelled or diverted his travel plans in Tripolitania.

## CONSTITUTIONAL TRACK FAILS TO COME TO FRUITION IN CAIRO

*Without international recognition of Fathi Bashagha's government, the House of Representatives has refused to lead the Cairo constitutional talks to fruition.*

Much of the international community's hopes to find a breakthrough to Libya's political quagmire are pinned on the Cairo constitutional talks. As explained above, the HOR, a key participant in such talks, knows very well that it can sway the constitutional track in its favour by holding it hostage until the international community changes tack and recognises the GNS as Libya's sole legitimate government. In fact, Agila Saleh knows that if an agreement is reached in Cairo, general elections could very well be the next stage of Libya's current political process, thus leaving the GNS on the sidelines and doing away with the HOR's longer timeline of delivering elections later in 2023. Therefore, it is very much in the HOR's benefit to delay any progress in the constitutional track so long as the international community does not agree to interact with the GNS. This is exactly what happened to the third round of constitutional talks (12-19 June) as the HOR and HCS delegates failed to reach a constitutional basis, despite Stephanie Williams warnings that this was their last chance of finding an agreement. Throughout the Cairo constitutional rounds, UNSMIL maintained a highly positive and encouraging stance by highlighting a progress rate of about 70% before the start of the third and last round. During this round, the HOR and HCS delegations decided to form a 3+3 subcommittee to deal with the last controversial points. According to Williams, progress continued to be made during the third round as delegates managed to bring the number of agreed-upon articles from 137 to 180. However, this was not enough to make the Cairo constitutional track a success and both the UN and the Arab League voiced their disappointment regarding Libyan parties' failure to reach an agreement.

In a last-ditch effort, Williams managed to bring together HOR Speaker Agila Saleh and HCS Chairman Khaled al-Mishri to Geneva from 28-29 June. The SASG explained that so far HOR and HCS delegates had agreed on critical elements and safeguards indispensable for the holding of general elections and said that Saleh and al-Mishri were expected to reach consensus on timelines, modalities and milestones to guarantee a clear path to the holding of elections. There again, UNSMIL failed to get an agreement out of the Libyan politicians, particularly over the issue of eligibility requirements for presidential candidates according to Williams. Al-Mishri had already explained early in the month that this dispute revolved around the issue of dual nationals and judicial rulings. He also said that the HOR and HCS delegates should not be blamed for any impasse in talks since what repre-

sented an obstacle was rather “a political vision representing two political parties in Libya.” This comment, in addition to the earlier mention of nationality and court ruling, seem to again focus on the potential presidential candidacy of Khalifa Haftar, which al-Mishri wants to prevent at all costs. Moreover, al-Mishri has good links with the Constitutional Drafting Assembly (CDA) which drafted the 2017 draft constitution and whose members regularly meet with him. In early June, the latter complained that UNSMIL had failed to involve the CDA in the constitutional track. They also have al-Mishri’s support in that he does not want the constitutional track to amend the draft, but rather just to come up with a constitutional rule for elections. Al-Mishri has also given four preconditions for the electoral process to be viable: there should be no political intervention in the High National Elections Commission’s (HNEC) work, no violence should be accepted, public funds should be managed transparently, and national reconciliation based on correct principles including confessions and compensations should be achieved. These lofty albeit difficult to achieve goals once again leave Libya with an uncertain future as political objectives keep stacking up without any visible implementation plan. Of note, the HCS remains very much divided in regards to their stance in constitutional talks, with the pro-Bashagha camp within the advisory body boycotting HCS sessions and accusing al-Mishri of holding the council hostage to “narrow factional agendas.”

Overall, the constitutional track remains in a deadlock and the international community does not seem to have any other viable option as U.S. ambassador Richard Norland said that there was still a way even after the Geneva talks between al-Mishri and Saleh failed. Therefore, we are likely to see even more efforts from UNSMIL and international partners to involve the HOR and HCS in bringing about a constitutional basis for elections. However, many observers such as Libya’s former ambassador to the UN, Ibrahim al-Dabbashi, have voiced their total lack of trust in HOR-HCS talks since similar discussions have failed for the last 5 years. Instead, it is envisaged that controversial constitutional articles would be put under referendum for the Libyan people to arbitrate. The HNEC’s Director Emad al-Sayeh also said that holding a popular referendum on the constitutional basis would “immunise it against future challenge and give it legitimacy,” and shared his commission’s willingness and ability to hold general elections and a constitutional referendum should that be the conclusion of the constitutional track. Yet, despite such positive comments, it is simply impossible to pinpoint a date for future elections. Statements regarding timelines from the HNEC have been conflicting, with al-Sayeh first saying that should there be no constitutional basis for elections by July 2022, it would not be possible to have elections in 2022, before saying that the HNEC could hold elections within 70 days of receiving a referendum law.



## THE 5+5 JOINT MILITARY COMMISSION MAKES A COMEBACK

*The resumption of 5+5 Joint Military Commission (JMC) talks is a good development that may secure Libya some stability amid continuing military mobilisation and heightened tensions.*

Clashes between the Nawasi Brigade and the Stability Support Apparatus (SSA) in early June in Tripoli's Sooq al-Thulata area reminded observers of the dire security situation on the ground as this showdown was between a force supporting the GNS and another backing the GNU. In fact, military mobilisation continues to be a dangerous occurrence across Libya, particularly in western Libya, as Dabaiba seeks to reinforce his security credentials to withstand any potential attempt by Bashagha to come to Tripoli by force. Military movements have been frequently spotted throughout the month around the capital city, the road linking Misrata to Tripoli and deeper into areas toward Tarhuna, Bani Walid, Gharyan and Shwerif. In this context, it is very important for the 5+5 Joint Military Commission (JMC), a key council which took form around the same time as the LPDF roadmap, to end the suspension of its work and ensure that western and eastern military officers speak to one another to defuse any tension. In fact, the eastern members of the JMC had in April 2022 announced they would no longer participate in meetings so long as their western partners cooperated with the GNU. Several negotiations were held in Switzerland and Morocco last month to ensure that the military communication line between east and west Libya was not lost, and the JMC finally held meetings in June to review recent developments.

The first meeting was held in Tunis between 7-8 June under the auspices of France and UNSMIL. Co-chaired by the United Kingdom, Turkey, Italy and the African Union, the meeting focused on negotiating the disarmament of militias and the withdrawal of foreign forces, two key objectives of the October 2020 ceasefire and included in the LPDF roadmap. From 15 June, the 5+5 JMC members also met in Cairo for a week to go over the terms of the ceasefire agreement, the unification of the military institution, and how to build confidence between parties so as to thwart schemes to destabilise the country or renew war. Chief of the General Staff of the Libyan Army Mohamed al-Haddad and the LNA's second in command Abdelrazak al-Nadhouri were present and also discussed the possibility of appointing another Prime Minister to stop the GNS-GNU rivalry, reviewed international support for Libya's armed forces, checked solutions to the salary crisis that has so far built a wedge between the LNA and GNU, and inspected current international cooperation and training to help Libyan soldiers fight off terrorist groups. These discussions are very important in that they give reassurances that the country's top military officials are actively looking to avoid any dan-

gerous escalation in the country. Talks between western and eastern military leaders are likely to continue, with further rounds scheduled in Morocco where non-JMC officers and militia leaders have already met to go over recent developments and decrease tensions. Parallel efforts have also been pursued in neighbouring countries to push forward the removal of mercenaries from Libya, with the Sudanese military of Darfuri armed groups meeting in Niamey, Niger, between 10-11 June under the auspices of a French NGO to discuss such matters. The presence of foreign forces in Libya, which was such a big topic of discussion in 2021, will likely regain importance once a serious date for the holding of elections is reached. Countries such as Russia and Turkey have in fact kept their proxy presence intact, with Ankara lately extending the duties of its soldiers sent to Libya for another 18 months, a move that was heavily criticised by the HOR.

## **INSECURITY REMAINS A LONGSTANDING CHALLENGE TO LIBYA'S POLITICAL SUSTAINABILITY**

*Aside from failing to deliver general elections, the LPDF's roadmap launched in November 2020 has had no progress on the removal of foreign mercenaries and disarmament of local militias.*

As discussed by the JMC in both Tunis and Cairo, the removal of foreign forces and the disarmament of militias remains a priority for the security and stability of Libya. This file is another let-down of the LPDF roadmap as the executive authority made of the PC and GNU failed to seriously engage in any Security Sector Reform (SSR) or Disarmament, Demobilisation and Reintegration (DDR) programme. This means that even without the tense situation linked to the GNU-GNS showdown, security in the country is hard to get by. From January to May of this year, the National Commission for Human Rights in Libya (NCHRL) has counted 172 extrajudicial killings throughout the country. On top of assassinations, turf wars between militias continue to make collateral damage, be it either in Tripoli or Benghazi, where clashes not only include random shootings but also shellings that hurt civilian populations. Most of the time, as seen early this month between the Judicial Police and Tripoli Revolutionary Brigade in the capital, militiamen are ready to order lightning attacks on their rivals' headquarters to oust them from their preferred territory where they have amassed various assets. This also means that every time a militia is forced out of its place, it is on the lookout for another headquarter and prone to launch its own attack against other militias. Very few armed groups, in particular those closely affiliated to the state, are present to act as a balance when such clashes happen since intervening is often too costly and can hamper working relations between politicians and militiamen.

The more isolated the Dabaiba camp becomes, the more prone it is to rely on such relations and give militiamen new prerogatives. For example, new security appointments were made in June with the GNU Interior Ministry assigning Mohamed al-Sifaw, aka “Zawiya’s Pablo Escobar” as head of the city’s investigations and arrest unit while militia leader Mohamed al-Bahroun was appointed as head of the Anti-Terrorism Office of the western region by Chief of Intelligence Mohamed al-Aib. Feeling entitled by their new role as members of the state’s security apparatus, militiamen often act more recklessly and think they have been given carte blanche for any kind of activity, including kidnapping anyone they deem too critical of the state. In mid-June, activist Faisal Abubakr Belhaj was forcefully taken from his workplace by the GNU-affiliated Joint Operations Force in Misrata due to his earlier filming of a government convoy ramming a random car whilst passing through the city. Territories under the LNA’s control are also not immune from such behaviour, with the recent example of the southern city of Sebha being the scene to an armed robbery of a bank that killed 2 civilians and a prison break at the Mahdia prison that was made possible when people from the outside threw an artisanal bomb on the prison’s walls to let the prisoners out. Apart from general insecurity, the anti-terrorism fight is still in the works for Libya, particularly the LNA which announced it had achieved its goals in the south but would continue its operations there. The LNA also carried out raids against Islamic State (IS) hideouts in the al-Jufra area whilst the 444 Brigade of the Tripoli-based Libyan Army – one of the only forces in western Libya working effectively against smugglers, terrorists and defusing tensions between militias – announced the surrender in Bani Walid of IS Commander Mustafa Abdel Hamid bin Dallah who was on the General Attorney’s wanted list since 2016.

## LIBYA'S ENERGY SECTOR IS KEPT HOSTAGE TO THE COUNTRY'S POLITICS

*Today's political situation continues to take a heavy toll on Libya's oil and gas sector, leading to widely contrasting reports on crude output levels and intensifying institutional competition.*

This month, Fathi Bashagha said he believed the current political stand-off pitting him against Abdulhamid Dabaiba was likely to hinder oil output for the rest of the year. Albeit grim, this is a level-headed assessment for three reasons: there is no end in sight to the oil blockade as long as recognition of the GNS is not granted, institutional divisions between the GNU Oil Ministry and the National Oil Corporation (NOC) are becoming more acerbic, and the toll levied on the energy infrastructure from blocked output is likely to be medium to long-term. Throughout June, the second reason stated above made a lot of press with the GNU Oil Ministry rejecting the NOC's complaints by replying that the corporation should stop hanging its problems on the state's tight budget and instead develop a clear policy based on past years' audits to provide a clear vision of its needs. Mohamed Aoun, the Oil Minister, further accused the NOC Chairman Mustafa Sanallah of withholding close to 11bn Libyan Dinars (€2.2bn) from state treasury over a period of 16 months, and of withholding production data. Following Aoun's complaints regarding Sanallah's alleged mismanagement and violation of legislation regulating the oil sector, the GNU Prime Minister accepted Aoun's request to replace Sanallah as head of the NOC and reshuffle its board of directors. This is not the first time Sanallah's position has been threatened by the GNU, as from the get-go Aoun had made it clear he wanted to bring control of the country's oil and gas files under the Ministry's purview. For now, Dabaiba has asked Aoun to nominate candidates to replace the NOC Chairman, against whom Aoun has had a longstanding personal vendetta.

Continuing fraught relations between the NOC and GNU are slightly surprising when considering the financial arrangement reached between the two in April, whereby the NOC would transfer its oil revenues in exchange for receiving €6.8bn throughout the year to finance its projects. In fact, while the CBL has said that 4bn Libyan Dinars (€800m) had been allocated up to early June to the NOC, the latter refuted having received as much, adding that the CBL had stopped feeding its fuel account thus putting the Brega Oil Marketing Company and GECOL in a difficult position and exacerbating the country's fuel shortage. Of note, Bashagha said that the GNS had included the €6.8bn NOC request in its spending blueprint as a two-year plan to raise output to 1.7 million barrels per day. Overall, Libya's oil sector is mired by an opaque cloud of vagueness, whereby payments, dues and even output levels are no longer clear and instead used for political manoeuvres. This was particularly visible this month, when Aoun first said that the country had lost most of its oil production and was only pumping about 100,000

barrels per day, before later saying actual output was around 700,000 barrels per day. At this highly critical juncture in the international oil market, confusing reports regarding output levels are not random and help political purposes. For either side of the political spectrum in Libya, widely varying numbers help create a sense of urgency that the eastern blockading groups hope will help them reach their goals while the GNU hopes to use it to gain international support against the blockading parties.

Overall, the oil and gas sector remain under heavy strain and faces a high possibility of seeing output levels further tumble. Incidents are common, with the example of a leak at the Sarir-Tobruk pipeline taking down 220,000 barrels per day in early June due to poor maintenance. Later in the month, after blockading parties widened their reach to start shutting down the eastern Sarir field, the NOC found no choice but to declare a state of force majeure for the Gulf of Sirte ports of Es-Sider and Ras Lanuf, which are respectively the country's largest and third-biggest export terminal. The el-Feel oil field was also included in the force majeure. This now leaves estimates of oil production at barely 600,000 barrels per day, which is half of the country's usual output. So far, Libya has lost 16bn Libyan Dinars (€3.2bn) in oil revenues, and the electricity crisis will further exacerbate as power stations in Zueitina, North Benghazi and Sarir are no longer provided feed.

## CONCLUSION & FORECASTS

On 22 June, the LPDF roadmap expired without any viable successor to ferry Libya toward general elections, which are the only way for a political reset and the main solution to solve the long-standing legitimacy deficit of Libyan institutions. Hopes pinned on the constitutional track have been once again disappointed by delegates who may not be entirely on track with UNSMIL's plan of getting a constitutional basis before quickly holding general elections. Whilst internationalists see no reason to give credence to the GNS as it would mean yet another transitional government without any guaranteed result, the fact remains that on the ground, frustration is growing toward this stance and could well create long-term distrust toward the international community. With its rarely approved budget and newfound confidence, the GNS has become more adamant that it should be the interlocutor of the international community and the actor ferrying the country toward general elections as agreed upon by the intra-Libyan agreement.

Efforts to break up the narrative that either the GNU or the GNS are building up, with smaller yet influential stakeholders seeking to form a third consortium that could back the financial mechanism plan proposed by Washington. Even the largest Libyan political figures do not see their current alliances as set in stone and consider other options as seen with PC members being interested in joining the pro-Bashagha front, Dabaiba seeking a power-sharing agreement with the LNA, and the LNA itself thinking through the JMC of supplanting both Dabaiba and Bashagha by having a third Prime Minister appointed. All these potential movements have either the potential of creating widespread compromise to eventually hold elections in the country or instead further fuel divisions and create a myriad of parallel initiatives that lead to nowhere but conflict. As seen with the GNS, cooperation with the international community is not a given, as there are signs that the Sirte-based government would not mind going it alone should foreign powers refuse to drop support to the GNU. This would mean the further consolidation of a parallel government for the long-term, with obvious risks of escalation.

The international arena around Libya is about to have a facelift with a possible change at the head of UNSMIL and renewed efforts to bring success to the constitutional track. In the meantime, it will be even more important to observe what key power holders such as the LNA do in this post-LPDF setting. During his speech for the eighth anniversary of the Karama military operation, Khalifa Haftar asserted that any comprehensive settlement agreement is doomed to fail unless it is supported by the people, adding that Tripolitania had become "a hotbed of occupiers and hired mercenaries." Such comments are often used by the LNA as a warning that it could very well pursue militarily its own interpretation of what the Libyan people want, particularly now that there is no political process galvanising Libyans.

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