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| **DELEGATION OF THE EUROPEAN UNION TO LIBYA** | | |
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**To: *Fernando GENTILINI, Managing Director for Middle East and North Africa***

**Subject: Libya – Weekly of 11/07/2022 – Key issues**

1. **SUMMARY**
   * + - ***The legitimacy and institutional crisis in Libya continues. Alternatives to overcome the present deadlock are being prepared, notably by the Presidential Council, but success remains to be seen as there is a strong interest by a number of key political stakeholders in using delaying tactics to preserve status quo end ensure political survival at any price.***
       - ***Civil unrest has calmed down, at least for the moment. However, the situation of parallel governments continues to imply considerable risks for security and stability.***
       - ***The struggle for the control of the oil sector and oil revenues remains very present, with total disregard of the losses and adverse impact this has for the country and its citizens.***
2. **ASSESSMENT**

Following recent and inconclusive efforts to move towards the goal of a consensual constitutional basis and an ambitious but realistic prospect of elections which could restore legitimacy to Libyan institutions, the initiatives of Saif Al-Islam Gadaffi and the Presidential Council deserve attention as alternatives to the current impasse. Although many observers consider that Saif Al-Islam's proposals have no prospect of success, they do address one of the fundamental points that led to the failure of the electoral try in December 2021, and which currently prevent a constitutional consensus: the eligibility conditions of candidates to participate in the elections and the degree of inclusiveness of those elections. The Presidential Council multiplies contacts with political stakeholders and prepares its initiative, but its recent confrontation with the House of Representatives (HoR) makes the success of any inter-institutional compromise more difficult. Stephanie Williams also reflects about options overcome the deadlock and proposals could soon come out, possibly around the expected UNSC discussions on the UNSMIL mandate this month.

Tensions and rivalry between the two governments have continued, with a Dbeibah promoting elections (especially parliamentary, then presidential, and with the objective to ensure the continuity of his government (GNU) until the newly elected legislative and executive take over) and a Fathi Bashagha (FB) making efforts to show himself (and his GNS) as the country’s legitimate government. FB recent statement that he intends to enter Tripoli soon could lead to renewed tensions and instability.

The protests criticizing the political class for the poor living conditions of many citizens and for the ambition of many political stakeholders to cling to power at all costs, have vanished, at least for now. And with it, the temptations of the various political groups to use these movements in their favor and against their opponents.

Although the number of security incidents has been limited (the most significant being the temporary blockade of the Coastal Road west of Sirte by armed groups), the security situation continues to be particularly fragile and with a high risk of escalation due to the profound institutional crisis, the situation of competing parallel governments and the links between political leaders and militias.

In the economic field, the blockades to the production and export of oil continue, as well as the significant losses for the country in terms of resources. Struggle over the management of these resources remains a constant, with attacks by the GNU against the figure of the president of the NOC, Sanallah, and rumors of possible agreements between Dbeibah and Haftar to replace him/change the NOC board. For its part, the national electricity company strives to minimize blackouts and prevent in this way the anger of citizens.

1. **DETAIL**
   * + 1. Negotiations to overcome the current parallel government situation and to progress towards elections through an agreed constitutional framework and a proper legal basis have stalled. The HCS and the HoR do not seem able (or genuinely willing) to overcome that remaining obstacles. Affirming that all current institutions in Libya lack legitimacy, Stephanie Williams is expected to table new initiatives soon. PM Dbeibah continues to promote elections as the only solution for the crisis. Saif Al-Islam Gaddafi has announced a settlement which proposes two options: totally inclusive elections (everyone is able to participate and the voters make the choice), and the contrary (all controversial candidates out, including himself). It is to be recalled that the conditions for participating to the elections and subsequent vetting procedures were an unsurmountable obstacle for the 24/12/21 electoral attempt.
       2. The Presidential Council (PC) has for the time being maintained a rather neutral position in the ongoing power struggle. It is currently intensifying efforts and dialogue in view of presenting a plan to solve the crisis. The accusations of the HoR regarding the role of the PC in the riots that affected the Tobruk Parliament will not make their efforts any easier.
       3. Both executives have maintained pressure against each other, including by using economy-related “options” (without any concern for the impact that they may have on the country/population). Fathi Bashagha (FB) struggles to consolidate his position and that of the GNS as the legitimate government of Libya (after the adoption of the 2022 budget, he has recently focused these days on possible reforms of the security sector and plans to visit London soon in another attempt to gather foreign recognition). Reportedly, FB would be ready to a government reshuffle but on condition that this leads to the country-wide acceptance of this executive and its peaceful installation in Tripoli (recently, FB has stressed his intention to enter the capital city soon, considering circumstances ripe for such an action – certainly riper than last May, when his attempt failed).
       4. Recent civil demonstrations protesting for the poor living conditions and for the political deadlock have disappeared, at least for the moment. To note in this respect the general support to peaceful demonstration and freedom of expression (“politically correct” position by Libyan stakeholders), but the condemnation of vandalism and violence. In this respect, the LNA warned about the risks of violence and its possible exploitation by extremists. HoR chair, A. Saleh, accused the Presidential Council and Saif Al-Islam supporters to be behind the attack to the Tobruk Parliament.
       5. No major security incidents during the week. Possibly the most relevant was the temporary closing of the Costal Road (west of Sirte) by armed groups. No progress regarding the withdrawal of foreign fighters, with Turkey reaffirming its role by asking domestic authorisation to remain active in Libya and resisting inspection of some of its vessels by IRINI.
       6. The UNSC is expected to discuss the renewal of UNSMIL mandate in July. Turkey and Italy have reiterated their commitment to Libya’s unity and sovereignty. The Maghreb Union has invited its members to hold a specific meeting on Libya, while LY remains a topic in recent Algeria/Tunisia high level talks. The Arab league stressed that elections in Libya is the (only) way to recover the badly needed legitimacy of LY institutions.
       7. PM Dbeibah met the Governor of the Central Bank of Libya (CBL) and the Head of the Audit Bureau to exchange on major economic concerns (transparency of public accounts, oil blockade and its impact on power plants, medical treatments abroad, ...). Oil blockade is having a serious impact on the country’s revenues, with a loss approaching 4 billion USD in less than 3 months. Libya has decided to limit gas exports because of domestic needs. Efforts are being made to solve the power shortages through the imminent activation of new power plants (West Tripoli 1 and 2, gas power plant in Misrata). GNU Oil and Gas minister Aoun has stated his intentions to deepen relations with China. The NOC chairman, Sanallah, remains under pressure by the usual criticism of Aoun, but also by a possible deal between Haftar and Dbeibah to dismiss him through the appointment of a new NOC board. CBL governor Al-Kabeer was in London to discuss financial transparency (requirement by the UK financial authorities) and to inform about the reunification process of the CBL – process which may be ultimately jeopardized by the current political crisis.
       8. Over 600 migrants have been disembarked in Libya in one week (around 10.000 in the first 6 months of 2022). 21 migrant smugglers have been arrested in Janzour. 22 Malian migrants reported dead in the Mediterranean. But the heavy price that some migrants pay (their own lives) is not an exclusivity of the sea. 18 migrants and 2 Libyan citizens perished abandoned in the dessert in Southern Libya. 10 migrants were found dead in Niger, close to the Libyan border – it is assumed that Libya was their initial destination.
       9. The UN Fact-Finding Mission, whose mandate has been recently extended for 9 months, has documented 27 illegal detention centres in Libya. It has stated that around 100 sites in the nearby of Tarhuna should be investigated as possible location of mass graves.

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