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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 18/04/22 - Key issues**

1. **SUMMARY**

* ***The political battle of attrition between Libya’s parallel governments GNU (PM Dbeiba) and GNS (PM Bashaga) has further weakened both leaders and continued to empower the Parliament (HoR) Speaker Saleh, General Haftar and his National Army (LNA), in addition to their regional supporters. Although Tripolitanian militia maintain their reluctance to enter into armed conflict for their political leaders, the spectre of violence remains present.***
* ***A new format of Cairo talks led by UN SASG Williams on a constitutional framework for elections between the HoR and High Council of State (HCS) achieved little progress in substance. However, it re-instated the International Community (IC) at the helm of the political process, after the HoR Presidency’s unilateral action to pass their own roadmap and appoint a parallel government had all but derailed the existing international track.***
* ***An arrangement between the GNU and the National Oil Company (NOC) to unblock billions of US dollars in oil revenues, withheld at Libya’s Foreign Bank (LFB), provided the Central Bank (CBL) with much needed funds for salaries and government services. The arrangement, which could help the NOC to ramp up Libya’s oil production, was swiftly rejected by the GNS as a waste of public funds for activities of an illegitimate government. To underscore the rejection and increase political pressure, the LNA most recently ordered the shutdown of several important oil production and export facilities.***

1. **ASSESSMENT**

The continuous parallel government situation has led to further political attrition among the rival Misratan Prime Ministers Dbeiba (GNU) and Bashaga (GNS). Since the use of force would be a potential game changer in the ongoing confrontation, local militia have become increasingly wary of the intentions of their political leaders, and went public with their reservations on military solutions to the conflict. The most recent episode of another thwarted take-over attempt by the GNS PM, with the help of allied forces, resulted in prominent militia leaders issuing statements, in which they publicly warned the GNU and GNS PMs of any attempt to settle their power struggle through armed conflict between Tripolitanian security actors, as this could lead to the complete destruction of the capital.

As tensions are on the rise again, security actors see renewed necessity to remind the GNU and GNS leadership of their responsibility for any loss of life among Libyans, urging them to keep their conflict in the political realm. The current, and elsewhere most unlikely, situation that it is Libya’s militia leaders, who are calling on their political leaders for restraint, is a result of the highly fragmented security architecture in Tripolitania. Most armed groups are seeking to preserve the status quo, as the outcome of any armed conflict with the aim to resolve the political struggle is uncertain. Even the probable benefits, in terms of material or other gains, for the potentially victorious militias in such a fight, do not seem all too tempting for their leaders to be drawn into a possibly protracted battle for the capital.

While the political confrontation between Tripolitanian actors went into another round, the spectre of armed conflict continues to loom over it. General Haftar’s forces (LNA) have so far managed to remain on the fence, spurring the political attrition in Libya’ West by withdrawing its representatives from the 5+5 JMC cease fire committee, and ordering the closure of oil production facilities. With both sides in Tripolitania considerably weakened, and utterly unable to present any credible solution to the conflict, the HoR-Presidency and the LNA maintained their ability to swiftly escalate or de-escalate the conflict without investing much political capital, or showing any willingness to compromise with regard to their own political objectives.

As there is growing frustration in Libya, as well as among the International Community (IC), over the constant refusal of Libya’s political actors to constructively work on a compromise, the HoR-Presidency, Supreme LNA Command, and their regional allies will continue to promote the idea of an indispensable joint push by the IC to recognize the GNS, and eventually force PM Dbeiba out of office. This course of action being portrayed as the only possible solution to the Libyan crisis. However, there is no certainty that this approach would render the desired results. There are strong doubts about the notion that an eventual GNS take-over would generate satisfactory solutions without creating additional problems, or even exacerbating some of the current political impasses.

Against this backdrop, the UN SASG-led talks in Cairo currently do not seem to offer concrete avenues to alleviate or contain the ongoing power struggle between the parallel governments. Any attempts to link possible progress on the electoral and constitutional track with alternative solutions on the executive track, are categorically rejected by the HoR-LNA pro-GNS coalition and its regional supporters. Although SASG Williams clearly stated that the priority of the talks was to establish a constitutional framework for elections, initial reports from Cairo suggest that HoR and HCS could be tempted to use this forum to work towards preserving the status quo and delaying elections indefinitely. However, the new format proved successful in bringing the UN back to the helm of negotiations among Libyan actors, after the HoR Presidency’s unilateral action to pass their own roadmap and appoint a parallel government had all but derailed the existing international track.

The recent bilateral arrangement between the GNU and NOC to unblock oil revues withheld at Libya’s Foreign Bank (LFB) provided Libya’s Central Bank (CBL) with much needed funds. However, it does not necessarily constitute the budgetary breakthrough desired by the GNU, as observers assume that the CBL will largely respect the expectations of the IC and use the released funds predominantly for salaries and government services or subsidies, in addition to enabling the NOC to finance its operations and ramp up oil production. The Economic Working Group (EU Co-Chair) could be instrumental in following-up on these developments to ensure that the GNU refrains from using Libya’s growing oil revenues to finance GNU-loyal militia, or other dubious activities fraught with corruption.

An increase in oil revenues is basically in the interest of all Libyan actors, and the release of those funds from the LFB is a prerequisite to pay most salaries and subsidies for the consumption of Libya’s citizens, including those of the LNA. There are also indications that some of the transfers were tacitly signed off by the HoR Presidency. However, the above arrangement will continue to meet public opposition by the GNS and its HoR-LNA coalition, as an illegal measure by an illegitimate government ignoring the HoR’s budgetary authority. As a result, the LNA will continue to use its clout to shut down oil facilities to mount pressure on all actors including the IC to further reduce collaboration with the GNU and increase its isolation. As of today, with a current blockage of approx. 1/3 to almost a half of Libya’s oil production by the LNA, this pressure is at a critical high.

PM Dbeiba’s strategy of ignoring the LNA’s demands for salaries and the NOC’s longstanding grievances regarding its debts and operational costs until the last minute, vividly illustrates the archetypical attitude and actions of Libya’s political class. Key actors consistently show their unwillingness to constructively seek compromise and will only make concessions of minimalist nature in the last possible moment, when subjected to unsurmountable political pressure.

**DETAIL**

1. **Political situation**

Against the backdrop of the continuous parallel government situation in Libya, the coalition between HoR Presidency, GNS, LNA and their regional supporters continued their campaign to convince the IC that the latter had no choice but endorsing the GNS as Libya’s legitimate government, if the country was ever to reach some sort of stability in the near future. During the weekend, another attempt by GNS PM Bashaga to enter the capital area via Zintan with the help of troops loyal to the commander of Libya’s Western Military Region, Usamah Al-Jweili, was thwarted at the Libyan-Tunisian border crossing in Wazen by Tamazigh forces from Nalut that control the border area and are known to be supportive of the GNU, as well as for their rivalry with their Zintani neighbors.

Cairo hosted UN SASG-led talks between the HoR and the HCS on Libya’s constitutional track. Scheduled to continue until mid-week, the talks have reportedly seen some tactical withdrawals by individual members, but also the election of a chairperson and a rapporteur, in addition to the adoption of a committee statute, i.a. stipulating that all suggested amendments to the wording of the existing draft constitution must be submitted no later than 10/5/22. The participants further agreed to continue their consultations during the second half of May. The circulation of an alternative road map suggestion by individual committee members from both HCS and HoR, combining possible solutions to known problems (concrete timeline, parallel government situation, role of participating bodies under the Political Agreement, etc.) faced vehement push-back from various actors. As a result, any deviation of the talks from solely trying to identify possible solutions to controversial passages of the existing constitutional draft were swiftly denied. For the time being, the joint committee work appears to be running largely according to the HoR-adopted rules of the Constitutional Amendment number 12 (CA12), plus UN SASG presence, with no timeline for elections. In order to promote a counter-narrative in the public, the HoR spokesperson claimed in the media that successful negotiation on the CA12 track would result in elections within 14 months.

In the absence of a viable perspective for Libya’s political transition along the existing tracks towards elections after 30/6/22 (expiry of the existing international road map), the public debate continued to speculate that the Presidential Council (PC) could eventually move jointly with UN SASG to appoint an alternative care-taker government, and decree a constitutional basis for elections without the consent of HoR and/or HCS. Reports by media and analysts suggested that attempts by PC Chairman Al-Menfi to convince regional actors to endorse such move, faced staunch rejection by the Egyptian leadership.

1. **Libya in the international arena**

Regional media reported that Egypt and Turkey could soon enter into negotiations between their respective intelligence agencies to explore possible avenues towards a mutual understanding regarding the current political impasse in Libya. However, Egypt would remain steadfast in unconditionally demanding the hand-over of power to the GNS, unless Turkey would be willing to provide credible guarantees regarding the future of its military presence in Libya, as well as the Egyptian share in relevant reconstruction contracts to be awarded by the Libyan government.

Libya’s Foreign Ministry (MFA) condemned the recent actions of Israeli security forces in and around the Al-Aqsa mosque by Israeli security forces in the strongest possible terms.

1. **Security and security-related matters**

The PMs of both parallel governments conducted various meetings with influential militia leaders in Misrata/Tripoli and Tunis respectively. Each side disseminated their own narrative on such meetings, either suggesting the coordination of defensive measures against take-over attempts by an LNA-led coalition, or preparing arrangements for a non-violent assumption of power by the legitimate GNS. At one point, the involved militia leaders disseminated a narrative of their own by issuing a statement that projected the meetings as efforts to prevent politicians from resorting to violence to settle their political differences. By the same token, the militia representatives held Libya’s political leaders and the UN responsible for any potential bloodshed in Libya. In the aftermath of his failed attempt to enter the capital area via Zintan, GNS PM Bashagha publicly welcomed the aforementioned statement.

The GNS continued to disseminate the narrative of its superiority in Tripolitanian militia support over the GNU, underscoring its ability to establish facts on the ground by force at any given moment. The continuous influx of news on imminent take-over attempts by the GNS, repeatedly led to ad-hoc redeployments of the GNU’s recently established “Constitutional and Electoral Protection Force” to and within the capital. The force combines various units of different militia forces loyal to the GNU, including from Misrata. The GNU currently utilizes this force to swiftly and demonstratively respond to news on imminent GNS take-over attempts or related movements of militia loyal to the GNS.

After the LNA representatives had suspended their participation in the JMC 5+5 in protest of the IC’s failure to endorse the GNS, in addition to other related grievances, UNSMIL Coordinator Zenenga travelled to Benghazi for talks with the LNA 5+5 members, which reportedly succeeded in mending relations between UNSMIL and the LNA 5+5. However, after the recent GNU-negotiated release of an additional 6 bln USD in oil revenue to the CBL, and the failure of GNS PM Bashaga to enter the capital area via Zintan, the LNA reportedly ordered the closure of several important oil production facilities throughout Libya. The implementation of such LNA-orders is reportedly coordinated by Bilqassem Haftar, son of LNA supreme commander Khalifa Haftar.

1. **Economic issues**

The rise in political tensions related to the distribution of oil revenues, and the continued failure of the GNS to take up office in Tripoli, resulted in the shutdown of several of Libya’s oil production and export facilities by local actors, reportedly by orders from the LNA leadership. As of date, the outage amounts to roughly between 1/3 and half of Libya’s daily oil production capacity. As a result, the NOC had to declare force majeure on its inability to fulfill obligations vis-a-vis related supply contracts. Against the backdrop of the current political stalemate, observers expected such instances to reoccur with increased frequency. In a statement, the NOC today further warned that the current closures would negatively impact power generation in various parts of Libya, including the East of the country.

After recent efforts by the Economic Working Group (EU Co-Chair) of the Berlin Process to establish a mechanism to shield Libya’s oil sector and Central Bank (CBL) from increasing political polarization, the GNU managed to negotiate a preliminary understanding with NOC in order to release most of its revenue funds that were previously held at the LFB. Following the recent understanding, approx. 8 bln USD were released in two installments (2 + 6 bln USD) to the CBL, whose governor Al-Kabir had been running a technical deficit of approx. 4 bln. USD since the beginning of the year. In a statement, GNS Finance Minister Hammad criticized the aforementioned transfer of funds from NOC/LFB to the CBL and held all involved institutions accountable for any potential misappropriations of these funds for political purposes in favor of the GNU.

In a related development, the GNU publicly launched its “National Development Plan for the Oil and Gas Sector”, which is designed to allocate 10 bln USD to the NOC in 2022 under budget chapter III. The allocated amount corresponds to the previously known NOC requirements to cover for its existing liabilities and most pressing maintenance and development needs. The projected increase in Libya’s oil production under the plan could amount up to 200,000 barrels/day. The plan with its substantial allocations that precisely address the NOC’s previously known grievances, is part of the aforementioned understanding between GNU and NOC, which was negotiated through a special committee recently established under GNU PM Decision number 154.

1. **Human Rights & Migration**

GNU PM Dbeiba continued his recent outreach to conservative and religious actors by publicly promoting their values and endorsing their activities. He paid a joint visit with GNU Minister of the Interior Mazen to the Tripoli headquarters of the Internal Security Agency (ISA), which was responsible for a recent campaign of arrests involving human rights abuses against civil society actors for activities allegedly promoting atheism in collaboration with INGOs. During the visit, the GNU highlighted the ISA’s significant role in controlling food prices and preventing fuel smuggling. PM Dbeiba reportedly also officially approved plans by Libya’s Mufti to establish private religious schools offering primary and secondary education tracks.

At least 53 migrants were reported dead or missing off Libya’s coast this week.

*Signed-off: José Antonio SABADELL, HoD*