



# INSIDE LIBYA

## FOREWORD

The Regional Program Political Dialogue South Mediterranean (PolDiMed) 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-PolDiMed 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. An eventful month of May has led to the further entrenchment of Libya's two rival parallel governments and a slew of political scenarios that create much confusion for the country's political future.
2. The Government of National Stability (GNS) Prime Minister Fathi Bashagha secretly entered Tripoli but was swiftly removed in a dangerous episode that has raised escalation risks and further revealed cracks within the capital.
3. Despite the narrative win following Bashagha's blunder, Government of National Unity (GNU) Prime Minister Abdulhamid Dabaiba is unlikely to find a political path to bring elections or fully govern Libya.
4. Conceding his limitations after being unable to take power in Tripoli, Bashagha has walked back on an earlier promise and decided to move the temporary headquarters of the GNS to the central Libyan city of Sirte.
5. While both the High Council of State (HCS) and House of Representatives' (HOR) delegates may have reached some sort of preliminary understanding, mistrust rules over the Cairo constitutional talks' ability to resolve Libya's political quagmire.
6. Faced with a slew of potential political scenarios and a growing number of parallel political talks, the international community finds itself in a difficult position to positively influence Libya's political process.
7. Despite Bashagha's efforts to lift the oil blockade, Libyan production continues to suffer from a 35% hit and more oil facilities could be shut down should current escalatory trends sharpen.
8. With the entrenchment of two parallel governments, Libya once again faces a risk of return to institutional splits that will hinder recent unification efforts and encourage corruption as well as arrested development.
9. Through sheer force or political reconversion, militiamen are acting as the gatekeepers of Libya's political future. Evolving dynamics between such groups are likely to influence the country's overall political trajectory.
10. With the Libyan Political Dialogue Forum (LPDF) expiring in June, Libya's legitimacy crisis is likely to exacerbate and create more risks of escalation and military mobilisation.

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## FATHI BASHAGHA FAILS ENTRY ATTEMPT INTO TRIPOLI

*The Government of National Stability (GNS) Prime Minister Fathi Bashagha secretly entered Tripoli but was swiftly removed in a dangerous episode that has raised escalation risks and further revealed cracks within the capital.*

At the very beginning of May, the Presidential Council (PC), which is technically the Supreme Commander of Libya's Armed Forces, banned any kind of military movement by all units without its prior approval. Despite this early warning, there was a significant amount of unsanctioned military mobilisation throughout the month, thus creating a dangerous environment where armed conflict became more probable. This was most visible in the events of May 17th, when Government of National Security (GNS) PM Fathi Bashagha secretly entered Tripoli in the early hours of the morning in an attempt to peacefully take over key government premises and govern Libya from the capital. Backed by local armed forces such as the Nawasi Brigade and Osama al-Jeweili, the head of the Western Military Region, Bashagha came to the capital in a civilian car and sought to give a peaceful image to his power-grabbing attempt. However, he was met with unfriendly fire from forces affiliated with Abdulhamid Dabaiba's Government of National Unity (GNU). Such clashes could have taken over Tripoli with GNU-friendly forces such as the Stabilisation Support Apparatus (SSA), the Joint Military Force and Mohamed al-Bahroun (aka "al-Far"/"the mouse") enjoying military superiority which may only have been offset by later reinforcements from the pro-Bashagha alliance, thus opening up the potential for prolonged urban warfare in the capital. Instead, armed escalation from pro-GNU forces prompted a swift retreat by Bashagha, who was escorted out of Tripoli by the 444 Brigade towards Shwerif, in southwestern Libya, from where the Libyan National Army (LNA) took him back to Sirte. As an immediate result of the clashes, one civilian is said to have been killed and several armed men injured, including one security staff of the Italian embassy. Moreover, the Nawasi Brigade suffered a pushback from its own territories under control by the aforementioned pro-GNU forces.

This is not the first time the GNS PM has sought to enter Tripoli to take the reins of power. In mid-April, forces loyal to him mobilised around Tripoli before renouncing their entry after it became clear they would be met with armed resistance. Bashagha has been under severe pressure from the LNA and his own western-Libyan military advisors to adopt a more forceful approach to evict Dabaiba from power, but has so far held his ground by rejecting violence and ordering a retreat to eschew prolonged armed escalation. Yet, this very approach seeking to minimise violence is likely to be harmful to Bashagha's standing inside Libya in that his latest attempt to enter Tripoli

was clearly a result of miscalculations and false hopes that a locality as important as Tripoli could be taken over by his presence alone and claims to legitimacy. Luckily for him, his hardline allies do not seem to have pointed the finger at him after the failed attempt and have instead used this incident to chastise Tripoli armed groups and their constituting a serious security problem for Libya at large. For instance, the LNA's Director of Moral Guidance Khaled al-Mahjoub has utilised the incident to paint his coalition as a responsible and morally superior force in that it avoided direct intervention as it “has the best interest of Libyans at heart” and seeks not to “exacerbate the crisis [...] by not interfering in political affairs.” On his part, Dabaiba has enjoyed a clear-cut political win in that his media front has painted Bashagha as the “aggressor” who continues to act as the LNA’s Trojan horse. The GNU PM had already placed his forces on alert prior to Bashagha’s entry and later formed the Electronic Flight Agency to supervise drone operations in fields such as defence, security and photography in a bid to gain more air preparedness against potential future escalations.

As expected, Bashagha’s entry into Tripoli with the support of local forces revealed cracks in the capital and has given rise to a new and volatile security arrangement. Following the events, Dabaiba had to clean house and “quell sedition” by dismissing Nawasi Brigade Chief Mustafa Gaddour as Deputy Head of the General Intelligence Services (GIS) and Osama al-Jeweili as Head of Military Intelligence. This dynamic is severely challenging Tripoli’s previous security arrangements in that there is a growing schism between pro-Dabaiba forces and troops loyal to al-Jeweili or interested in a power shift in the capital. Not only is al-Jeweili a force to be reckoned with in that he commands the full force of Zintani armed groups like Emad al-Trabelsi’s General Security Apparatus, forces inimical to Dabaiba also include the Nawasi Brigade, several factions from Zawiya who are close to GNS Interior Minister Essam Abu Zreiba and other groups from Warshefana. This has rendered the situation tense in Tripoli, with large mobilisations of anti-Dabaiba forces on May 26th in the Hay al-Andalus and al-Sawani neighbourhoods, where Zintani forces sent back the GNU PM’s advance team and showed Dabaiba does not have real control over the western and southern parts of the capital. While it is too late to assess whether such mobilisation is a harbinger to a new conflict in western Libya, the tense atmosphere in Tripoli shows that the political legitimacy crisis is further pulling Libya down a path of militarisation and tensions. On May 28th, a member of the Nawasi Brigade was killed in the northern neighbourhood of Zawiyat al-Dahmani in Tripoli, presumably in clashes with pro-Dabaiba forces.

In this context, it is only natural that international and domestic actors have sought to revive negotiations between armed factions, including the 5+5 Joint Military Commission (JMC). While there is no clear sign that the JMC will lift its suspension, there have been encouraging statements, particularly from the LNA’s al-Mahjoub, saying that there is “keenness not to destroy

gains made” by the commission. Political actors, including members of the High State Council, have also warned that there is no possibility of holding national elections without unifying the country’s divided army, something that can only be done through a body such as the JMC. Overall, there have been three international meetings or conferences around the security file in Libya, among other topics. One was held in Morocco with the presence of LNA Commander Khalifa Haftar’s two sons, Saddam and Belgasem; another meeting was held in mid-May by the Centre for Humanitarian Dialogue in Switzerland, and United Nations Secretary General Special Advisor (SGSA) Stephanie Williams met with JMC members in Spain for a Technical Working Group workshop entitled “Modalities of International Support for the Libyan Demobilisation, Disarmament, Reintegration (DDR) Programme.” While these parallel conversations may lose their effectiveness by dispersing the political dialogue, they remain important in that they keep rival armed factions conversing and reminding all that military conflict would have dire consequences for all. The international response to Bashagha’s failed entry into Tripoli has also shown that no single state is ready to publicly back any kind of forceful approach to solving the Libyan political quagmire or entertain the idea of supporting a new military conflict in the country. Despite this stance, the UN Panel of Experts has recently filed a report identifying 18 arms transfers and 4 examples of military training from March 2021 to April 2022 which violated the UN arms embargo, dubbed “totally ineffective” by the report’s editors.

## **CORNED, ABDULHAMID DABAIBA FACES FEW POLITICAL OPTIONS**

*Despite the narrative win following Bashagha’s blunder, Government of National Union (GNU) Abdulhamid Dabaiba is unlikely to find a political path to bring elections or govern Libya.*

Fathi Bashagha’s failed entry into Tripoli was a political blunder for the GNS and an opportunity for Abdulhamid Dabaiba to galvanise his base as well as amplify his narrative through his affiliated media channels. In fact, the GNU’s Ministry of Foreign Affairs jumped on the occasion to portray the attempt as “an explicit threat to national security and the country’s stability” as well as proof of the GNS’ “rejection of dialogue and political solution.” Yet, despite the political points scored in this episode by Dabaiba, he still suffers from many weak points that make his plan to hold elections soon and govern Libya in the meantime implausible, particularly when taking his shrinking coalition into consideration. First, statements from Dabaiba and his allies on the international response to Bashagha’s faux pas were overwhelmingly disapproving, in that the GNU feels that communiques from the likes of the U.S. have not been critical enough of the GNS PM. Likewise, Dabaiba has also indirectly pointed the finger at Egypt for being a “country

that wants instability in Libya and does not want parliamentary elections,” thus showing that the political figure no longer enjoys good relations with all countries and increasingly uses vindictive rhetoric to talk about foreign policy issues. Of note, the divorce between Tripoli and Cairo seems to be finalised, with Dabaiba rejecting any diplomatic effort by Egypt such as the constitutional talks and Egyptian officials vocally criticising the security conditions of the Libyan capital.

The executive authority in Tripoli seeks to project an image of “business as usual” with PC Deputy Head Abdullah al-Lafi organising national reconciliation meetings in mid-May with tribal representatives from the Warfalla, Mgarha, Gaddafi and Awlad Suleiman tribes to discuss the issue of political prisoners, many of whom still have not been released a year and a half after the signing of the October 2020 Ceasefire. Following Bashagha’s failed attempt in Tripoli, Dabaiba also held extensive meetings with mayors in the company of the Minister of Local Government to showcase his reach into municipalities throughout the country. However, optics are not the only factor that counts in Libyan politics and recent dismissals or rumours thereof are hinting at the Dabaiba camp’s fragilities, particularly at this critical juncture when the Libyan Political Dialogue Forum (LPDF) is set to expire in just a few weeks. In fact, May started with rumours that Chief of General Staff of the Libyan Army Mohamed al-Haddad was being dismissed, a hearsay that was quickly denied by the GNU’s Spokesperson Mohamed Hammouda but created much apprehension in western Libya. After May 17th, cracks in the region became too apparent for Dabaiba to ignore and he has now sidelined one of Tripolitania’s most important powerhouses, Osama al-Jeweili. Some of his most crucial defenders, i.e. the SSA, are led by self-interested figures such as Ghnewa al-Kikli who have indirectly voiced their willingness to drop support for the GNU in return for having important posts within the GNS or in a third-party government that might rise up to power.

Importantly, Dabaiba also seems to have, once again, lost support from HCS Chairman Khaled al-Mishri who has delivered the sober reading that the GNU PM cannot realistically hold elections “since his influence is limited to Tripoli and some other cities.” Another HCS member, Adel Karmous, went further by warning that Dabaiba’s refusal to hand over power will lead to the use of force and that he will be forced to surrender in June as international support for him will vanish following the LPDF’s expiry. This is not to say that Dabaiba is now solitary; in fact he still commands enough influence over some militias from Zawiya and Misrata in addition to forces recently created by him like the Constitution Protection Force and other troops who have deep enmity towards either the LNA or Fathi Bashagha, who acted as Government of National Accord (GNA) Interior Minister in Tripoli from 2018 to 2021. These forces have enough firepower to create chaos should anyone try to get into Tripoli forcefully. Nonetheless, the shifting security dynamics within the western region make it more difficult for such groups to stick with

the GNU over the long term. In fact, despite recent arrangements to draw National Oil Corporation (NOC) funds into the government's coffers, Dabiba has been running out of funds to finance his patronage networks and is therefore at risk of losing further support in the near future. To remedy that, he has pressured institutions such as the Libyan Foreign Bank (LFB) and the Libyan Telecommunications Company to transfer him funds without any oversight, something that has led to middle-level employees stepping down.

Finally, the core issue of elections is now at a turning point. In the beginning of May, Dabiba continued to highlight the necessity of holding parliamentary and presidential elections as soon as possible, adding that the conditions to hold them were available and that "plotters" would not manage to spoil elections once again. Then, whilst discussing the topic of municipal council elections, Dabiba said that the Central Committee for Municipal Council Elections (CCMCE) may take the role of the High National Elections Commission (HNEC) to hold parliamentary elections should the latter be unable to implement them. He later made a U-turn stating he will not deliver elections in June as initially promised and will proceed with his idea of holding parliamentary elections by the end of the year one district at a time and hold a referendum on the 2017 draft constitution, thus rejecting any result coming from the Cairo constitutional talks between the HOR and the HCS. The GNU PM has also pushed the view that he is forced to postpone elections as a result of foreign countries opposing polls, particularly parliamentary elections, since they are in cahoots with the HOR and HCS.

## FATHI BASHAGHA INSTALLS HIS GOVERNMENT IN SIRTE

*Conceding his limitations after being unable to take power in Tripoli, Bashagha has walked back on an earlier promise and decided to move the temporary headquarters of the GNS to the central Libyan city of Sirte.*

The month of May was not particularly auspicious for Fathi Bashagha. It started with a mediatic blunder when an article attributed to him was published in the British newspaper The Times. In the article, Bashagha harshly denounced Russia's involvement in Libya and pledged diplomatic support to London against Moscow. The GNS PM quickly denied ever writing the article but the episode showed that coordination within his own team may not be optimal. Another error was made after a call with British ambassador Caroline Hurndall, which Bashagha's Twitter account mistakenly quoted as saying that strict measures should be taken towards the role of financial institutions in supporting military operations in Tripoli, before editing the tweet. However bothersome for the GNS PM's international outreach, these lapses still show that Bashagha is heavily involved in deepening ties with Western capitals and enjoys support from high level diplomats, such as for-

mer British ambassador to Libya Frank Baker who wrote an article in The Spectator introducing the Libyan political figure as a “true unifying force.” Nonetheless, as aforementioned, the most politically harmful faux pas for Bashagha was his failed attempt to enter Tripoli. The GNS PM seems to have been genuinely surprised by the violent reaction of Tripoli-based armed groups and castigated the GNU’s “hysterical behaviour” as “clear evidence that it is morally depraved and does not have any credibility to hold fair and transparent elections.” The incident also forced Bashagha to walk back on his earlier promise to only start governmental work from Tripoli as he finally decided in conjunction with the HOR to temporarily install his government in Sirte. On the one hand, this is the clearest sign to date from the GNS that it has failed to bring about a new unified government and brings into question its utility for the rest of the pro-Bashagha coalition, particularly the LNA. However, on the other hand, this decision also shows some political maturity in that Bashagha has revised his political options and publicly given up on the idea of entering Tripoli as long as “conditions are not 100% favourable” - meaning until Dabaiba leaves his post in the capital.

Based on the remarks above, there is much uncertainty around the GNS’ viability in that it is not clear whether it is going to turn into another parallel government at the behest of eastern Libyan factions and dividing Libya or resolutely keep in sight its goal of eventually governing Libya as a whole from Tripoli. The decision to open headquarters in Sirte is not anecdotal and had been an option prior to the LPDF due to its central location linking east and west Libya together. It is exactly this reason that Bashagha gave to justify his decision in addition to the fact that the city “has suffered from wars and calamities during the past years” and would therefore attest to the country’s challenges and hopes for a better future. The GNS PM is still interested in projecting the image of being all Libyans’ Premier in that, after holding his first cabinet meeting in the southern city of Sebha in April, he convened his ministers on May 10th in the eastern port city of Derna. There, he called for comprehensive dialogue and reiterated his desire to communicate with all political and civil society currents in Libya, notably through greater communication with local notables and Sheikhs. He also reasserted his respect to all of Libya’s neighbouring countries, including Algeria which has so far been the most vocal supporter of the GNU’s PM Dabaiba. More detail about the GNS’ 2022 draft budget was also released this month and has caused some uproar regarding its size and the hypocrisy behind it. In fact, the 94.8bn LYD (18.5bn€) draft budget is about the same size as the 96bn LYD (17.7bn€<sup>1</sup>) GNU 2021 draft budget which was highly controversial and faced significant opposition from the HOR. On an economic level, there are valid reasons for such numbers, including the 2020 devaluation of the Libyan Dinar and the fact that more than 70% of the budget goes for salary

<sup>1</sup> Calculated with the March 2021 Euro to Libyan Dinar exchange rate of 1:5.4.

expenses and subsidies. However, politically, a large budget is traditionally perceived as inappropriate for an interim government and a launchpad for corruption.

The HOR is expected to go over this budget proposal in Sirte on May 31st and has invited key economic and supervisory institutions such as the Administrative Control Authority, National Anti-Corruption Commission, Audit Bureau, NOC, Central Bank of Libya (CBL) as well as the GNS Minister of Planning and Finance, Osama Hammad. Sources have indicated that the HOR attempted negotiations with the CBL's Governor Sadiq al-Kabir through Egyptian mediation, allegedly to get him to support the GNS in exchange for him retaining his post, but there are clear indications that Fathi Bashagha is opposed to any rapprochement with al-Kabir in that he has long accused the Governor of allowing the GNU of using public money to buy loyalties and has said that the CBL Governor should have been replaced long ago. A few weeks prior to the parliamentary session, many MPs not following HOR Speaker Agila Saleh's line threatened to resign en masse to prevent the parliament from holding a quorum, but there are indications that these threats have mainly been pressure tactics to influence the budget draft. In any case, while passing the budget draft would be an important development for Libya's economy, it is not only likely to further divide the country as explained in a later section of this report but will also cement the idea that the GNS may not act much differently from the GNU in that it has no realisation of being just an interim government whose prime goal should be organising general elections. In fact, in his speeches, Bashagha has lamented the decrepit infrastructure of localities such as Sebha, Jufra, Ajdabiya, Sirte, Brega, Ras Lanuf and Tajoura as well as Souk al-Jumaa in Tripoli to push the point that the government should engage in development projects. In previewing the budget, Finance Minister Hammad expressed the GNS' will to use the budget to solve citizen's problems regarding access to public services like health and education, subsidise goods like fuel, medicines, hygiene, water and sanitation, as well as providing marriage and housing grants to the youth whilst providing support to small and medium companies and rehabilitating troubled national companies. Economic diversification and better revenue collection were also mentioned in addition to reinvigorating the country's security and judicial apparatus whilst investing in the oil sector. It remains to be seen whether such broad lines can be adequately pursued through the minister's plans for "rationalised public spending" and "fair and efficient" public revenue distribution among all regions to minimise the risk of corruption and patronage, or if instead they spread the GNS thinly and open the way for more populist policies at the expense of adequate preparation for general elections.

## DOUBTS OVER PROGRESS IN THE CAIRO CONSTITUTIONAL TALKS

*While both the High Council of State (HCS) and House of Representatives' (HOR) delegates may have reached some sort of preliminary understanding, mistrust rules over the Cairo constitutional talks' ability to resolve Libya's political quagmire.*

After April's first round of constitutional talks in Cairo which were inconclusive, SGSA Stephanie Williams started the month of May by meeting HCS' al-Mishri and HOR's First Deputy Fawzi al-Nweri, who both confirmed to her that their delegates would attend the talks' second round between 15-20 May. After the Constitutional Committee met, it was said that delegates had reached "an initial consensus" on about 140 articles of a draft constitution, approximating about 70% of the text, with a few more articles shifted to the next round of talks for further review. Once again, it emerged that Egyptian hosts were fully involved in the details of the process and had put high stakes for the talks to lead to success. In fact, Cairo has high hopes of mediating a breakthrough to the current Libyan quagmire and the constitutional talks seem to have brought new scenarios to the table, with rumours that both HCS and HOR delegates agreed in private to form a mini technocratic cabinet and organise elections within 12 months to end the legitimacy crisis pitting the GNS and GNU. Although still speculative, such plans show that both Saleh and al-Mishri continue on their own path to political survival and are ready to walk back on previous arrangements such as the GNS' formation and the coalition that goes with it. Of note, whilst al-Mishri has once again disavowed Dabaiba, he has not closed ranks with Bashagha and has also criticised his botched attempt to enter Tripoli. Additionally, it is interesting to see the HOR consider dropping support to the GNS for the formation of yet another cabinet, only a few weeks prior to the LPDF's end when Bashagha's government could arguably claim greater legitimacy.

Many political and legal observers sought to cool the enthusiasm displayed by the United Nations Support Mission in Libya (UNSMIL) regarding the so-called "initial consensus" by arguing that most of the articles agreed upon were non-controversial, including chapters on rights and freedoms as well as the legislative and judicial authority, while bigger issues such as the electoral timeline, eligibility criteria and other core components of actually holding elections are yet to be defined. For instance, MP Ali al-Takbali called the Constitutional Committee's meetings "nonsense", adding that early agreements are quickly trampled after the end of sessions. "We want real articles that talk about the constitution at its core, the form of government and the important things that should be contained in the constitution," the MP said. This is where a key limitation of constitutional talks may appear: each and everyone wants to add to a long list of controversial issues to

define to form a constitution. This further takes Libya away from a more limited but realistic interim constitutional basis which focuses on election-related provisions, instead of considering tough issues like government and parliamentary headquarters, decentralisation, federalism, and other contentious topics. This is undeniably a difficult time for UNSMIL in that solving the issue of elections' constitutional basis is key to breaking Libya's deadlock but there is a severe lack of trust from the Libyan public and support from Libya's political spheres to successfully lead this process to its end. A potential way out if no final agreement is reached by the Constitutional Committee would be to use the 2017 constitutional draft for one election cycle of 4-5 years, thus postponing the constitutional amendment issue.

In any case, the constitutional file remains one of Libya's most complex building blocks to reach elections, but it is riddled with much mistrust and obstacles. On the one hand, the Constitutional Committee and the SGSA do not enjoy widespread support with many MPs calling for Stephanie Williams to be replaced "for not having a fixed orientation" and "opening dialogue paths unrelated to Libyan actors." Additionally, Agila Saleh does not have the full support of all MPs in that many are considering resignation from an institution in which the presidency has had too much leeway. On the other hand, it is not to be forgotten that current HOR and HCS members stand to lose from the eventual holding of parliamentary elections and are directly responsible for the failure to hold December 24th, 2021 elections. This has led many observers to believe that neither al-Mishri nor Saleh are truly interested in overcoming the current quagmire and are instead involved in a perpetual quest to postpone elections through new initiatives. The potential idea of using the Constitutional Committee as a transitory body made of technocrats would once again give the two politicians the opportunity to prolong their tenure and even invest in the Libyan political scene with greater capabilities. Several HCS members such as Abdulqader Huwaili have highlighted the impossibility of holding elections in Libya's current situation, by either saying that the security situation was inimical or that the HNEC needed to be reconstituted as its head, Emad al-Sayeh, was facing rulings from the Misrata Court of Appeal and therefore the HNEC's board of directors needed to be renewed. This contradicts Williams' meeting with al-Sayeh in early May when she assured that UNSMIL was ready to provide support to the elections commission to "keep it ready to hold the polls." Of note, the Montreux meeting in mid-May organised by the Centre for Humanitarian Dialogue was also focused on discussing constitutional matters between HOR, HCS and military or security leaders, but since it was held informally, not much detail has emerged. On the international side, it seems that the 12th constitutional amendment process going on in Cairo has not been given much chance of success either.

## A DIFFICULT POSITION FOR THE INTERNATIONAL COMMUNITY

*Faced with a slew of potential political scenarios and a growing number of parallel political talks, the international community finds itself in a difficult position to positively influence Libya's political process.*

Considering that the GNS is installing itself in Sirte and GNU PM Dabaiba has shown no sign that he will leave office in the coming months, the achievements of the Berlin Process are at a risk of dissolving as Libya is once again becoming a country divided between two governments and no clear political pathway to general elections. There is also no indication that any of the foreign chancelleries will change their approach to the GNU after its expiry in late June. Instead, neutrality continues to be the preferred approach for internationals not to exacerbate the current situation. For example, the overwhelming majority of international comments on Bashagha's failed entry into Tripoli cut short from either condemning the GNS PM or blaming the GNU for its violent approach to dealing with Bashagha's intrusion. Whilst the European Union's Foreign Policy Chief Josep Borrell gave a practical assessment, saying that such developments were expected and that he feared fighting may resume in Libya, most chancelleries simply called for restraint and reiterated their belief that a political solution, and on top of all elections, was the only way to deal with the current quagmire. Arguably, international calls for elections the soonest possible, amidst the many political and military scenarios facing Libya, seem a bit tone deaf in that there is currently no potential pathway for elections before well into next year.

In fact, the second half of 2022 is likely to be met with even more manoeuvring from various political actors, particularly as the LPDF expires and pro-Bashagha coalition hardliners might push for a more forceful entry into Tripoli or Agila Saleh decrees that the PC is null, thus bringing Supreme Military Command power to himself. In this context, there are a lot of potential scenarios at hand since Libyan political actors will simultaneously engage in several processes to hedge their bets, thus making it even more difficult for the international community to follow and find the right movement able to bring fair and transparent elections to the country. Other potential upcoming trends are supporters of Saif al-Islam Gaddafi becoming more active politically with the GNS and engaging in more diplomacy with the West as a result of their degrading links to Russia, the Constitutional Committee implanting itself as a new technocratic cabinet and therefore leaving the GNS with lower support, an opportunistic alliance between Dabaiba and the LNA in which the GNU gives in to much of eastern Libya's demands, or the LNA dropping Bashagha as a candidate and agreeing on a third-party name with western Libyan armed groups. As extreme as it may sound, times of political change in Libya often break eastern and western grievances as seen with

recent meetings outside Libya between representatives of the LNA and western-based militias. Equally, the international community could continue to view the GNU as Libya's legitimate government or instead gradually shift its attention to the GNS and support the 12th constitutional amendment process – according to which Bashagha is to govern Libya for 14 months before general elections are held.

For now, the LNA still is interested in remaining in the pro-Bashagha coalition and has continued to reject alleged proposals from Dabaiba to enter into an alliance. For instance, following the travels of Dabaiba and Haftar to Abu Dhabi for the funeral of the late Emirati President Khalifa bin Zayed al-Nahyan, the LNA denied that both Libyan figures had met. Despite the dangerous atmosphere in Libya and the potential for armed conflict around Tripoli, foreign countries have continued to show interest to reopen their embassies in the Libyan capital, with Pakistan opening it on May 8th, Russia closely considering it and South Korea discussing security conditions with local officials. Of note, recent weeks have also seen a greater role from China in commenting on the Libyan file and showing interest in economic development. For instance, the Chinese ambassador met GNU Economy Minister Mohamed al-Hwaij to discuss implementation of the Silk Road project in the country, to be used as a springboard for the African continent. The ambassador also reaffirmed his country's support to Libyan sovereignty, called for the withdrawal of foreign mercenaries and stressed on the importance of the UN's role as a main channel of mediation between Libyan parties. On another topic, SGSA Williams also bore witness to the mass graves and detention centres of the city of Tarhuna accompanied by Attorney General Sadiq al-Sour. As a reminder, the city was the scene of brutal human rights violations and mass killings by the infamous Kaniyat militia over recent years and is a key file for the country's post-conflict justice.

## OIL BLOCKADE CONTINUES TO HURT LIBYA'S FINANCES AND POLITICS

*Despite Bashagha's efforts to lift the oil blockade, Libyan production continues to suffer from a 35% hit and more oil facilities could be shut down should current escalatory trends sharpen.*

Since April 17th, el-Feel and el-Sharara oil fields in addition to the Zueitina and Marsa el-Brega oil terminals are out-of-work due to a shutdown led by eastern groups affiliated with the LNA. In theory, the oil blockade has been a means to pressure the GNU into stepping down and accelerate the coming into power of the GNS. In practice, however, the blockade showed discrepancies within the pro-Bashagha coalition in that the GNS PM appeared not to be fully informed or supportive of the action. This discrepancy was further made clear after May 10th, when statements from Bashagha saying

that the blockade had been lifted proved untrue. In fact, the HOR's Speaker had clearly defined the limits of the blockading policy and Bashagha's efforts simply did not lead to any agreement on an oil revenue distribution mechanism. Of note the GNS PM is interested in seeing the oil blockade lifted so as to ensure 2022 oil revenues can back up his government's budget, should it be passed by the HOR. Eastern groups loyal to the LNA, such as the "elders and dignitaries of the Oil Crescent Region" called for the continuation of the blockade and reiterated their demands that the GNU be removed from power and GNS PM Bashagha allowed to govern from Tripoli. Overall, Libya's oil production has suffered a 35% hit, accounting for losses superior to €1bn, and there have been indications that other eastern and central oil terminals such as Hariga, Ras Lanuf and Essidra could be added to the list of shutdown facilities. All in all, the only positive development around the blockade this month was the fact that two ships were able to depart Zueitina oil port to relieve pressure on storage tanks, which was a demand of the NOC as the latter fears an environmental disaster could happen at the port should it continue to be shutdown.

As explained by GNU Oil Minister Mohamed Aoun, the oil blockade is not only hurting Libya's energy infrastructure and financial earnings, but also hurting domestic consumers in that the closures affect supply of gas to various power plants as well as access to cooking gas and fuel. In fact, the General Electric Company of Libya (GECOL) has said that power load shedding, which limits the access of municipalities to electricity on a daily basis, is going to be resumed as the summer months approach and electricity demand skyrockets. In fact, Libya is still waiting for power plants, particularly in Misrata, Tobruk and West-Tripoli, to be put to use and bring domestic electricity generation to 7.4GW. Moreover, Tripoli has experienced adulterated fuel supplies which were distributed from a few stations and caused an uproar from citizens against the Brega Oil Company, which distributes fuel and other petroleum products in Libya. Despite earlier talks of an extraordinary budget to be disbursed as soon as possible to the NOC, the latter is still waiting for the fruits of its April transfer of oil revenues to the CBL's accounts. In fact, its Chairman Mustafa Sanallah has stopped all developmental and exploratory drilling for new wells and in all fields or ports as a result of the delay in liquidating the approved budget for the year 2022. To remedy this situation, the U.S. embassy hosted a meeting among key Libyan economic stakeholders, including the Audit Bureau, CBL, NOC and GNU Minister of Finance and Planning to discuss mechanisms for implementing the extraordinary budget of the NOC and establishing a mechanism to manage oil revenues. However, it is unlikely that Tripoli has any political will to either disburse long-term funds at a highly volatile time or agree to the U.S-backed financial mechanism that would freeze oil revenues until the legitimacy crisis is solved and elections can be held. Despite this,

Libya's oil and gas sector continues to enjoy much international interest, with TotalEnergies signing a preliminary agreement with GECOL to establish a 500MW solar plant in the al-Saddada area, 130km south of Misrata. Bids are also being submitted by international oil companies to set up an oil refinery in southern Libya and other oil and gas projects throughout the country.

## A BLOCKED ECONOMIC TRACK AND A BLEAK DEVELOPMENT OUTLOOK

*With the entrenchment of two parallel governments, Libya faces a risk of return to institutional splits that stop recent unification efforts and encourage corruption as well as arrested development.*

With two rival governments seeking to put forth their own budget and govern different swathes of the country, Libya is unfortunately backpedalling when it comes to its economic outlook. Considering past relations between GNS PM Bashagha and CBL Governor al-Kabir, it is unlikely that the two will come to any kind of arrangement to make the GNS 2022 draft budget work and therefore validate that government as Libya's only holder of national wealth. Moreover, it is known that Tripoli-based institutions like the CBL evolve in their own environment and have for now vested interests in seeing the GNU remain in power. As a result, it is likely that with the GNS draft budget passing, past institutional splits that empower the eastern local branch of the CBL in the name of its Deputy Governor Ali al-Hibri will emerge. This means that recent efforts to unify the CBL and create a unitary banking system that benefits citizens and enterprises the same way throughout Libya are likely going to fail. Additionally, the potential return to dual governance in Libya signifies duplication of policies, inefficient allocation of resources, continuous rivalry over such resources and growing indebtedness. To give an order of measure, as of 2020, debts from the eastern-based Interim Government of Abdullah al-Thinni had reached 71bn LYD<sup>2</sup> and a workforce of nearly 500,000 out of the 2.3 million state employees in Libya. The ensuing rivalry over resources in the pre-2021 Libyan political reality also helped set the stage for prolonged oil blockades as eastern forces did not want the Tripoli-based government to access their own natural wealth. The split nature of governance thus led to different economic realities in Libya, with wide price variations throughout the country and the Fezzan suffering from the most inflation.

Moreover, as traditional channels for state revenues are often clogged through disagreements or blockades, split governance has also encouraged the development of an illicit economy and pushed government representatives to acquire funds through questionable means. Already, there are

<sup>2</sup> €44.3bn in 2020 accounting for the 1:1.6 exchange rate / €14bn in 2022 accounting for the 1:5.1 exchange rate

reports regarding the GNS pressuring eastern banks, in a similar fashion to tactics used by al-Thinni's Interim Government, to offer loans for the government to start its operations in Sirte before proper funds are eventually made available. In May, the CEO of the Libyan Bank of Commerce and Development, Jamal Abdelmalik, was slapped with a travel ban by the eastern Internal Security Apparatus and had to resign as a result of what some observers say is LNA discontent for his failure to rollover debt owed by the previous Interim Government. Equally, Dabaiba has been accused of pressuring various state enterprises to provide him with some funds or gain financial favours from business allies earlier in his tenure - all of it without much institutional oversight. Additionally, renewed institutional splits are likely to harm recent progress over transparency achieved through the likes of the Deloitte audit of the CBL last year. In fact, the banking sector at its highest levels in Libya remains marred by corruption and despite the extraordinary annual report of the CBL published this month and praised by the U.S. for its transparency, the fact remains that many cases of state funds mismanagement and various forms of corruption remain unclarified. For instance, accusations emerged this month regarding al-Kabir offering a position to the wife of Tunisia's Central Bank Governor in a subsidiary of the CBL, thus creating questionable family interests between the two governors. More importantly this month, the Bank of England's Compliance Division requested some documentation from CBL subsidiary ABC Bank regarding al-Kabir's official mandate, a budget framework approved by the Audit Bureau and other papers about the CBL's board and its meetings. This request, motivated by clear doubts regarding the bank's international standards, prompted the bank to allegedly freeze €3.5bn, which was later denied by the CBL, and fears among CBL officials that correspondent banks could follow suit and make it difficult for the bank to make transactions worldwide or access its foreign funds. To minimise the risks of judicial pursuits and additional investigations onto him, al-Kabir left his seat from the ABC London board of directors. Finally, the return to institutional splits is also going to cut short long-awaited reforms and make it difficult for Libya to achieve its goals of economic diversification and sustainable development.

## **LIBYA'S DESTINY IN THE HANDS OF ARMED GROUPS AND MILITIAS**

*Through sheer force or political reconversion, militiamen are acting as Libya's main political gatekeepers. Evolving dynamics between such groups is likely to influence the country's political trajectory.*

As seen with armed clashes in Tripoli on May 17th, no major political development can happen without the oversight of militias which have become political gatekeepers in Libya. As a result of their long-lasting presence in the country's political capital, these forces are able to have a direct influence on Libyan politics in that they not only are politicians' henchmen but also

have become the guarantors, or breakers, of their power. The influence that they enjoy with state institutions was once again observed in May with the international human rights group Amnesty International slaming the Libyan state for “legitimising abusive militia leaders and putting them on state payroll with no questions asked [and empowering] them to continue trampling on the rights of more people with complete impunity.” The prime armed group target of Amnesty International was the SSA affiliated with the Prime Minister’s office for its crimes against migrants which include unlawful killings, arbitrary detentions, torture and forced labour. Instead of heeding the advice of the international advocates to remove from their positions the head, Abdel Ghani al-Kikli (aka “Ghnewa”), and deputy head Lotfi al-Harari, the GNU’s Foreign Ministry attacked Amnesty International saying that its report lacked professionalism, credibility and was prejudiced against the GNU. It further blamed the organisation for violating Libyan law on several of its investigations and accused one of its members of affecting social security in Libya by spreading “atheism and homosexuality in cooperation with some weak-minded people inside Libya.”

Human rights continue to be trampled in the country as shown by the Libyan Organisation for Independent Media’s annual report published in May, highlighting 14 violations against press freedoms from year to date, with Sirte being the most dangerous city for journalists followed by Tripoli and Benghazi. The National Commission for Human Rights in Libya (NCHRL) also raised the alarm on a growing number of kidnappings, particularly against migrants. One incident in mid-May saw a failed attempt to kidnap the daughter of Taher Chehibi, the head of the Union of Libyan Tribes and Cities in Tobruk, eastern Libya. NCHRL also reported the kidnapping of the head of the Military Prosecutor Office’s Anti-Terrorism Chief, Mansour Daoub by the Special Deterrence Forces (aka RADA). Other developments such as the killing of Libyan singer Ahmed Bhour in the western city of Sabratha and kidnapping of lawyer Adnan al-Arfi in eastern Libya further testify to the continuing insecurity present in the country. While militias and armed groups benefit from the illicit economy and ties with politicians, state security apparatus continue to suffer from a lack of funds as seen with the Judiciary Police announcing suspension of its work as long as the GNU does not provide them with better capabilities to take care of themselves and inmates.

Throughout May, clashes between western-based militias continued to be reported, with the SSA clashing with the Criminal Investigation Apparatus in al-Zawiya, the SSA facing RADA-affiliated troops in Tripoli, fighting in Sabratha between minor militias, the 55th Brigade of Warshefana, close to the SSA, attacking the Janzur Knights and causing damage to the West-Tripoli power station, and later in the month clashes involving the Nawasi Brigade. For each of these cases, the cause of violence differs, going from turf wars to family tensions, but as seen prior in this report, there is a growing

trend of violence linked to the aftermath of Bashagha's failed entry into Tripoli. In fact, such dynamics need to be followed closely so as to ascertain whether Dabaiba has enough firepower over the long-term to stay in Tripoli or whether militias gradually review their political alignments. Moreover, the continuous clashes in and around Tripoli, which often involve shelling in civilian areas, are motivating a greater anti-militia sentiment around the country, one which could be helpful in pushing the DDR and Security Sector Reform (SSR) agenda that is needed for Libya to become more secure. In the eyes of many international actors, the deep security crisis of Libya is directly linked to the presence of militias which maintain a state of chaos and will need to be dealt with in the future, one way or another. Of note, Libya also suffers from security dynamics stemming from the Gaddafi-era, with a Public Security Agency officer named Osama Chahoub shot dead in early May by unidentified gunmen. The policeman was the son of a former Gaddafi-era officer who had been arrested on charges of participating in the 1996 Abu Salim prison massacre. In fact, judicial processes to bring to justice these crimes are still ongoing with former intelligence chief Abdullah al-Senussi still having to attend a verdict session in June for his trial over the 1996 prison massacre case.

Finally, anti-smuggling and anti-terror swoops have been ongoing by both western and eastern militaries throughout May. In Tripolitania, the 444 Brigade has raided a large number of human smugglers' dens during its campaign to comb territories around Bani Walid, Nasma, Mizdah, Qurayyat and Shwerif. Islamic State (IS) presence has continued to be felt, particularly near Mizdah where the terror group is thought to have set up a road crossing for a short period on the Tripoli-Sebha main road to confiscate supplies and gasoline. In Fezzan, the LNA has also launched a military operation in Qatrunk where an IS commander was apprehended. Recent confrontations in a gold-mining area at the Chadian side of the border have also led the LNA to deploy extra troops in the south. Whilst the majority of these deployments are for national security and anti-terror purposes, they also create a situation where more eastern troops are mobilise and could be redirected to Tripolitania should there be a flare-up in escalations.

## CONCLUSION & FORECASTS

As expected, the next month of June is not going to see elections held in Libya. Instead, the country and the international community are going to face the end of the Libyan Political Dialogue Forum, at a time when political scenarios for the coming months do not bode well for the country's stability. In fact, even if the security situation in Libya has remained tense but stable, the outlook for the second half of the year remains uncertain as there are far too many potential political scenarios that could materialise. Nowadays, Libya has two rival governments that have proven their lack of capacity to either govern the country as a whole or find a political solution to end their legitimacy crisis. International initiatives to push for elections or mediate between opposed parties do not garner enough domestic support to be brought to fruition and are rather likely to drown in a flood of parallel and disjoined political processes.

The last day of May has seen a preliminary parliamentary discussion around the GNS' 2022 draft budget and a United Nations Security Council session on Libya. While the former is likely to lead to further institutional splits in Libya, there is little likelihood that international actors will manage to revive the Berlin process. Rather, discussions are likely to be taken over by the topic of who should replace SGSA Williams and give a revamped image to UNSMIL. Nonetheless, chancelleries still have enough power to put pressure on different Libyan protagonists to ensure that they do not escalate their feuds and personal ambitions into a whole-scale military conflict. For now, this remains the only plausible value-add from the international community, but there is a growing need for foreign powers to put aside their differences and find accord on which of the domestic political processes they are going to support based on their assessment of which process is most likely to bring fair and transparent elections. Recent developments in terms of talks between western and eastern military leaders should be continued and efforts made to coordinate the parallel negotiations held in various geographies to minimise the risks of military escalation.

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