



**INSIDE
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FOREWORD

The Regional Program Political Dialogue South Mediterranean (PoDiMed) of the Konrad-Adenauer-Stiftung (KAS) in cooperation with LIBYA DESK™ is delighted to present our fourth monthly report on Libya. 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 contextualization of developments in the wider Libyan context. The report is 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 emphasize the most important events within Libya and aim to give a better picture of what happens “Inside Libya”.

Based on existing KAS-PoDiMed formats such as the Libya Brief and the Libya Task Force, we consider it necessary to shed light on the dynamics within Libya and to emphasize 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.** UNSMIL's continued efforts on the political track open the way to a transitional phase beyond long-standing divisions and sets a date for national elections in December 2021.
- 2.** A fragile and dangerous reality on the ground driven by poor basic services, lack of liquidity and insecurity threatens the ability of the Libyan Political Dialogue Forum (LPDF) to fulfill its potential and initiate a peaceful transitional phase.
- 3.** Lack of progress on the military track threatens the political roadmap.
- 4.** The LPDF unnerves many members of Libya's political elite. Clientelism and political manoeuvres to avoid an overhaul of the political landscape are their response to the UN-led process.
- 5.** LNA moderates are losing ground to hardliners who reprove lack of progress on military, economic and political tracks.
- 6.** On the ground, Libyans are still not seeing considerable improvements in their security and livelihoods.
- 7.** Faced by marginalisation, the Central Bank of Libya fights back against the Government of National Accord and National Oil Corporation, thus endangering the agreement to reopen oil assets.
- 8.** Oil output is slated to reach 1.3 million barrels per day by end of year while increased gas output strengthens recovery of the electricity sector. .
- 9.** As domestic and international flights resume, infrastructure projects are being considered to leverage Libya's location for international connectivity.
- 10.** The lack of coordination between the economic, military and political tracks risks causing a resurgence of warfare in Libya as Libyan actors reap little benefits from ongoing dialogue.

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TALKS IN TUNIS BRING ROADMAP TOWARD ELECTIONS

UNSMIL's political track opens the way to a transitional phase beyond long-standing divisions and sets a date for national elections.

After weeks of preparation, the United Nations Support Mission in Libya (UNSMIL) initiated its political track with the launch of the Libyan Political Dialogue Forum (LPDF) in early November. This forum might not have yet achieved all its objectives, but it has made considerable progress, not only for setting a roadmap toward elections but also giving a larger platform than usual to Libya's youth and women groups. From 9 to 15 November, the 75 participants to the LPDF – 13+13 selected by the House of Representatives (HOR) and High Council of State (HCS), with the rest selected by UNSMIL and Libyan rival parties – designed a “Preparatory Phase for a Comprehensive Solution” meant to begin with the declaration of the LPDF's outcomes and end with the holding of presidential and parliamentary elections on 24 December 2021, a symbolic date that marks Libya's Independence Day.

Participants in the LPDF agreed that during this transitional phase, the executive authority will consist of the Presidential Council and a Government of National Unity which will be tasked with reunifying state institutions, providing security and basic services to the people and re-establishing legitimacy to Libyan institutions before elections are held. In this framework, the Presidential Council is meant to guarantee Libyan unity as each of the country's three regions will be represented by its three members, with its President likely to be from the eastern region. In return, the Prime Minister, who will govern alongside two deputies, is slated to be from the west of the country with figures such as Abdulhamid Dabaiba, Fathi Bashagha or Ahmed Maiteeq currently vying for the role. Nonetheless, with 60% of LPDF participants voting that no politician holding office since 2014 should rule the transitional phase, there is also a strong possibility that the next Prime Minister will be a lesser known figure.

To tackle concerns about a year-long transitional phase, the LPDF has agreed upon mechanisms to guarantee implementation of the agreed roadmap and avoid the Skhirat agreement failures. The preliminary roadmap agreed by the LPDF will give 60 days to institutions like the HOR and HCS to establish constitutional arrangements for the elections and agree on new appointments for key sovereign public institutions as part of the effort to unify state institutions ahead of the proposed elections. In case the HoR and HSC fail to agree within the 60 days' time frame, the responsibility for completing

these tasks would be referred back to the LPDF. The HCS Chairman, Khalid al-Mishri, has already proposed the symbolic date of 17 February 2021 to hold a referendum on a new constitution and celebrate the 2011 revolution. In regards to selecting new figures for the executive authority and sovereign institutions, the second round of the LPDF was held virtually between 23 and 25 November to reach an agreement on the process of selecting a new Presidential Council and a Prime Minister. However, it did not bring much result as a bloc of 34 participants rejected the remote voting mechanism, arguing that they would prefer to decide on such matters in person to ensure more transparency.

Bound by the 75% majority voting rule, the LPDF has prioritised deliberation and consensus over expediency. This has allowed for the participation of youth and women groups in advisory sessions where about 120 women from all walks of life were given the floor to voice their concerns and share their hopes. These non-political participants formed a critical mass that derailed many plans championed by the usual status-quo supporters and brought propositions meant to solve Libya's crisis instead of simply finding power-sharing agreements. Indeed, both advisory and plenary sessions gave the Acting Head of UNSMIL, Stephanie Williams, the impression that a "paradigm shift" had the potential to occur with the focus being taken away from transactional power-sharing arrangements to deliberations where responsibility is shared to avoid chaos in Libya. For instance, the LPDF's roadmap includes a 30% quota for women in high positions and a 20% quota for youth could also be pursued. The High National Electoral Commission (HNEC) has been pledged 50 million LYD (€30.9mn) by the Presidential Council to prepare for elections. The LPDF as a whole is gaining popular support and capturing the imagination of many Libyans who hope for a fresh start, away from political old-timers.

LPDF BETWEEN PROGRESS AND REALITY ON THE GROUND

Lack of progress on the military track threatens the political roadmap.

Notwithstanding developments outlined above, the LPDF is yet to be accompanied by significant progress on the military track. The Joint Military Commission (JMC) signalled tighter consolidation by symbolically calling itself a group of 10 instead of the usual "5+5" designation, but it also faced growing obstacles to its mission, particularly from hardliners within the Government of National Accord (GNA) who issued incendiary statements or outright re-

futations regarding some of the JMC's work. Over the month of November, the JMC met for the first time inside Libya for its fifth and sixth meetings in Ghadames and Sirte. The Commission sought to operationalise the ceasefire agreement by forming several sub-committees tasked with addressing items such as prisoner exchange, hate speech, collection of information on heavy weaponry and vehicles, and a number of other issues. It also facilitated the unification of the Petroleum Facilities Guard (PFG) in Brega, and activated a Joint Operation Room to oversee the withdrawal of foreign forces into barracks and reopen roads linking eastern and western Libya.

However, the opposition of the GNA's Sirte-Jufra Operations Room to the JMC's decisions have suspended any progress in the withdrawal of forces and the reopening of the coastal road linking Sirte to Misrata and Tripoli. Instead of making preparations for retreat, both sides of the conflict have continued if not accelerated their military procurement from Turkey and the United Arab Emirates (UAE). On the GNA's side, military cargo flights were monitored arriving at al-Watiya airbase and Misrata, while the European Union's naval force Operation IRINI intercepted several Turkish ships suspected of violating the UN arms embargo imposed on Libya. Moreover, Turkish military specialists have continued to train GNA soldiers despite the suspension of such activities entailed in the formal ceasefire agreement signed on October 23. On the other hand, the airports of Benina, al-Jufra and al-Gardabiya, controlled by the Libyan National Army (LNA), have also seen intense cargo aircraft activity while military outposts between Sirte-Jufra have been fortified and equipped with new air defence systems. All these developments are signs that the most important step toward peace in Libya — namely, the achievements reached on the military track — is endangered as both sides continue to prepare themselves for a showdown that may erupt suddenly and violently if the political and economic tracks reach an impasse.

The fact that the military, political and economic tracks are parallel negotiations is particularly challenging to UNSMIL as it creates sequencing issues and demands more coordination between the three tracks. As an example of these difficulties, GNA hardliners refuse to reopen the coastal road as long as LNA troops do not withdraw from Sirte. In turn, the LNA refuses to withdraw from Sirte as long as the economic track does not lead to a wealth distribution agreement set in stone. Without such an agreement, leaving Sirte would mean allowing GNA troops to gain a solid footing in Libya's Oil Crescent from where they could eventually capture oil fields, thus neutralising the LNA's ability to apply another oil blockade and reach its objectives. This demonstrates that political, economic and military issues are closely

interconnected for Libyan actors and displays the challenges as well as the limitations of negotiating on three parallel tracks without having a forum that can unify or enforce the outcomes of each track.

CLIENTELISM AND POLITICAL OPPORTUNISM TAKE CENTRE STAGE

The LPDF unnerves many members of Libya's political elite. Clientelism and political manoeuvres to avoid an overhaul of the political landscape are their response to the UN-led process.

In addition to being faced with the military reality on the ground, the political track's progress is faced with two other problems: namely, accusations of corruption levelled by LPDF participants and the continued opportunism of Libya's political elites.

Although concerns over a lack of transparency at the forum had been raised by a number of Libyan actors, the LPDF struggled to adequately address them. In order to avoid inaccurate news, UNSMIL decided to monopolise communication channels; it also chose not to televise the sessions. In this context, 56 LPDF participants levelled allegations of bribery and threats within the UN-led process, harming the standing of the forum as the debate shifted to the issue of systemic corruption in Libya and whether UNSMIL was able to prevent clientelism and outside interference from seeping into the forum. As a result, UNSMIL referred those allegations to the UN Panel of Experts and the Libyan Public Prosecutor for an independent and thorough investigation. It is however highly unlikely that domestic institutions like the Public Prosecutor's office will show enough impartiality and resolution to tackle an issue that would have wide reaching ramifications for the country's political class.

Indeed, Libyan politicians have been particularly silent on the topic of bribery, either fearing reprisals for speaking out or simply for the purpose of not incriminating themselves. In this current phase, members of Libya's political elite are doing everything they can to ensure their political survival and ensure the LPDF does not remove their prerogatives. The vote to ban sitting officials from taking part in the next transitional phase, as well as the possibility for the LPDF to decide upon the constitutional process, have all been met with scepticism or outright rejection by well-known figures. Those feeling sidelined by the process have already started to work on their own political track and engaged with rivals to guarantee their longevity in Libya's political system. While such attempts could be perceived as political clair-

voyance and a desire to bring a solution by all means, they are more likely to be manoeuvres meant to interfere with UNSMIL's mandate.

For instance, following the third round of the Bouznika dialogue in Morocco, both the HOR and HCS delegations declared their readiness to take over the political track should the LPDF hit an impasse. The HOR Speaker Agila Saleh has been quick to highlight the LPDF's inability to form a new executive authority following its second round and emitted doubts as to whether participants actually wanted to solve Libya's crisis. These views were reiterated by several MPs who questioned UNSMIL's selection of participants, accused UNSMIL of marginalising the HOR and of setting an unelected legislative body that would steal the HOR's legitimacy. As a result, members of the Tobruk-based HOR and the Tripoli-based HOR mended ties and agreed to convene in Tangier from 23 to 28 November in a meeting of 112 MPs that was not brokered by UNSMIL. While this meeting has been presented as a positive step toward unifying state institutions and facilitating the political process, the political opportunism demonstrated by the two branches of the HOR in the face of a shared existential threat should not be overlooked. Agila Saleh's trip to Moscow at the end of November is also another indication that those feeling sidelined by UNSMIL will attempt to tie their fate to other processes.

EASTERN LIBYA'S SITUATION GROWS FRAGILE

LNA moderates are losing ground to groups who reprove lack of progress on military, economic and political tracks.

Key constituents of the LNA are growing restless over issues of wealth distribution, Turkey's continued footprint in the country and corruption within the LNA's own ranks. It is becoming harder for Khalifa Haftar to justify current concessions with regards to military operations or oil facilities when the perception within some circles of eastern Libya is that the rival side is either unwilling or unable to apply the ceasefire agreement and concede to distributing oil wealth on the economic front.

In fact, pressure is mounting from hardliners who dismiss the GNA's ability to disarm militiamen and expel Turkish-backed mercenaries. LNA hardliners believe that the LPDF will ultimately be hijacked by politicians close to the Muslim Brotherhood and refuse to allow the transitional government to be seated in Tripoli, a city they believe will continue to be ruled de facto by militias. However, hardliners are not the only ones to question Haftar's current

waiting game. Many social activists, tribal leaders and civil society figures have spoken out against economic hardship in eastern Libya and the perceived profiteering or corruption of Haftar's relatives, particularly of his son Saddam. Simultaneously, Hanan al-Barasi, a social activist critical of known individuals associated with eastern Libyan armed groups was gunned down in broad daylight in one of Benghazi's busiest streets on 10 November. She had notoriously criticised Saddam Haftar for his wealth, crimes, and questioned his military rank in the LNA despite not having undergone formal military training. Albeit unable to attribute the killing directly to the LNA, this assassination is a testament of the level of social tensions within eastern Libya.

Privy to these tensions, Khalifa Haftar has redoubled his efforts to tackle popular demands. In early November, he directed a review of the high prices of fodder for the sake of cattle farmers and to declutter ports' stocks. He also started to regularly meet tribal delegations from southern Libya and Sirte, along with a number of influential social and political figures to reconsolidate his support base. More importantly, he initiated a large Disarmament, Demobilisation and Reintegration (DDR) campaign in greater Benghazi as well as in southern Libya, particularly in Sebha and Kufra. It is clear that by connecting with figures whose social capital is important and applying a security campaign, the LNA is seeking to regain its legitimacy and ensure the unity of eastern and southern Libya's many groups around Khalifa Haftar.

Starting on 12 November, a joint security operation between the LNA and the Interim Government's Interior Ministry saw the creation of a Security Room of Greater Benghazi headed by Chief of General Staff General Abdul Razeq al-Nadhouri. Tasked with imposing the rule of law, eliminating criminal gangs and dealing with abuse of power within the security and military apparatus, the Security Room evacuated military headquarters in central Benghazi, Sayeda Aisha, al-Baraka and al-Sabri. A hotline to report instances of illegal land seizure was also introduced to apply Haftar's pledge made in September to redistribute land that had been illegally seized by armed groups. The LNA also ended its probe against Major General Bilgassim al-Abaj and dispatched the commander to southern Libya, where the security situation remains volatile. Indeed, there have been clashes against organised crime groups in Sebha on 25 November and the alarm has been raised over potential Islamic State (IS) attacks on southern oil facilities. On 28 November, the LNA's 116th Brigade also carried out an operation in Ubari where seven Al Qaeda in the Islamic Maghreb militants were arrested, including an Al Qaeda commander.

The LNA was also undermined by the death of veteran Wanis Bukhamada, an acclaimed military commander of the Special Forces who had been critical in dealing with social issues in the east and ensuring that the LNA coalition did not collapse following the failed offensive against Tripoli this year. Bukhamada was given a state funeral and was swiftly replaced by Major General Abdul Salam al-Hassi, former commander of the Western Region Operations. Al-Hassi's assignment, as well as renewed confidence given to al-Abaj, show that the LNA is careful in choosing commanders from powerful tribes and with good negotiation skills so as to maintain cohesion in its territories. However, it remains to be seen whether these new appointments and the security operation reap enough benefit for the LNA to tame tensions and avoid civil unrest. If not, it might be pressured to act militarily so as to guarantee internal cohesion and show the GNA that its patience has limits.

LIBYA SEES SUSTAINED LEVELS OF INSECURITY AND HUMANITARIAN CRISIS

On the ground, Libyans do not see considerable improvements in security and livelihoods.

Acting SRSG Stephanie Williams said that the situation in Libya remains “fragile and dangerous” as the country suffers from poor basic services, lack of liquidity and insecurity. This has greatly impacted the humanitarian situation throughout 2020, so much that the number of Libyans in need of humanitarian aid has increased by 40% this year. This deteriorating situation is compounded by health conditions. Libya is not only facing growing numbers of Covid-19 cases that have led several officials to consider new lockdown measures, it is also lacking basic vaccines for children such as hexavalent, BCG, oral polio or measles vaccines. Overall, about 1.3 million Libyans are thought to be in need of humanitarian aid and 250,000 newborns are falling victim to a lack of vaccines due to disrupted supply chains and the closure of many medical centres throughout the country.

On the security front, western Libya continues to experience lawlessness with armed groups clashing with each other or storming government buildings. In early November, clashes erupted in Tarhuna between the Special Deterrence Force (SDF) and the al-Naji militia as the former sought to apply the General Prosecutor's orders. Later this month, Libyan citizens taking the opportunity to fly from Benghazi to Tripoli after months of airports' closure were arrested by an unknown armed group, an act that was denounced by the GNA's Interior Ministry but also demonstrates suspicion toward eas-

terners and the GNA's inability to control armed groups in strategic locations such as Tripoli's Mitiga Airport. This month, the Libyan Administrative Control Authority (ACA), as well as the National Oil Corporation's headquarters, were unsuccessfully stormed by armed groups who were unhappy with those in charge of ACA or recent changes in the board of directors in NOC subsidiaries, i.e. Mellitah, AGOCO, Harouge and Zallaf.

Of note, the issue of foreign hostages is also gaining more attention from the international community. This issue concerns both the LNA and GNA as both sides have captured foreign nationals as leverage against the foreign backers of their rival camp. In eastern Libya, there are 18 fishermen who came from Italy and 4 Turks who worked in a Turkish dessert store in Sirte who have been held since September and early 2020 respectively. In western Libya, one Russian and his Libyan translator have been in captivity since early 2019.

LACK OF PROGRESS IN ECONOMIC TRACK CREATES TENSIONS

Faced by marginalisation, the Central Bank of Libya fights back against the Government of National Accord and National Oil Corporation, thus endangering the agreement to reopen oil assets.

[Inside Libya's September issue](#) has already explained how the temporary deal struck between GNA Deputy Prime Minister Ahmed Maiteeq and the LNA had left both the NOC and Central Bank of Libya (CBL) out of the loop. While the NOC quickly adhered to the deal to restart oil production, the CBL has remained critical of the deal which has effectively discontinued its position as the gatekeeper of Libya's oil revenues. Over the last 9 years, the NOC was used to transfer oil revenues overnight from its Libyan Foreign Bank (LFB) account to the CBL. This has given CBL Governor Sadiq al-Kabir control over €155bn in hard currency during this period. However, since 18 September, the NOC no longer transfers oil revenues to the CBL, but rather keeps the money in its LFB account until a final agreement is reached between Libyan rivals on wealth distribution and financial oversight.

In this way, around €2.6bn have flowed into a frozen coffer over the last two months, something which is highly problematic for the CBL as it burns through its own foreign currency reserves and prints money to finance the GNA's budget deficit. Up until the end of October, the CBL has loaned the Tripoli-based government 22.25bn LYD (€13.6bn) to plug a budget deficit of 22.76bn LYD (€13.9bn). In a way, the CBL is still reeling from the oil blocka-

de's aftermath; it not only had to accept that Libya lost €9bn from the blockade, it now has to continue operating without this much needed source of revenue despite oil fields pumping at an accelerated rate. As a result, the CBL has sought to counteract by levelling new claims accusing the NOC of publishing "inaccurate data" for the past years and calling upon public bodies to investigate the matter. By doing so, al-Kabir hopes to put NOC Chairman Mustafa Sanallah under scrutiny and get a ruling that would order him to release some funds to the CBL. Al-Kabir has also ordered for the salaries of the oil tanker companies to be frozen until the NOC transfers revenues to the CBL.

At this rate, the dispute is not solely financial. In fact, Tripoli has a long experience of power plays for control over institutions with the most leverage over the country's economy. Until now, Sadiq al-Kabir has managed to remain at the reins of the CBL thanks to his powerful network of politicians who are close to political Islam and other officials such as Khaled Shakshak, the President of Libya's Audit Bureau. With the September oil deal, al-Kabir lost control over the LFB and now feels marginalised by current developments. In late October, he installed a new management team at the LFB to regain control over the bank but Prime Minister Fayez al-Sarraj overturned this ruling and appointed Minister of Finance Faraj Boumtari as chairman of the LFB. The ousting of al-Kabir's team and the appointment of Boumtari was made based on an obscure Gadaffi-era law which the CBL claims is no longer in order. In retaliation, al-Sarraj was referred to the Public Prosecutor by Khaled Shakshak for financial and administrative irregularities.

These developments do not bode well for hopes of an economic recovery and the unification of state institutions in Libya. The fact that the LPDF has not yet presented a clear list of officials to head Libya's institutions and unify them has greatly impacted the economic track and raised the possibility of a renewed blockade or even a free for all charge on Libya's oil facilities. Intra-GNA disputes between, on the one hand, Sanallah and al-Sarraj who are wary of not triggering another blockade and, on the other hand, institutions that have become personal fiefdoms does not give a positive image to outside observers. In this context, LNA hardliners see their views validated by the fact that the rival side is not able to reach consensus and apply agreements on both the military and economic fronts. Any win from al-Kabir would greatly endanger the oil agreement as the LNA believes the Tripoli-based Central Bank Governor is aligned with figures adhering to political Islam and supportive of Tripoli-based militias.

NOC CONTINUES PROGRESS IN LIFTING OIL AND GAS OUTPUT

Oil output is slated to reach 1.3 million barrels per day by end of year while increased gas output strengthens recovery of the electricity sector.

When it comes to the energy sector, Libya has continued to exceed output expectations with as much as 1.25 million bpd reported by the end of November. Crude oil exports, which averaged 480,000 bpd in October, are slated to reach nearly 1 million bpd this month, which is a volume comparable to pre-blockade levels. This progress is linked to the NOC's proactive and optimistic approach to the resumption of oil production. The company has not only put back all of Libya's fields on track and carried out extensive maintenance work, it has also focused on implementing its capacity expansion plans unveiled in late 2019. For instance, Sirte Oil Company (an NOC subsidiary) plans 130,000 bpd output by early next year when it only pumped a maximum of 55,000 bpd in 2019. In particular, Sirte Oil Company has been in talks with the American firm Schlumberger Oil Services Company to realise its new output objectives. Mustafa Sanallah was also able to revive a Gaddafi-era field named Sinawin and whose current output is 10,000 bpd – to be extended to 50,000 bpd in its second phase.

Despite uncertainty over the future of the various UN-sponsored tracks to solve the Libyan crisis, many oil majors have put this country with Africa's largest oil reserves back on their radar. For instance, Halliburton, Repsol and Total have engaged with local partners to discuss cooperation on investments, production rate increases or training programmes. Overall, NOC expects output to reach 1.3 million bpd by the end of the year and has also plans to boost this output to 1.6 million bpd by end of 2021. This increase in output to pre-2011 levels is based on claims that Waha Oil Company can double its output capacity to 600,000 bpd through three short-term plans. The company has already started discussions with the Swiss Société Générale de Surveillance for early production facilities at the Dahra field, whose 120,000 bpd capacity was destroyed by the Islamic State. The company also considers spending at least €2.7bn for an additional 180,000 bpd through expansion plans on the North Gialo field and Block NC-98. These plans remain highly ambitious. Libya's energy sector might enjoy international interest but it lacks stability or funds. NOC's long-term plan of 2.1 million bpd output by 2024 would require €50bn to not only add capacity but also repair its aging fields and infrastructure. Yearly Libyan oil output for 2020 will likely be 80% lower than 2019 levels,

and hydrocarbon revenues are set to be the lowest since 2016, with approximately €5.5bn. This will not be enough to plug the budget deficit, let alone finance new hydrocarbon projects.

Waha Oil Company has also made strides with its first phase project to increase gas output and pump it from the Faragh field to the southeastern Sarir power station. This station, which has operated for 11 years on costly and inefficient diesel fuel, will now run on gas to ensure stable provision of electricity to the south. The General Electricity Company of Libya (GECOL) has also reviewed plans to reconnect the eastern and western Libyan public grids which have been disconnected since 2015. Albeit still speculative, such plans would improve stability to the network. It would also allow the west of the country to reduce its load shedding hours which still creates insecurity in the region as power stations continue to be stormed by armed groups seeking to maintain the delivery of electricity. These developments, coupled with more stable provision of diesel fuel, are likely to continue the improvements for Libya's electricity sector.

LIBYA ATTRACTS COMMERCIAL INTEREST

As domestic and international flights resume, infrastructure projects are being considered to leverage Libya's potential for regional connectivity.

Similar to growing foreign interest in Libya's energy sector, the country is also experiencing renewed infrastructure plans despite political uncertainty. In early November, Egypt unveiled plans to construct a railway that would link the country's port of Gargoub to Benghazi. The eastern-based Libyan Interim Government also instructed work on the Benghazi port to develop its throughput capacity and attract some of the trade flux going between Europe and Africa.

In the west of the country, Turkish companies are continuing to leverage their country's footprint in the region to boost their own trade routes. Misrata, Libya's second city is a prime location for such investments. This month, the Libyan Airports Authority held a meeting with Turkey's Albayrak Holding to draw a general development plan for the city's international port and the Turkish air cargo company MNG has resumed its services at the airport. Both of these companies are controlled by businessmen with close ties with President Recep Tayyip Erdogan. A public-private project between a Libyan private tourism company and the Libyan Iron and Steel Company was also announced to open a sea passenger terminal for Misrata's port next year.

This month has also seen the eventual opening of the Ras Jedir and Wazzin border crossings with Tunisia, after some delay. Domestic flights to the southern cities of Sebha, Ubari and Ghat have also resumed, with the southwestern city of Ghadames soon poised to be connected to flight paths again. Libyan airliners have also announced plans to buy new planes and expressed optimism concerning the lifting of the embargo to Europe that currently bans Libyan carriers to land on the continent. For instance, Afriqiyah Airways has revised its orders to Airbus so as to double its fleet.

CONCLUSION & FORECASTS

This month has seen the start of in-person meetings for the Libyan Political Dialogue Forum. Despite allegations of bribery, delay in voting on next figures heading the executive authority and strong opposition by spoilers, the forum has not yet derailed and has even managed to set out a roadmap for a year-long transitional phase in which a Government of National Unity would revitalise the legitimacy of Libyan institutions.

The forum's achievements are the result of a deliberative process in which participants as well as women and youth groups strive to ensure that Libya does not fall back into chaos. Despite above-mentioned weaknesses, the LPDF is slowly but surely gaining popular support and allowing Libyans to hope for a better future. Participants have not only agreed to have better regional representation at the Presidential Council, they have also provided a future platform to female political leaders and have put the political elite on notice. If the forum is allowed to maintain its natural course through its next rounds, without being interrupted or rushed, there is the potential for it to be successful and create a new political reality for Libya. By revisiting the political landscape, reinforcing and reunifying institutions, the LPDF would give a new breath to the country and give a new chance for Libyans to sort out recurrent issues with the provision of basic services, security and good governance.

However, spoilers still abound. They are not only found within each sides' military hardliners but also within the more conventional politicians who fear that the LPDF might put an end to their prerogatives. As explained in the previous edition of [Inside Libya](#), key power brokers could take unilateral steps and appoint themselves as the government without changing much with current institutions. This scenario becomes more likely as UNSMIL struggles with ensuring enough coordination to synchronise progress on each of the military, political and economic tracks. The HOR is well placed to take advantage of that weakness to reassert itself on the political landscape and maintain itself as Libya's irreplaceable legislative authority. In this context, there is a scenario in which current political actors maintain power in the pathway to national elections. This scenario would mean a continuation of the status quo, with HOR Speaker Agila Saleh and Prime Minister al-Sarraj remaining in office. In turn, this would go against popular sentiment and the efforts of Acting SRSG Stephanie Williams, who supported a motion within the LPDF that would have prevented individuals who held senior government positions during the period 2014-2020 from being members of the next transitional government.

With the brewing war of words between NOC Chairman Mustafa Sanallah and CBL Governor Sadiq al-Kabir, there is also added likelihood for a resurgence of conflict in the country. As outlined in [Inside Libya's](#) October conclusion, Libya's fault lines pitting GNA against LNA are no longer accurate. Intra-GNA divisions have become far more important and have modified traditional blocs. In Tripoli, al-Sarraj, Sanallah and Finance Minister Boumtari have the tacit backing of the eastern-based authorities in their clash against al-Kabir and the many other institutional gatekeepers of the capital. Since the latter are aligned with political Islam, there is a higher possibility that the next war will pit those who support recent initiatives personified by the JMC and those who reject such advances. In other words, we could well see a Libyan coalition gathering the LNA and the GNA's top military brass, with the tacit support of al-Sarraj and Sanallah, to fight against GNA military hardliners, political Islamists, and their affiliated militias. Considering the tense situation in which Khalifa Haftar finds himself, continued antagonism by the CBL and the Sirte-Jufra Operation Room may make war an attractive option again for the LNA.

A return to a conflict would be catastrophic. Despite the uneasy reality on the ground, the relative security that occurred in Libya during the second half of the year led to many positive developments. International companies have shown their continuing interest in Libya's economic potential, not only in the traditional hydrocarbon sector, but also in forward-looking infrastructure projects. Over the last months, around 34,000 internally displaced people managed to return to their homes as a result of important efforts to demine their neighbourhoods and ensure a return to normalcy. Libyans have also demonstrated that, in the face of economic and security hardships, they are willing to unite beyond regional divisions and put pressure on their respective governments to improve the overall situation. Their power, either during protests or civil deliberation, will have to be considered by whoever leads Libya in the near future.

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