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| **DELEGATION OF THE EUROPEAN UNION TO LIBYA** | | |
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|  | **Classification:**  UNCLASSIFIED |  |

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**To: *Fernando GENTILINI, Managing Director for Middle East and North Africa***

**Subject: Libya – Weekly of 25/04/2022 – Key issues**

1. **SUMMARY**

* ***The Libyan political stand-off opposing two parallel governments (National Unity/GNU vs. National Stability/GNS) has entered a renewed escalation with an oil blockade currently affecting about half of the country’s production and exports’ capacity. While presented as an expression of the will of aggrieved communities seeking reparation, the seemingly coordinated closures have likely been instigated by the LNA leadership.***
* ***Whereas it remains uncertain whether the shutdown was decided in consultation with the House of Representatives (HoR) appointed GNS PM Bashagha or not, the measure could now be leveraged to further undermine GNU PM Dbeibah. Moreover, Bashagha could showcase his engagement with Eastern-based actors and his intervention in favour of a swift resolution to promote the national unity narrative of his administration.***
* ***Since the oil blockade provides the GNS-HoR-LNA coalition with a pressure card for international recognition, the GNU appears more isolated. This may have prompted Dbeibah to seek a more decisive intervention from neighbouring Algeria and Tunisia to counter-balance the emergence of a scenario in which Egypt could exert a hegemonic influence over Libya.***

1. **ASSESSMENT**

After the launch of the GNU’s National Plan for the Development of the Oil and Gas Sector and the concurrent transfer of revenues from the NOC to the CBL, a blockade was widely expected. Public discourse immediately linked the current closures to the recent release of oil revenues based on the reasoning that GNU PM Dbeibah depends on the availability of State funds to retain the support of militias and armed groups. However, the ongoing shutdown won’t have an immediate effect on the GNU’s capacity to sustain public spending. Besides, the blockade was already one of the sanctions called for when LNA representatives announced their withdrawal from the 5+5 JMC.

Despite much speculation the oil shutdown may indicate an emerging rift within the GNS-HoR-LNA, the measure could also merely be read as a jointly designed attempt to pressurize the international community into endorsing the GNS. Even so, without a swift resolution to the latest escalation, the credibility of GNS PM Bashagha could suffer from his perceived failure to rein in his Eastern-based backers.

In addition to GNU PM Dbeibah’s adamant refusal to step down before the holding of elections, the issue of outstanding LNA salaries could embolden supporters of the ongoing shutdown and result in a protracted crisis. Whereas Dbeibah instructed military and security agencies to take measures against the closure of oil fields, no concrete evidence suggests a genuine intent to seize oil and gas infrastructure currently under LNA control. Given that the GNU has little to no influence outside the capital Tripoli, a scenario in which GNU aligned forces would takeover oil facilities by force is unrealistic.

For now, the only sign a lifting of the blockade could be decided in near future lies in the assumption the GNS PM Bashagha’s might be trying to woo the international community by successfully negotiating a way out of the latest predicament. At a time when oil prices have hit a record high, the blockade has repercussions on both the Libyan economy and the global markets. Bashagha’s engagement with the East and his visit to the Oil Crescent with a view to facilitate a solution could, in the event of a positive outcome, be critical in shaping a narrative favourable to the GNS. Alternatively, should the oil blockade remain in place, the GNS could also go ahead with pulling off a HoR-approved budget as a token of its capacity to broker a resolution.

The GNS’ choice to conduct its first official cabinet meeting in Sabha carries multiple meanings. It sends a clear message the Bashagha-led administration is determined to take up office despite its so far unsuccessful attempts to enter the capital. By convening in an area which has largely remained out of the GNU’s reach, the GNS is pointing out its alliance with the LNA which in turn controls a majority of the Libyan territory. However, a gathering outside Benghazi or Tobruk also allows Bashagha to distance himself from the perception he’s a junior partner in an Eastern-influenced coalition.

The symbolic decision to meet in Sabha and the explicit mention of border security in the South also heralds the promise of an increased attention to the development and fragile conditions of a historically marginalised region. This declared shift in focus could earn the GNS some support among Southern notables and tribal leaders. Moreover, the GNS’s capacity to portray itself as addressing security issues of wider regional concern (*e.g.* transborder terrorist networks, illicit smuggling and trafficking activities, etc.) could also be instrumental in promoting its positive image among international powerbrokers.

The chain of recent events suggests the GNS-HoR-LNA alliance is increasing pressure to further undermine the GNU leadership and to convince the international community of endorsing its taking up of power. Meanwhile, as the SASG has embarked on a tour to brief various stakeholders upon her return from Egypt, it looks like the UN is taking the front seat in negotiations bringing Libyan actors back to an international roadmap. However, the upcoming Cairo-hosted talks will need to address substantial points of contention with no real incentive for the participants to expedite a way out of the *status quo*. Whereas Algeria and Tunisia had so far remained comparatively discreet with regards to the Libyan crisis, a more public stance expressing support for GNU PM Dbeibah appears to signal their readiness to more actively oppose Egypt’s perceived excessive influence.

**III. DETAIL**

1. **Political situation**

The Cairo-hosted talks on a constitutional framework enabling future elections concluded on 18/04. In her closing remarks, UN SASG Williams praised the consensual atmosphere in which the meeting between members of the HoR and the High Council of State (HCS) took place, while nevertheless conceding no substantive agreement on outstanding points of contention had been achieved. Following the adoption of the Joint Committee’s rules and regulations (including the appointment of a HoR chairperson and a HCS rapporteur), participants are scheduled to reconvene in Cairo after the celebrations marking the end of Ramadan. In the meantime, the SASG has embarked on a tour of meetings to brief stakeholders on the outcomes of the consultations held in Egypt.

Briefing GNU PM Dbeibah, UNSMIL leadership highlighted the priority of holding elections as soon as possible, but also the necessity of ensuring a clear timeline. This emphasis contrasts with the fact the joint committee’s works have so far not addressed the issue of a concrete calendar except for the HoR’s occasional claims the successful negotiation of a constitutional pathway will result in elections within 14 months. Recalling the importance of preserving calm on the ground, the SASG also urged Dbeibah to refrain from the politicization of oil revenues by guaranteeing the payment of state salaries independently of political affiliation or organisational belonging. The appeal comes after the HoR Security and Defence Committee accused the GNU of continuing to withhold long overdue wages to security personnel in the East and the South (*i.e.* LNA and ISA staff).

The HoR-designated GNS PM Fathi Bashagha was engaged on the same issues during a telephone conversation with the UN SASG, who stressed similar messages regarding the need to define an electoral timeline and to abstain from weaponizing oil production for political purposes. The call came only hours after Bashagha officially convened his first cabinet meeting in Sabha. In his opening speech, he outlined his administration’s priorities – notably the GNS’ draft budget, the securing of Libya’s Southern border and the lifting of the oil blockade which he directly linked to the issue of management of the industry’s revenues. Declaring his intent to reach out to the people involved in the oil field closures, he visited the Oil Crescent over the weekend. Concluding the region suffers from legitimate grievances, he nevertheless called for the swift resumption of oil production.

UN SASG Williams and acting SRSG Zenenga also briefed the Head of the Presidency Council Mohammed Menfi and his two deputies, Mussa Al Koni and Abdullah Al Lafi. Against the backdrop of the latest wave of oil closures, the GNU’s failure to pay LNA wages was discussed as one of the grievances put forward by the Eastern representatives who recently suspended their participation in the 5+5 JMC. Menfi and his deputies stressed the need to resume oil operations while also echoing the international community’s calls to shield the oil and gas sector from political disputes.

HoR Speaker Aqilah Saleh urged the Attorney General to hold to account anyone contravening the Parliament’s instructions to end all formal interaction with GNU representatives. An official letter was addressed to judicial authorities, as well as other key State institutions (*e.g*. Central Bank, Audit Bureau, Administrative Control Authority) in reference to an initial circular exhorting all State officials to disregard decisions issued by the GNU.

Increased speculation in relation to alleged meetings taking place in foreign capitals between prominent LNA representatives and GNU affiliated figures have fuelled rumours of tensions within the GNS coalition – with the ongoing oil blockade portrayed as the reflection of Bashagha’s inability to control his Eastern-based allies. However, in a context of fierce disinformation campaign and opposing narratives competing for legitimacy, no clear evidence has emerged to substantiate these claims.

1. **Libya in the international arena**

Only two weeks after his MoFA’s visit to Algeria, GNU PM Dbeibah was received by President Tebboune whom he reportedly briefed in view of an international conference on Libya which Algeria is considering to host. In an apparent attempt to counter Algiers’ initial perceived ambiguity towards the protracted dispute opposing the GNU to the GNS, Dbeibah reiterated claims his government can count on Algeria’s unconditional support – including with regards to his ambition to hold legislative elections soon. He also referred to the international community’s influence in Libya by declaring the sovereignty of the country draws its legitimacy from an international decision – thus alluding to the fact his government was born out of an UN-facilitated process by contrast with the HoR-appointed GNS. Days later, replying to a question raised during a TV interview with local Algerian media, President Tebboune echoed this statement.

Unverified media accounts reported GNS PM Bashagha’s high-level meetings in Tunis over recent weeks prompted Kaïs Saïd’s government to issue a warning demanding he refrains from engaging in political activities while on Tunisian soil. Recent discussions on border security issues between GNU PM Dbeibah and the Tunisian Ambassador to Libya came shortly after mounting allegations Bashagha was preparing to enter Tripoli crossing a Tunisian border post. In view of Bashagha’s eventual departure, the GNU’s large-scale upcoming State visit to Tunisia signals a possible rapprochement between GNU PM Dbeibah and the Tunisian President.

On 19/04, a UNSC session on Libya was held behind closed doors ahead of negotiations on UNSMIL’s mandate scheduled for renewal on 30th April. USG DiCarlo provided a briefing on the present situation, addressing *i.a.* the ongoing oil blockade, the current political stalemate and the recent suspension of the 5+5 JMC. The closed consultations were marked by Russia’s confrontational approach expressing criticism of the draft submitted by the Council’s present penholder (UK) which proposes a substantive one-year extension and lays emphasis on the necessity for Libyan authorities to find a successful pathway to elections. China is supportive of a technical rollover (until July) citing the evolving situation on the ground. In light of the divisions among UNSC members recently exacerbated by the conflict in Ukraine, the nomination of an SRSG is expected to prove a major sticking point.

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

Reports indicating the GNU disbursed April salaries for Western-based security personnel ahead of Eid Al Fitr while simultaneously withholding wages for security forces in the East and the South deepened discontent among LNA affiliated groups. In addition, it raised concern among international actors that the NOC’s decision to transfer 8 billion USD of frozen oil revenues to the CBL enabled the GNU’s politically motivated public spending – including in transfers to armed groups and militias. Considering the outstanding paychecks were already listed among the grievances formulated by 5+5 JMC LNA members when they demanded Haftar imposes an oil blockade, a selective disbursement of funds plays into the narrative of the GNU’s intransigence being responsible for the political crisis.

ISIS reportedly claimed an attack in the Southern town of Umm Al Aranib. According to a statement issued by LNA forces, the remotely detonated explosive device (VBIED) targeted a LNA position. No casualties were officially recorded – a claim contested by unverified reports. The incident was followed by the LNA’s announcement of an extensive operation against ISIS-affiliated cells in the area. Beyond the persisting threat posed by the scattered presence of extremist cells in a Southern region flanked by porous borders, this attack is a reminder that the division of military/security structures has created a vacuum hampering effective intelligence sharing.

The return this week of former Islamist fighter Abdel Hakim Belhaj to Libya from his years-long exile in Qatar fuelled a public discourse denouncing GNU PM Dbeibah for ostensibly surrounding himself with hardliners. Seemingly seeking to compensate the insufficiently pugnacious support he has received from Tripolitanian armed groups, these ideologically motivated supporters rejecting any expression of alignment with Haftar appear as more reliable allies should there be a renewed attempt by the GNS to takeover the capital. Riding on the wave of speculation around GNU affiliated actors having deliberately facilitated and/or coordinated the latest ISIS operation against LNA, Bashagha publicly accused Dbeibah of financing the terror attack.

1. **Economic issues**

Libya’s prolonged political stalemate has now translated into an economic predicament with about half of the country’s oil operations being currently halted by politically motivated blockades. Following the first closures of oil fields imposed by protesters on 17/04, NOC announced a cascade shutdown across its facilities, which forced it to declare a *force majeure* in production and exports.

Whereas the shutdowns are locally implemented by various groups alleging their rejection of the GNU’s policies, recent history demonstrated LNA Commander Haftar’s ability to leverage popular resentment of communities living in impoverished areas around the oil sites. Based on the coordination observed across the various locations and given the Eastern 5+5 JMC’s prior warning, it is believed orders were directly issued by Haftar. However, it remains debated at this stage whether the decision was taken in consultation with his coalition partners GNS PM Bashagha and HoR Speaker Saleh. Considering its impact on global markets in a context of all time high oil prices, the ongoing oil blockade may also have been previously discussed with Haftar’s regional backers.

A sustained shutdown on production and exports could affect not only State revenues but also national critical infrastructure. As the NOC warned of the damage that closures entail for wells and equipment, the blockade also affects the production of power with negative consequences on the stability of the electrical grid and the availability of water supplies.

1. **Human Rights & Migration**

According to the latest figures released by IOM, more than 4000 migrants were intercepted off the Libyan coast and returned to shore since the beginning of the year. The report added that among those disembarked, 169 were minors.

*Signed-off: José Antonio SABADELL, HoD*