

Peace and Conflict Assessment of Libya

The potential for aid to promote peace



Contents

Acronyms	4
0. Executive summary	6
Conflict and peace dynamics	7
Key challenges for international assistance.....	8
Peacebuilding principles and actions	9
1. Conflict and peace dynamics in Libya	11
Summary of conflict and peace dynamics.....	12
Timeline of key conflict events in Libya	14
De facto division of Libyan State into two entities	18
Paralysis of national transition and institutional reform.....	32
Economic crisis, structural and conflict-related	40
Weakening of the potential for civilian and democratic governance.....	50
Sub-national violent conflicts	57
Municipal alignment across the national political divide	70
2. Donor strategies for supporting the transition.....	76
Summary of donor strategies	76
Technical reform not peacebuilding	76
Donor priorities – migration and extremism.....	78
Focus of aid – bilateral and municipal-level.....	79
Development of conflict-sensitivity good practice	80
Involvement in the political process	81
Key challenges for international assistance.....	82
3. Building peace in Libya – principles and actions	83
Principles for delivering assistance to Libya	83
Recommended peacebuilding actions	85

Acronyms

German Federal Foreign Office	AA
Al-Bunyan Al-Marsoos	BaM
Benghazi Revolutionary Shura Council	BRSC
Central Bank of Libya	CBL
Conflict Sensitivity	CS
Directorate for Combatting Illegal Migration	DCIM
Disarmament, Demobilization and Reintegration	DDR
Displacement Tracking Matrix	DTM
European Union	EU
Emergency Trust Fund for Africa	EUTF
General Electrical Company of Libya	GECOL
German Corporation for International Cooperation GmbH	GIZ
Government of National Accord	GNA
General National Congress	GNC
Focus Group Discussion	FGD
House of Representatives	HoR
Higher State Council	HSC
Internally Displaced Persons	IDPs
Interim Government	IG
International Organisation for Migration	IOM
Islamic State in Iraq and the Levant	ISIL
German Reconstruction Credit Institute	KfW
Letters of Credit	LCs
Libyan Investment Authority	LIA
Libyan Mine Action Centre	LibMAC
Libyan National Army	LNA
Libyan Coordinated Needs Assessment	LCNA
Libyan Political Agreement	LPA
Local Political and Security Arrangement	LPSA
Libyan Post, Telecommunication and Information Technology Co.	LPTIC

Libyan Dinar	LYD
Municipal Council	MC
Military Investment Authority	MIA
Ministry of Education	MoE
Ministry of Finance	MoF
Ministry of Health	MoH
Ministry of Interior	MoI
Ministry of Labour	MoL
Ministry of Local Government	MoLG
Ministry of Labour and Social Affairs (East)	MoLSA
Ministry of Planning	MoP
Ministry of Social Affairs	MoSA
National Oil Corporation	NOC
National Salvation Government	NSG
National Transitional Council	NTC
Presidential Council	PC
Peace and Conflict Assessment	PCA
Post-Conflict Needs Assessment	PCNA
Public Financial Management	PFM
Prime Minister's Office	PMO
Public Works Company	PWC
Stabilisation Facility for Libya	SFL
United Nations	UN
United Nations Development Group	UNDG
United Nations Development Programme	UNDP
United Nations High Commissioner for Refugees	UNHCR
United Nations Support Mission to Libya	UNSMIL
UN Special Envoy of the Secretary General	UN SRSG
United States	US
United States Dollars	US\$
World Bank	WB

0. Executive summary

On 2 August 2012, three months before the last shots were fired in Sirte formally ending the civil conflict against the Qaddafi regime, the National Transitional Council outlined a timetable for transition to a democratically governed society. The authors of the transition plan envisaged a rapid 18-month process that would see the creation of a national body to oversee elections, election of a temporary legislative body, appointment of a temporary government, drafting of a national constitution for public endorsement and, ultimately, a fresh set of national elections under the agreed constitution.

The initial steps in the plan were relatively successful, as the elected General National Congress began its work in July 2012 and appointed Libya's first publicly mandated government in October 2012. The transition process did not, however, strengthen Libya's state and society as hoped by its authors and supportive international actors, but instead uncovered and deepened a range of political and social conflicts. The result was a national political divide leading to the creation of two competing governments and legislatures in 2014, both of which claimed national public and legal legitimacy, an escalation in local armed violence across the country resulting at its peak in 500,000 IDPs (8% of the population) and over 1,500 deaths per year,¹ and the onset of an economic crisis. Attempts to broker a deal between the competing national bodies resulted in the December 2015 Libyan Political Agreement (LPA). However, the LPA has to date not been fully implemented and has done little to change the nature of the national political divide or meet the needs of Libyans.

Almost eight years after announcement of the transition plan, it is difficult to talk of one 'Libya', but rather a protracted civil conflict defined by the emergence of two separate societies and living experiences in the east and west, violent competition to control the south-west of the country, the dominance of armed groups and security actors in civilian affairs and the emergence of a war economy. As such, conflict resolution in Libya entails not just progress towards an implementable agreement between political leaders across the national divide, but also a statebuilding process that both develops state capacity and increases public trust in central institutions, transformations of local damaged societal relationships, a rebalancing of civil-military relationships and weakening of the incentives that drive the war economy. This is a long-term endeavour and should be understood as such.

This conflict context requires a sophisticated level of planning by international actors supporting conflict resolution and peace promotion. There is also a strong risk that development aid that does not properly take into account the broad nature of conflict dynamics will actually deepen the national divide and make a sustainable peace more difficult. This report

¹ Libya Data from Internal Displacement Monitoring Centre: <http://www.internal-displacement.org/countries/libya#113>; Libya Body Count: <http://www.libyabodycount.org/>

is designed to help international actors plan their assistance by: (1) providing deeper insight as to the nature of conflict dynamics in the country; (2) exploring donor strategies and asking a set of challenging questions which aid actors should collectively answer; and by (3) proposing both a peacebuilding approach, through a set of principles for delivering aid, and identifying critical peacebuilding needs that should be prioritised when planning assistance. The analysis and findings outlined below, while developed for the German Federal Ministry for Economic Cooperation and Development (BMZ) as food for thought as it develops its assistance strategy for Libya, are also relevant for a wider set of aid actors and as stimulus for collective thinking on how to most effectively promote the transition and peace in Libya. This report is complemented by a shorter summary document.

Conflict and peace dynamics

The research identified five interlinked manifestations of fragility, conflict and violence in Libya:

- **1: De facto division of Libyan State into two entities.** The Libyan conflict has progressed to the point that the state is de facto divided into two separate blocks – for ease of reference, an ‘Eastern’ and a ‘Western’ Block, although both have national ambitions. These two blocks have parallel executives and line ministries, are attempting to control national public bodies, are pressurising municipalities to align with them and are building relationships with local armed groups and national security actors.
- **2: Paralysis of the national transition and absence of a consistent policy and reform agenda.** Tripoli-based institutions are unable to project authority nationally, the Eastern and Western Blocks are undertaking parallel initiatives, there is no formal mechanism for public oversight of decisions made in Tripoli, and municipalities in the west and south are to a degree self-governing. Indeed, the parallel Blocks appear more focused on shoring up support from key groups in society, than on effective governance.
- **3: Economic crisis, structural and conflict-related.** The economy has contracted since 2014, leading to a reduction in wealth and scarcity of resources. This has fuelled a conflict economy in which there is increased competition over the remaining resources, influential groups profit from the conflict economy and are hence incentivised to protect it, and there is only limited stimulus for economic recovery.
- **4: Weakening of the potential for civilian and democratic governance.** The position of armed groups has solidified at the community level (as defenders of local interests), security actors have gained substantial influence in Tripoli and there is an ongoing militarisation of eastern society. This undermining of civil-military relations has happened in parallel to deepening of public corruption to endemic levels.

- **5: Sub-national violent conflict.** These conflicts include inter-municipal conflicts, intra-municipal conflicts, and violence by or against extremist Islamist groups. There has also been a symbiotic relationship between the sub-national conflicts and the national political divide, meaning that progress at the national level is not possible without addressing sub-national conflicts in parallel (and vice-versa).

Key challenges for international assistance

The December 2015 Libyan Political Agreement created momentum for international agencies to re-establish bilateral relations with institutions in Tripoli (most direct support has been suspended with the political crisis in 2014) and a general refusal to engage with those established by the Eastern Block. The UN's Special Representative and diplomatic envoys have focused on obtaining approval from the House of Representatives for the Government of National Accord, so as to fully implement the political agreement, although this position was nuanced slightly by the Special Representative's September 2017 action plan.

Nevertheless, international actors have on the whole taken sides in support of the Western Block through both aid and political engagement, and are viewed by Libyans to have done so. This approach taken by the international community to supporting the transition in Libya deserves critical examination. The following questions are proposed as tools to assist this reflection.

- **What potential is there to re-envisage the political process?**
Implementation of the LPA does not address the political and social divisions that have emerged during the transition, as it has a more narrow focus on agreement of a unified government.
- **How should we support public reform in advance of a political settlement?** Support for reform in Tripoli runs the risk of only being delivered in aligned municipalities, and in deepening both the political divide and societal division.
- **How can we support the delivery of public services in the east?**
Western Block institutions are unwilling or unable to provide services in the east, and most donors' strategies do not allow for direct technical assistance to Eastern Block agencies.
- **Can we counter the influence of the security sector in governance, especially in the east?** Security actors' interference is more overt in the Eastern Block and more subtle in Tripoli. If unsupported, civilian functions in the East are likely to become militarised at a more rapid rate than those in Tripoli.
- **Can we reduce violent and proxy competition over municipalities, especially in the south-west?** In order to gain influence in the south-west, the two blocks have provided targeted funding, so as to buy local allegiance, and since 2017 have engaged in more direct military confrontation; a trend that is likely to continue.

Peacebuilding principles and actions

Guiding principles

The following principles are proposed as tools for judging the appropriateness of intended aid against the conflict context.

- **1: Adopt a peacebuilding approach to statebuilding.** It is important that international support for statebuilding aims towards a pluralistic Libyan state that is representative of and serves the wide range of constituencies in the country, rather than those who have direct influence on national institutions. This means that aid to Libya should be measured equally on whether it makes a tangible improvement in target groups' perception of the fairness of central state institutions, rather than in technical performance improvements alone.
- **2: Ensure assistance does not ignore the national political divide.** Aid interventions should look to: (1) where possible, build linkages between Eastern and Western Block agencies, and prevent further division; (2) be delivered in both Eastern and Western Block-aligned municipalities, so as to reinforce the shared living space; and (3) disincentivise competition over the south-west and reinforce stability there.
- **3: Integrate individual and socio-political change.** Aid to Libya should link change at the individual-personal level with change at the socio-political level. This means that assistance should aim at transforming both: (1) the attitudes and behaviours of Libyans, so that they are better able to manage conflict; and (2) the environment in which Libyans live, so that they are encouraged to use non-violent approaches to conflict management .

Recommended peacebuilding actions

The following recommended actions are designed to both meet the most pressing peacebuilding needs in Libya and assist practical implementation of the above principles.

- **1: Support a further shift in strategy on the national political process.** The political process should be expanded to encompass dialogue across the national divide on a vision for a successful transition that addresses the root causes of conflict and fragility. The international community should support this dialogue through: (1) identification of collective measures of success for bilateral aid focused on root causes; and (2) exploration of ways in which it can engage more widely with Eastern Block interlocutors.
- **2: Support technical cooperation across the conflict divide.** This cooperation would improve short-term service delivery and provide concrete agreements that build confidence, thus contributing towards the political process. Area for cooperation could include planning for service delivery in the east, decentralisation and

transparency of transfers to municipalities, restoration of trust in the banking system and learning on de-radicalisation.

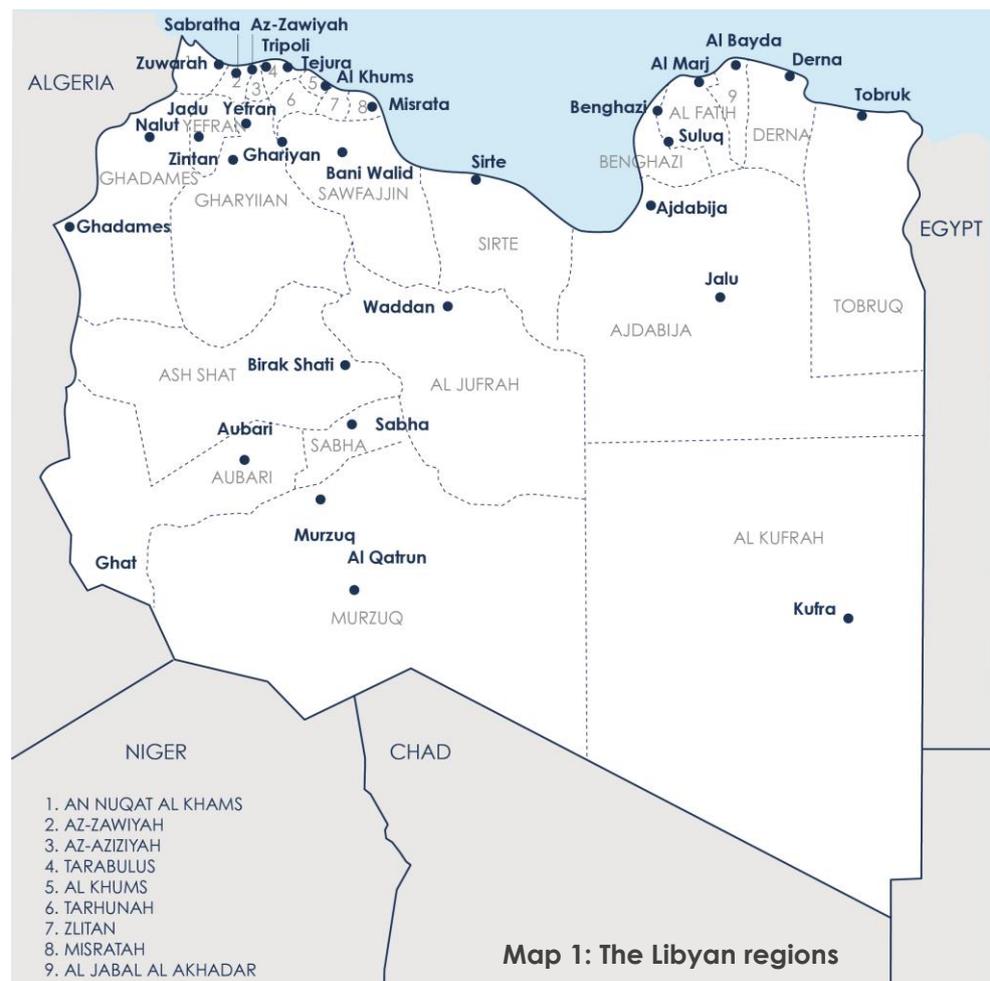
- **3: Support negotiation across the political divide on unification of national public agencies.** Support should be provided for direct negotiation across the political divide on the technical processes for reunification and strengthening of national agencies. These negotiations should be conducted on an agency-by-agency basis, and based on identification of entry points where progress is more likely to be made (e.g. on national auditing and sports management).
- **4: Increase civilian oversight of armed groups and security actors through a national anti-corruption campaign under the auspices of a unified Audit Bureau.** The influence of local armed groups and national security actors in government and the economy could be tackled through a wider anti-corruption project that has the purpose of increasing public scrutiny over financial flows to armed groups and security actors, and hence reinforcing trust in central institutions. An indirect approach to SSR through anti-corruption could also enable interantional engagement on civil-military relations in the Eastern Block, without requiring direct interaction with eastern political or security leaders.
- **5: Provide a surge in support for sub-national conflict mediation and transformation.** Learning from national Libyan experience of conflict mediation and transformation to date, this surge should include, funding and capacity development for inter-community conflict mediation, a psychological support programme, funding and expertise for transitional justice and compensation provision, and measures that support local political and security agreements.
- **6: Develop a comprehensive peacebuilding programme for south-west Libya.** The international community should support a comprehensive peacebuilding programme for the south-west that includes preventative political mediation between the two blocks, a larger footprint that can more directly assist mediation initiatives locally on the ground and a regional economic development programme that addresses the drivers of instability in the region.

1. Conflict and peace dynamics in Libya

The following analysis assesses conflict and peace dynamics in Libya by providing a snapshot of the key manifestations of fragility, conflict and violence in the country, the structural factors driving these manifestations and their impact on society. The analysis not only considers national political dynamics, but also looks to understand the differences in the conflict and peace contexts in eastern, southern and western Libya

The analysis takes a conflict resolution or transformation approach. This means that it does not take a view on what actors or interests are in the right and does not follow usual international practice in (inter alia) describing the Government of National Accord (GNA) and Presidential Council (PC) as legitimate, or in necessarily viewing local armed groups or national security actors as detrimental to successful transition in Libya.

The analysis is also grounded in conflict sensitivity (CS). This means that it places international interventions and assistance within the analysis, and seeks to identify their contribution towards conflict dynamics and their potential impact in reducing fragility, conflict and violence.



This section starts with a brief overview of five interlinked manifestations of fragility, conflict and violence inhibiting the transition in Libya. It then provides a timeline of key conflict-related events, followed by detailed explanation of each manifestation, describing their causes and impacts through a range of examples. Finally, it provides a mapping of the alignment of municipalities and associated constituencies across the national political divide.

Summary of conflict and peace dynamics

The expressions of fragility, conflict and violence in Libya are manifold and inter-related, and an analysis of them can be organised variously.² The present analysis gathers these expressions into five key inter-related manifestations that reinforce each other.



Fig. 1: Main manifestations of fragility, conflict and violence in Libya

The Libyan conflict has progressed to the point that the state is de facto divided into two separate blocks – described for ease of reference as an ‘Eastern’ and a ‘Western’ Block. These two blocks have parallel executives and line ministries of different degrees of functionality, are attempting to control national public bodies, are pressurising municipalities to align with

² For example, in its 2015 conflict analysis, the United Nations Development Programme (UNDP) identified three conflict systems: (1) National level competition over political influence, control of resources and the nature of the Libyan state; (2) the presence of Islamist extremist groups; and (3) inter-communal conflict at the local level. It was felt these cycles were underpinned by four structural drivers of conflict: (1) transition process and disputed visions for Libya; (2) influence of militias and armed groups; (3) public finances and the economy; and (4) growing autonomy of local actors. ‘Instability and Insecurity in Libya’, UNDP, November 2015.

them, and are building relationships with local armed groups and national security actors. Importantly, in the period 2016-2018, the two blocks consolidated authority over municipalities mostly geographically located in the east and west, with only the south-west presently actively contested between the two.

This division has led to a paralysis of the transition and the reform agenda that should go with it. Tripoli-based institutions are unable to project authority nationally; the Eastern and Western Blocks are undertaking parallel initiatives; there is no formal mechanism for public oversight of decisions made in Tripoli; and municipalities in the west and south are in most cases viewed as having greater legitimacy than national authorities, although service delivery is still centralised and there is no transparent framework for the distribution of finances between municipalities. Municipalities play a secondary role to central authorities in the east, where elected councils in some cities have been replaced by military appointees.

The political divide and paralysis of the transition has led to an economic crisis. The resultant reduction in wealth and scarcity of resources has fuelled increased competition over remaining resources. Influential groups profit from this conflict economy and are hence incentivised to protect it. The crisis has also resulted in endemic levels of corruption as Libyans look to secure an income. Stimulus for economic recovery is limited, as the private sector is underdeveloped, Libyans are dependent on public sector jobs and economic growth is driven by capital projects. The south is most affected by the economic crisis, which has fuelled local conflict and enabled the Eastern and Western Blocks to compete for influence there.

These factors have had a knock on impact in terms of a weakening of the potential for civilian and democratic governance. This is because the position of armed actors has solidified at the community level as defenders of local interests, and because armed groups and security actors have gained influence in the political and economic life of the competing blocks; although the nature of the influence is quite different.

These factors have further created or worsened sub-national conflicts. Sub-national conflicts are mostly historic, although they have been deepened by: (1) groups taking different sides during the civil conflict and subsequent events; and (2) perceived injustices since 2011, both during and after violence, as the main approach of the victors in each dispute has been communal punishment. In the south, sub-national conflicts are also driven by ethnicity and identity. There is a symbiotic relationship between the sub-national conflicts and the national political divide, meaning that progress at the national level is not possible without in parallel addressing sub-national issues (and vice-versa).

Timeline of key conflict events in Libya

Date	Event	Why important
2011		
— Revolution / civil conflict —		
February	Start of Arab Spring uprisings. Protest in Benghazi. Misratan militias evict Qaddafi's forces from the city. Formation of the National Transitional Council (NTC).	—
March	The United Nations (UN) Security Council authorises a no-fly zone and air strikes to protect civilians.	—
July	The international Contact Group on Libya formally recognises NTC as the legitimate government of Libya.	—
October	Death of Qaddafi and NTC declares Libya to be officially 'liberated'.	—
August to December	Displacement of substantial communities that had been on the losing side in revolution, including Tawergha, Mashasha, Gualish, Sian.	Dominance of punitive measures and 'communal punishment' with limited mechanisms for transitional justice.
2012		
— Democratic governance and hope —		
July to August	National elections with 2.5 million voters and handover of power from the NTC to the General National Congress (GNC).	Positive sign of the potential for a democratic society and peaceful handover of power.
September	Killing of the US ambassador by extremist Islamists, led by Ansar al Sharia, in Benghazi.	Change in perceived security threat levels and reduction in international presence in the east of Libya. Perception that the terrorist threat is restricted to the east (later proved to be incorrect).
October	GNC endorses Ali Zeidan as prime minister, after failure of Mustafa Abushagur to pick a representative cabinet.	First manifestation of divisions in the GNC, over who has the ability to play a role in governance, and what autonomy should be afforded to them.
— Escalation towards national political conflict —		
	Misratan-led offensive in Bani Walid, authorised by GNC Decree No7/2012.	Demonstrates that: (1) community/political/tribal constituencies need to control national institutions to protect their interests; and (2) pressure on national institutions can lead to positive results.

2013

January to December	Increase in communal violence and violent measures to put pressure on Tripoli government, including blockades of oil infrastructure and water.	Increasing attempts by community/political/tribal constituencies and aligned armed groups to control or influence central authorities. Demonstrates inability of central authorities to project authority, as they are held hostage by constituencies.
May	Passing of Political Isolation Law by GNC to prevent members of Qaddafi regime holding public posts.	Attempt by revolutionary and conservative Islamic groups to dominate the political landscape. The law deepens political divisions in the GNC.
August	Blockades of eastern oil ports by Federalists.	Demonstrated inability of Zeidan government to control armed groups and security actors. Leads to critical loss of confidence in the Zeidan government.

2014

February	GNC refuses to resign on expiration of mandate.	Demonstration of revolutionary and conservative Islamic groups' reluctance to give up influence.
March	Ousting of PM Zeidan and appointment of interim PM Thinni; formally appointed in April.	—
May	Launch of Operation Dignity against extremist Islamic groups in Benghazi, outside the authorisation of Tripoli-based government. Zintani forces begin armed clashes in Tripoli to exert control, with responding mobilisation of Misratan and aligned armed groups.	Shift in nature of national political conflict, from contest through legislative and democratic means, to the use of force. Operation Dignity from its outset takes an identity-based approach to combatting extremism, targeting not just extremists, but also associated community groups.
June	Election of the House of Representatives (HoR), to lower turnout than GNC elections and boycott by Amazigh groups. Islamist exclusionary revolutionary parties perform badly.	Further questioning of the validity of democratic processes by key community/political/tribal constituencies.
July	Formation of the National Salvation Government (NSG) with support from a core GNC group. Launching of Operation Dignity. Escalation of conflict, including extremist operations in Benghazi. Evacuation of international community.	Confirmation of revolutionary and conservative Islamic groups' reluctance to give up influence.
August	Operation Dawn takes over Tripoli, pushing Zintani armed groups out of the city. Relocation of HoR to Tobruq.	Start of practical division of country into Eastern and Western Blocks.

2015		
February	Islamic State in Iraq and the Levant (ISIL) starts to take control of Sirte.	—
December	Signature of the Libyan Political Agreement (LPA) by GNC and HoR members in Skhirat, Morocco.	Provides basis for political accommodation between Eastern and Western Blocks.
2016		
January	First meeting of GNA in Tunis, but without endorsement of HoR.	The LPA is not fully implemented and the national political divide continues under a revised framework.
March	Arrival of GNA in Tripoli after negotiations with four armed groups.	Potential for GNA/PC to govern in West, but dependent on buying allegiance of local armed groups.
May	Start of <i>Al-Bunyan Al-Marsoos</i> (BaM) campaign in Sirte, under authorisation of GNA/PC and with support from US forces.	Distinction created between anti-extremist operations by Eastern and Western Blocks, with direct international military support for the Western Block's operations, but not in the East.
December	Liberation of Sirte from extremist Islamic groups, with subsequent punitive measures against local community/political/tribal groups associated with ISIL.	Consolidation of Western Block control. Continuation of trend of communal punishment from revolutionary period, in this case applied to 'extremist supporters' rather than 'Qaddafi supporters'.
2017		
May	Fighting in Barak Shati airport results in massacre of 141 LNA soldiers and Misratan withdrawal.	Start of military contest between Eastern and Western Blocks for control of the south-west.
June	Liberation of Benghazi declared by the Libyan National Army (LNA). Fighting continues in pockets until the end of 2017.	Consolidation of LNA's position in Eastern Block. Reduction in Misratan influence in the east.
	Accommodation reached between GNA/PC and Zintani Military Council.	Zintan aligns with Western Block.
July	— Stability and consolidation of Blocks' authority —	
	First Paris meeting between Fayez al Serraj and Khalifa Heftar. Subsequent sessions held in May and July 2018.	Provides momentum for shift strategy on political process; albeit tensions between: (1) 'Paris initiative' and UN-led process; and (2) between foreign missions over what level of support should be provided to the GNA/PC, and whether and how to engage with the Eastern Block.
September	United Nations (UN) Special Representative of the Secretary General (SRSG) announces Action Plan, comprising amendments to the LPA, a national conference, and presidential and legislative elections.	Shift in strategy of UN-led political process from trying to secure HoR endorsement of GNA, to recognition that there are outstanding issues.

October to November	Zintani-led forces take control over Sabratha and the Worshefena area.	Further consolidation of the Western Block's geographic control in the west. Increased freedom of movement along the Tripoli-Tunis road. A general perception of enhanced stability in Tripoli and the west leads to re-engagement by diplomatic missions, either permanently or via a rotating temporary schedule.
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2018

March	Appointment of LNA military governor to Kufra and introduction of military forces.	Eastern Block extends influence into south east.
May	— Return to violent contest —	
	Surge in violence in south-west focused on Sabha.	Manifestation of political conflict in south-west; probable first step in increased and potentially direct violent contest.
June	LNA declared liberation of Derna from extremist Islamic groups.	Further consolidation of Eastern Block's geographic control in the east.
August	Operation to control Tripoli by several armed groups excluded since Feb. 2016	Demonstration that GNA/PC control in Tripoli is fragile; and that armed groups and security actors will compete for influence in national politics and in Tripoli.

De facto division of Libyan State into two entities

The Libyan conflict has progressed to the point that two separate political blocks now exist within the same state – a Western Block based around the GNA, the PC and the Higher State Council (HSC), and an Eastern Block based around the Interim Government (IG) and the HoR.

This division is manifest in: (1) parallel executives and line ministries, with the Eastern institutions having developed into significant political bodies with growing experience of governance; (2) attempts by both blocks to either monopolise or duplicate the public agencies that deliver services; (3) consolidation of the authority of the two political blocks in the East and West, by encouraging alignment of municipalities and associated community/political/tribal constituencies; and (4) alignment of armed groups and security actors with the two blocks, although this alignment is dynamic and open to change, especially in the West.

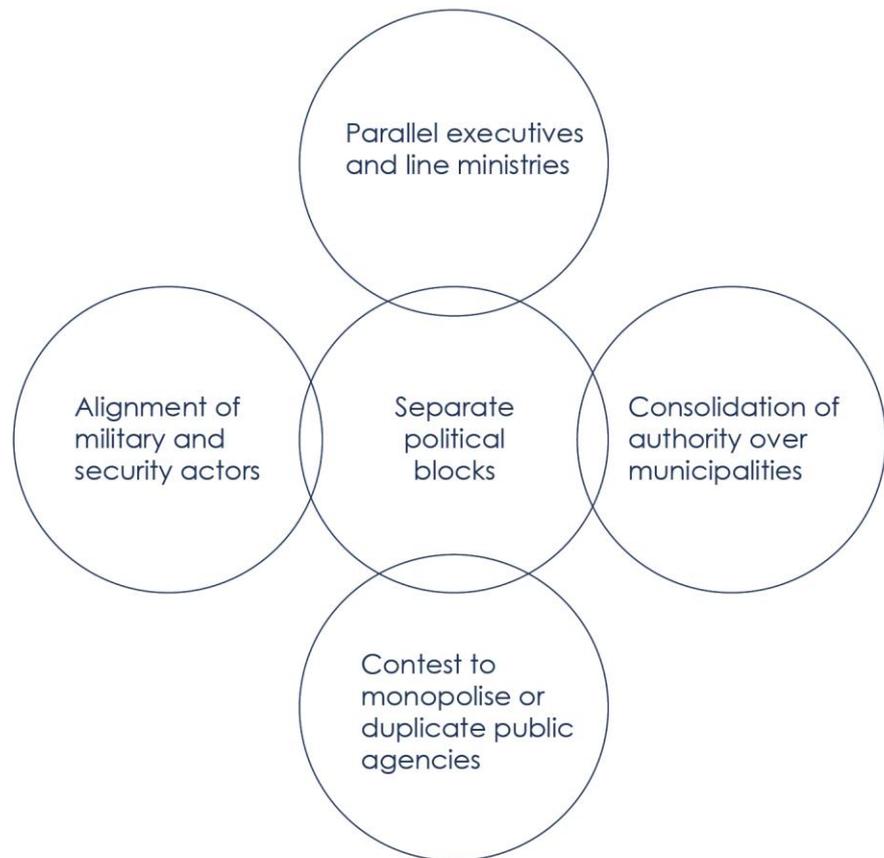


Fig. 2: Manifestation of two political blocks in the same State

There are several factors driving this division. Firstly, (1) there is a widespread fear of marginalisation in most community/political/tribal groups, which leads to a belief that the group will not be treated fairly unless it pushes its interests through state apparatus and the use of force. (2) The UN-led mediation process has become stuck, with some national and international

actors believing a sufficiently strong agreement is in place and supporting its outcomes. However, no implementable agreement has been reached. Finally, (3) the symbiotic relationship between sub-national conflicts and the national political divide also means that it will be difficult to achieve a sustainable political solution without in parallel addressing sub-national conflicts. This causal issue is covered in 'Sub-national violent conflicts'.

The most pressing impact stemming from the de facto division of the state are: (1) that the Eastern Block political institutions have become a reality with increased capacity, wide public support and vested interests in their maintenance; (2) the risk of violence in the West as attempts by the Tripoli-based political entities to encourage alignment of Western municipalities and associated community/political/tribal constituencies, as well as armed groups, taps into existing conflict dynamics; (2) risk of violence in the south-west, as an area where municipalities/associated constituencies and armed groups have not clearly aligned with the Eastern or Western Blocks; (3) further division of public agencies; (4) a creeping division in public financial management that makes the funding of public services challenging in the East challenging; and (5) a paralysis in policy making and reforms, which is covered in the next section.

Parallel executives and line ministries

The existence of the Libyan state and its ability to continue as a unified entity is in question. The division between the two blocks has its roots in competition for control of state institutions in the period 2012-2013, as political and community groups were afraid of being marginalised in the new Libya (box 2, pg. 26). This competition translated into violent conflict in 2014 when the results of elections for a HoR to replace the GNC did not favour those that advocated for a more conservative interpretation of political Islam and/or exclusion of non-revolutionaries from public life. This group was concerned that it would be displaced by an alternative set of leaders who would not necessarily have the same values and ideas about the revolution and the transition's end result.

The majority of the GNC subsequently refused to disband, leading to the formation of parallel legislative and executive blocks in the East and West in August 2014, respectively the HoR and its affiliated executive the IG and the GNC and its affiliated executive the NSG.

The UN-sponsored political dialogue between the Eastern and Western Blocks led to the LPA as articulated in the Skhirat Agreement on 17 December 2015.³ The LPA agreed was intended to reintegrate these two blocks by accommodating the interests of the leaders of each and by ensuring that all parties continued to have a voice at the national political table. It would do this by: (1) establishing the PC as a 'core executive' whose members were agreed during the dialogue; (2) creating the HSC, as an advisory body to the PC comprised of former GNC members (and

³ <https://unsmil.unmissions.org/sites/default/files/Libyan%20Political%20Agreement%20-%20ENG%20.pdf>.

hence providing a voice to the more conservative Islamist/exclusionary groups in the GNC); (3) formally recognising the HoR as the country's sole legislative body; and (4) constituting a full executive government, in the form of the GNA, comprised of individuals appointed by the PC and approved by the HoR.

At the time of analysis, the LPA remains an agreement on paper and has not led to unified national institutions. Members of the PC were agreed, the HSC was introduced and the HoR is recognised nationally and internationally as the legitimate legislature (even if it is not held in high esteem across the country). However, the members of the GNA appointed by the PC have not been approved by the HoR, meaning that the HoR does not recognise the GNA's authority (although HoR members and IG representatives state that they recognise the authority of the PC as a key element of the LPA),⁴ instead continuing to view the IG as the legitimate executive body. This has meant that the political divide has continued under a slightly different arrangement (table 1).

Table 1: Legislative and executive alignments pre-/post-Skhirat agreement

	Western Block		Eastern Block	
	Legislative	Executive	Legislative	Executive
Jun. 2014 – Dec. 2015	General National Council	National Salvation Government	House of Representatives	Interim Government
Jan. 2016 – present	Higher State Council <i>*advisory rather than legislative body</i>	Presidential Council Government of National Accord		

The picture is made more complex in Tripoli with the existence of two layers of the executive (the PC and GNA) and the fact that Fayez al-Serraj fulfils the role of both president and prime minister. Further, a rump of the NSG still exists in a limited form, based in Misrata, and continues to maintain relations with some community/political/tribal constituencies.

Attempts to monopolise or duplicate public agencies

The national system of public bodies and service delivery is chaotic, with some bodies/services continuing more or less as before the 2014 political crisis and some deeply affected. The two competing executives and their respective line ministries have attempted to monopolise or duplicate national public bodies so as to ensure that they are able to control the delivery of services. This includes pressurising public officials not to work with institutions across the national political divide. Importantly, it is not just the Eastern Block that has tried to exert greater control over national public agencies. For example, moves by the PC to require the Civil Society Commission to relocate to Tripoli could cause it to split into two bodies. The end result is that in some service areas there now exist two public bodies –

⁴ Author's interview, Interim Government Representative, Benghazi, May 2018.

Key learning National public agencies and their staff are under constant pressure from the two competing political blocks for allegiance.

one for municipalities aligned with the Eastern Block and one for municipalities aligned with the Western Block.

Box 1: Example public bodies divided by the national conflict

- The Eastern Ministry of Health (MoH) and Ministry of Education (MoE) have respectively created a Primary Health Care Unit and Schools' Maintenance Unit in parallel to the bodies operating under the MoH and MoE in Tripoli. As such, Primary Health Care and Schools' Maintenance is managed separately in the East of the country, albeit with informal coordination between officials on both sides;^(a)
- Some public bodies that continue to have a national presence are either refusing to provide services or making the delivery of such services difficult in the east. For example, the PWC has stopped payments to its employees in the east.^(b)
- The Civil Society Commission, a national body based in Benghazi, is reluctant to accept its budget allocation from the Tripoli-based Central Bank of Libya (CBL) for fear that it will be used as an excuse by some Eastern Block figures to end its operations in the East. In addition, the Commission's operations have been further compromised by a PC decree to relocate it to Tripoli under a new board;^(c)
- A parallel CBL has been established in the East of the country, and with Russian support has printed localised currency for use in the East.^(d) It is making budgetary allocations, although it is not clear how it can fulfil these allocations as it does not have access to finances accruing from Libya's hydrocarbon wealth;
- There is a legal dispute over who heads the Libyan Investment Authority (LIA), with one contender backed by the GNA/PC and the other backed by the HoR/IG.^(e)

(a) Author's interviews, public officials, Tripoli, April-May 2018.

(b) Report validation workshop, Tunis, 21 January 2019.

(c) Author's interview, civil servant, Benghazi, May 2018;

https://m.facebook.com/story.php?story_fbid=1970705986553467&id=1623492794608123.

(d) Most money is visually the same, but with a signature of the head of the Eastern CBL, rather than the Tripoli head. However, paper one-dinar notes are not accepted in the East and have been replaced by one-dinar coins.

(e) Author's interview, LIA representative, Benghazi, May 2018.

Municipal and group alignment

The existence of the parallel Eastern and Western Blocks has forced municipalities and associated community, political and tribal constituencies, as well as armed groups, to either choose or balance allegiances at the national level. The broad alignment of municipalities with the two blocks is unpacked in the section, 'Actor mapping – municipal alignment across the national political divide'. For a large proportion of the country, the allegiance has been informed by geography.

Key learning

Municipalities are also under constant pressure to align with either the Eastern or Western blocks. Some municipalities seek to benefit from the resources that can be provided by both blocks.

Municipalities/associated constituencies and armed groups in the east of the country have become generally aligned with the Eastern Block, while those in the west have become generally aligned with the Western Block. However, the process of alignment of municipalities/associated constituencies and armed groups with the Eastern and Western Blocks is a complex and ever-evolving dynamic, involving use of a range of levers including (inter alia) economic resources, political influence, tribal connections, manipulation of grievances and sub-national conflicts, and the use of violent force.

In Western Libya, some key communities were initially involved in a violent confrontation with military forces now aligned with the GNA/PC; most notably armed groups associated with Zintan and Worshefena-area municipalities clashed with Dawn forces in 2014. In addition, substantial parts of the West – Sabratha and Sirte – were under the control of extremist Islamic groups that refused to recognise the authority of Tripoli and civilian governance more generally. Further, with the LPA in 2016, some municipalities and associated community/political/tribal groups were opposed to the new GNA government, preferring that the GNC and NGS continue to be the national legislative and executive bodies. A good example is the strong pro-NSG constituency in the Kikla municipality, which for part of the Dawn campaign was on the front line against Zintani forces.

By late 2017 the Western Block had made progress in consolidating its authority in the West. Key milestones in this process were:

- The military victory of BaM over ISIL in Sirte in December 2016;
- The success of military operations in Sabratha in October 2017;⁵
- The gaining of substantial (although not universal) control over Worshefena communities in the East–West transport corridor between Tripoli and Zawiyah in November 2017.⁶

Key learning

The political alignment of Western municipalities with the GNA/PC is fragile. Key constituencies could change their position in the national political picture if they believe their interests would be better served.

The more complex nature of community relationships in the West compared to the East (see 'Sub-national violent conflicts' below) means that this control is harder to maintain and entails constant balancing of the interests of different municipalities/associated constituencies and armed groups. Indeed, the most politically and militarily powerful constituencies in the West – Misrata, Zintan, Tarhuna, Zuwarah, Zawiyah – are in alignment with the GNA/PC just so long as it serves their interest and that they feel they have some form of control. They could easily change their position in the national political picture. A good example of this is Zintan, which appeared to align itself with the Eastern Block in 2014, but was through a series of incentives brought into the Western Block in 2017.

⁵ www.reuters.com/article/us-libya-security-sabratha/armed-force-claims-victory-in-libyan-migrant-smuggling-hub-idUSKBN1CB15B?feedType=RSS&feedName=worldNews. Residents in Sabratha describe two periods of fighting: (1) the 'first war for Sabratha' in 2015; and (2) the 'second war for Sabratha' in 2016–2017 under the auspices of the 'ISIS Fighting Operation Room'. Author's interview, Municipal Representatives, Sabratha, January 2018.

⁶ <https://aawsat.com/english/home/article/1080331/libyan-presidential-council-seizes-control-west-sewehli-escalates-anti-haftar>. Some analysis points to the fighting as being against former Qaddafi regime elements, operating openly in opposition to the revolution.

In the east, some municipalities have tried to take a nuanced position in the national political conflict. For example, Tobruq municipality has sought to maintain relations with the GNA/PC and Tripoli-based institutions. This included an August 2017 visit by the Tobruq mayor Al Naji Maziq to Tripoli to meet with the PC.⁷ While this visit and the general position of Tobruq have come under pressure from Eastern Block hardliners and the LNA, it was possible partly because the city falls outside the ‘Derna to Ben Jawad’ military area controlled by the LNA-appointed military governor, and partly because of the influential role of the Al-Abaidat tribe (which dominates Tobruq) in the Eastern Block. Ajdabija municipality also previously sought to balance relationships with the two Blocks.

Similar to the Western Block, by late 2017 the Eastern Block had made substantial progress in consolidating its control over a range of municipalities, mostly in the east. Key milestones include:

- Seizure of the key eastern oil terminals of Zueitina, Brega, Ras Lanuf and Sidrah from the Petroleum Facilities Guard in September 2016;
- The victory of Operation Dignity in its conflict with the Benghazi Revolutionary Shura Council (BRSC) forces in Benghazi by the end of 2017, and the subsequent normalisation of the town and absorption of most local armed groups into the LNA;⁸
- Stabilisation of Kufra through introduction of military forces and re-appointment of the previous military governor in March 2018;⁹
- The success of military action to gain control of the Oil Crescent and Ajdabija area from 2016 onwards; and
- Renewed focus on the military intervention to control Derna, resulting in a declaration that the LNA controlled the city in June 2018.¹⁰

Key learning

The alignment of municipalities (and associated community/political/tribal constituencies) with the Eastern Block is more stable. This is due to the role of the LNA, and because there is less inter-municipal conflict in the east.

The near absence of inter-municipal conflict in the East has meant that it has been easier to encourage eastern municipalities to align with the Eastern Block. Most importantly perhaps, the LNA has played a strong role in enforcing this alignment, through the use of force and threat. The result is that the alignment of municipalities (and associated community/political/tribal constituencies) with the Eastern Block is more stable than in the Western Block.

Alignment of armed groups and security actors

The consolidation of geographic control is based on the relative success of each block in gaining support from key local armed groups and more national security groups. In the West, an important early step in the GNA/PC moving to Tripoli was to gain support from four key armed groups in the city

⁷ www.libyaherald.com/2017/08/01/serraj-and-acting-tobruk-mayor-meet-in-tripoli/

⁸ The LNA declared the war over in July 2017: www.aljazeera.com/news/2017/07/haftar-forces-declare-victory-battle-benghazi-170705231914703.html.

⁹ www.libyaherald.com/2018/03/15/first-lna-units-arrive-in-kufra/. The reappointment of Al Mabrouk Al Gazwie enabled a breakthrough in local conflict amelioration as he rebuilt relationships with local Zway and Tebu groups.

¹⁰ www.reuters.com/article/us-libya-security-derna/haftars-forces-say-they-have-captured-libyan-city-of-derna-idUSKBN1JO339.

– the Tripoli Revolutionaries Brigade, the Nawasi Brigade, the Special Deterrence Force and the Central Security Apparatus.¹¹ The GNA/PC also prioritised building relationships with key revolutionary armed groups, e.g. from Misrata, Zuwarah and Zawiyah, as well as with the Petroleum Facilities Guard. Most importantly, the GNA/PC reached an accommodation in June 2017 with Zintani forces, under the auspices of former Zintan Military Council leader Osama al-Juwaili,¹² to provide security along the coastal road from Tripoli to Zuwarah.¹³ These forces were at the forefront of measures to control Sabratha and to reduce criminality in the Worshefena areas. This settlement was no small task given the fighting between Zintani and Misratan armed groups (as well as other Dawn-aligned groups) in 2014.

Not all armed groups in the West have strong ties to the GNA/PC; most evidently Worshefena armed groups or those based in Tajoura. Importantly, some armed groups were pushed out of Tripoli because of the GNA/PC's strong relationship with the 'big four' Tripoli armed groups name above. These excluded groups have taken regular measures to challenge the supremacy of the 'big four'. The most evident example of this is the operation that started in August 2018, which was still ongoing albeit in a reduced form at the time of this analysis.

In Eastern Libya, the LNA was closely associated with the IG and HoR from the outset of the 2014 crisis. The LNA was initially split between the anti-terrorist Operation Dawn units that followed the orders of General Khalifa Heftar, and units that reported to the HoR, under Abdusalam Al-Obadiah. This split was closed with the HoR appointment of General Heftar as head of the LNA in March 2015.

The LNA was initially dependent on local armed groups in Benghazi – especially Salafi groups and Awagir 'self-defence' groups – to lead the fighting against BRSC, due to the LNA's limited size and capacity. Indeed, the LNA in 2014–2016 would be best described as a conglomerate of local interested community and tribal armed groups. However, since 2016, this dynamic has changed as the LNA has seemingly successfully absorbed local armed groups into its command structure. There have been high profile cases of the LNA attacking and imprisoning the commanders of armed groups that refuse absorption.

Importantly, this process of alignment of armed groups does not mean civilian oversight of armed groups and security actors. Rather, the relationship has been one of dependency of civilian authorities on armed groups and security actors and, ultimately, the securitisation (in the West) and militarisation (in the East) of civilian governance. See 'Weakening of the potential for civilian and democratic governance' for further analysis.

¹¹ 'Tripoli's Militia Cartel', W. Lacher, SWP Berlin, April 2018: www.swp-berlin.org/fileadmin/contents/products/comments/2018C20_lac.pdf.

¹¹ <http://audit.gov.ly/home/pdf/LABR-2017.pdf>.

¹² https://en.wikipedia.org/wiki/Osama_al-Juwaili.

¹³ www.libyaherald.com/2017/06/04/pc-appoints-military-commanders/.

Key learning

The Eastern military and security forces have become more unified since 2014. By contrast those in the West are still heavily divided and in competition for influence in Tripoli.

Fear of marginalisation

There is a widespread fear of marginalisation in most community/political/tribal constituencies, which leads to a belief that each constituency will not be treated fairly unless it pushes its interests through control over state apparatus and military force. This fear is based on low levels of 'horizontal' trust between constituencies and corresponding low levels of 'vertical' trust by constituencies in state institutions – that the state will be equally fair in its treatment of all.

Most community/political/tribal constituencies maintain a marginalisation narrative. For example, pro-revolution groups (e.g. in Misrata) will argue that unless they maintain control over the government, Qaddafi supporters will take back control and reverse the gains of the revolution. Similarly, eastern tribes would argue that they are discriminated against by Tripoli-based authorities and that they do not equally benefit from national economic and social opportunities, and hence that national institutions need to be placed in Benghazi so that they act more fairly towards the east.

This fear of marginalisation stems from long-term justice issues that pre-date the Qaddafi period (e.g. historical land disputes such as those between Kikla and Gualish), experiences during the Qaddafi period when some groups were given greater influence (e.g. the Warfelli), experiences during the revolution/civil conflict and justice issues that stem from them (e.g. Zuwarah and Zaltan/Al Jamel/Raqdalin). However, these marginalisation narratives have been reinforced rather than diminished during the post-Qaddafi period.

Key learning

Fear of marginalisation has led to community/political/tribal constituencies trying to control national institutions and/or put pressure on national institutions to deliver their needs (e.g. through blockades of water and oil).

A critical juncture in the development of marginalisation narratives was the October 2012 military operation against the 'anti-revolutionary' forces that controlled Bani Walid. This operation was led by Misratan armed groups, with support from other key pro-revolution constituencies, such as Suq-al Juma. The operation was carried out under the pretext of GNC Decree 7/2012, which authorised the use of force to capture unnamed persons responsible for the death of a Misratan journalist. However, to Bani Walid residents and many other constituencies in the rest of the country, this appeared to be the GNC taking sides in a local historical dispute between Bani Walid and Misrata. The operation provided a lesson that each constituency needed to either: (1) control government in order to protect itself; or (2) put pressure on the government to deliver on its interest (as it was felt Misrata had done in its local dispute). The October 2012 Bani Walid operation was followed by a series of blockades of oil, water and other resources to Tripoli by a range of community groups to pressurise Tripoli-based institutions.

Box 2: Fear of marginalisation in Libya – a key conflict driver

Fear of marginalisation is a key conflict driver in Libya. At the political level, this fear in part drove the public protests in Benghazi at the beginning of 2011 and ongoing federalist aspirations. It is also behind attempts by various interest groups to take over national government agencies and the refusal of the GNC to hand over authority to the HoR. This fear has also led to choices by municipalities/associated constituencies and armed groups as to whether they align with the Eastern or Western Blocks – on the basis of a judgement as to where their voice will be heard loudest.

Marginalisation fears are often based in sub-national conflict. For example, in the conflict between Zuwarah and Zaltan/Al Jamel/Raqdalin, both sides have reflecting marginalisation narratives. Zuwarah, an Amazigh community, argues that the Arabic-dominated state will not provide justice for accused abuses by Arab Zaltan/Al Jamel/Raqdalin fighters in 2011, and hence that it needs to take direct action. Zaltan/Al Jamel/Raqdalin argue that they are discriminated against as they are not pro-revolution communities and traditionally were areas of recruitment for Qaddafi's security forces, and hence they will not be treated fairly by a revolutionary government that is more likely to favour Zuwarah.

UN-led mediation process

The potential for unification or further division of national political actors is driven by two additional factors – the present state of the UN-led political dialogue process and the existence of sub-national conflicts.

As described above, the LPA led to an agreement on paper of how to achieve a unified government. The LPA was driven by UN SRSG and informed by an optimism bias that the agreement could be implemented in practice. The inability and/or unwillingness of the HoR to approve the GNA demonstrated that the agreement was not sufficiently robust to deal with the interests of the full range of community/political/tribal constituencies in the Eastern Block.

Key learning

The national political division will continue, and potentially deepen, without: (1) development of a new strategy for achieving a political agreement; and (2) better management of sub-national conflicts.

The initial response of the UN SRSG and his team was to encourage approval of the GNA by the HoR. The present UN SRSG has sought to adapt this strategy through facilitation of discussion about amendments to the LPA, a wider national dialogue and agreement to elections. However, this change in strategy may not go far enough, especially as there is a widespread perception among international actors that the agreement is 'good enough' and provides a basis for a unified government and hence for re-engagement by the international community. The above analysis demonstrates that this is not the case, and that there is a need: (1) to recognise that the national political conflict continues and has in fact deepened following the LPA; and (2) for development of a new strategy for achieving a political agreement.

Relationship between national divide and sub-national conflict

The national political division is also fuelled by a symbiotic relationship with sub-national conflicts. This means that parties to sub-national conflicts align themselves with the two political blocks in order to gain dominance locally, and that the Eastern and Western Blocks have become involved in local conflicts in order to increase their national relevance and legitimacy. The national political conflict in Libya cannot be regulated separately from moves to regulate sub-national conflicts. This issue is explored in depth in the section on 'Sub-national violent conflicts'.

The Eastern Block – capacity, intent, public support and vested interests

Irrespective of the commonly held international position in support of the GNA as the legitimate executive in Libya, a parallel executive and related line ministries has become a reality – in terms of growing capacity, a national intent, positive public perceptions and vested interests. While the social culture of Libya is increasingly diffuse, state institutions are heavily centralised. The civil administrative capacity and culture that existed in 2014 was heavily centralised in Tripoli. Since IG institutions only developed from 2014 onwards, the administrative capacity of the IG in the East is comparatively very limited and has lacked established procedures and experienced civil servants. These institutions' capacity was further undermined in 2016 when a number of experienced officials serving with the IG decided to join the newly formed GNA.¹⁴

Nevertheless, the IG institutions have deepened their roots since the political crisis in 2014 in the lives of community/political/tribal constituencies in the East. This is partly through a recruitment drive that has led to the appointment of circa. 40,000 public officials to IG institutions and aligned municipalities.¹⁵ These appointments may not have increased the technical capacity of Eastern institutions, but perhaps have had the result of tying key family and tribal groups into Eastern institutions.¹⁶

Key learning

There is a genuine attempt to create civilian and potentially democratic governance institutions in the Eastern Block and this need to be factored into any political or development process.

There are also indications that the very process of governing has led to increased credibility and functionality of these institutions. For example, the IG has undertaken some limited reform of its line ministries, including the merger of the Eastern Ministry of Labour (MoL) and Ministry of Social Affairs (MoSA) into one body – the Eastern Ministry of Labour and Social Affairs (MoLSA). Further, the IG appears to have developed systems for engaging with municipalities, including processes for approval of new municipal branches; a further avenue for building positive relationships with Eastern political/tribal/community constituencies. It is important to understand that Eastern Block leaders have a genuine national ambition and view themselves as having national legitimacy, rather than representing a limited constituency in the East. There is, however, constant pressure from federalist leaders who see the Eastern Block as a means of promoting autonomy and even independence for the East.

¹⁴ Telephone interview, Eastern Academic, June 2018.

¹⁵ Telephone interview, former UNSMIL employee, June 2018.

¹⁶ Telephone interview, former UNSMIL employee, June 2018.

Public sentiment in the east is supportive of Eastern Block institutions and rejects the possibility for return to rule from Tripoli, desiring wide-ranging autonomy. Positive public sentiment has been a key driver in enabling the Eastern Block to consolidate its authority in eastern municipalities. This sentiment is based on a perception that political and governance institutions in Tripoli have been hijacked by western constituencies and will not act fairly towards the needs and interests of the east. This perspective developed during the Qaddafi period, and was one of the reasons for the Benghazi uprising; it has further deepened with the experience of Tripoli-based governance since 2011 and the establishment of IG institutions in 2014, which for some has proven that the East can govern itself. While there is wide support for autonomy for the East, it is not clear whether this extends to support for full independence.

The existence of these pieces of public apparatus will be difficult to reverse, even in the event of national election of a new legislative body (proposed for the end of 2018) due to the vested interests they have created. This is because of: (1) the opportunities the parallel executive/ministries have provided for constituencies in the east to participate in governance; (2) the importance of maintaining institutions in the East for those in the Federalist Movement; (3) the ability of the LNA to influence civilian governance through institutions based in its area of control; and (4) opportunities for employment offered through these institutions.

Risk of violent contest for control of Tripoli

There has also been an optimism bias that the GNA/PC can build positive and sustainable relationships with municipalities/related constituencies and armed groups, especially in the east of the country. However, this is a very difficult endeavour and one that: (1) exposes the GNA/PC to the risk of reverse takeover by municipalities/related constituencies and armed groups; and/or (2) exacerbates sub-national conflicts as municipalities/related constituencies in a sub-national conflict are felt to be privileged in their relationship to GNA/PC. Indeed, the GNA/PC has gained traction in the west by a process of providing incentives to key municipalities/constituencies and armed groups. These risks have manifested in violent conflict that started in Tripoli in August 2018.

Risk of increased violence in the south-west

The situation of municipalities and related community/political/tribal constituencies more geographically removed, especially those in the south-west of the country, has been more difficult. These communities have often tried to balance the interests of, and benefits offered by, both blocks, while the two blocks have attempted to gain influence and allegiance. For example, in 2016, the Stabilisation Facility of Libya (SFL) in Obari, which has the purpose of reinforcing the legitimacy of the GNA (and hence the Western Block) initiated activities in Obari. Concurrent with start-up of the SFL, the HoR sent a delegation to the city to provide financial and technical support for rehabilitation of damaged infrastructure, including renovation of

the town's airport.¹⁷ The two blocks competed to be viewed as legitimate and effective in Obari via the provision of financial assistance.

Soft power initiatives have latterly translated into armed violence, as demonstrated by fighting over airport infrastructure in Barak Shati in mid-2017 (direct fighting between GNA/PC and LNA forces)¹⁸ and the May 2018 clashes in Sabha (indirect fighting through proxy arrangements with Tebu and Awlad Suliman). Given the apparent consolidation of authority of the Western Block in most municipalities in the west and the Eastern Block in the east, there is a strong risk of an increase in violent competition for control of municipalities in the south-west, especially in the event that national elections are delayed or do not lead to a unified government. Unfortunately, the international community has only limited reach into the south and thus capacity to work on conflict mediation is hampered there.

Further stress on public agencies to divide

Despite the competition between the Eastern and Western Blocks, there are a number of public or semi-public bodies that continue to function across the country and have managed to negotiate the demands of the two blocks (see box 3, pg. 30). Even in these positive cases, the ability of each agency to work nationally is vulnerable and requires constant negotiation. For example, while the General Electrical Company of Libya (GECOL) continues to work nationally under one management, the company's executive director has not managed to travel to the East since the political crisis and local GECOL representatives have to demonstrate sufficient levels of autonomy from Tripoli to Eastern Block officials so as to be able to continue working.¹⁹ Overall, there are contradictory indicators, with some institutions consolidating and some dividing.

As such, measures to resist division of national agencies and reintegrate those that have divided are an essential component of any future political/peace process in the country. In this regard the July announcement of the merging of the Tripoli and Eastern Audit Bureaus is potentially a very positive step.²⁰ The importance of unification of public bodies was recognised by the main parties to the conflict in the Paris Discussions held in May and July 2018, with an initial informal agreement for the 'phasing out parallel government ... and ... unifying of the Libyan Central Bank and other institutions'.²¹ This agreement in May was solidified in a commitment to unified national institutions, such as the Central Bank of Libya, the National Oil Corporation and the Libyan Investment Authority' in the July discussions.²²

¹⁷ Author's observations, Obari, May 2018.

¹⁸ www.atlanticcouncil.org/blogs/menasource/the-barak-al-shati-massacre-shows-a-weakened-un-supported-government-and-a-fractured-country.

¹⁹ Authors interview, GECOL employee, Benghazi, May 2018.

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<https://alnabaa.tv/en/news/view/21435>; https://m.facebook.com/story.php?story_fbid=2096727560402746&id=378224298919756.

²¹ <https://apnews.com/b3fb16939cdd4dabb677f15d04aa4a7e>.

²² www.diplomatie.gouv.fr/en/country-files/libya/events/2017/article/libya-joint-declaration-25-07-17.

Box 3: Public or semi-public bodies working across the divide

- The Hospital Division of the Tripoli-based MoH is the sole national body responsible for budgeting and management of hospitals, and maintains direct relationships with all Libyan hospitals no matter whether they are situated in the East or the West;
- Key semi-public agencies, such as General Electrical Company of Libya (GECOL), the Libyan Mine Action Centre (LibMAC), the Public Works Companies (PWCs) and the public communications companies under the Libyan Post, Telecommunication and Information Technology Company (LPTIC) continue to work nationally under one unified leadership;^(a)
- The national immigration service is still unified within the Passports and Citizenship Authority under the Ministry of Interior (MoI) in Tripoli, meaning that at the time of analysis only one set of visas are issued for entry to Libya;^(b)
- While there are two ministers of sports associated with each of the political blocks, they have agreed not to split the National Company for Sports Infrastructure and Investment, but to collaborate in its management;^(c) and
- The National Oil Corporation's (NOC) position as the sole manager of Libya's hydrocarbon wealth has not yet been seriously challenged or undermined by the blocks.

(a) The case of GECOL is particular positive, as it has managed to unify Eastern and Western electricity grids during the political crisis, and has on occasions acted as an intermediary between the East and West in planning for rehabilitation of critical energy infrastructure. Interviews with foreign diplomat and GECOL chief executive, Tripoli, March 2018.

(b) This is partly because Libya's diplomatic missions report to Tripoli and partly because those international missions that have returned to Libya are based exclusively in Tripoli. This state contrasts with other fragile contexts where parallel institutions have developed their own visa processes.

(c) Interview, senior sports official, Tripoli, April 2018.

Challenges for public financial management

The manner in which public financial management has been implemented in Libya since 2014 is both chaotic and a cause for optimism. The national political divide, and the creation of a parallel Ministry of Finance (MoF) and CBL in the East, has meant that no public budget was agreed in the period 2015–2017, with the 2014 budget being extended over the intervening period. However, the World Bank (WB) has led on a series of important negotiations between the parallel MoFs and CBLs that led to agreement of a budget for 2018 – albeit that practical delivery is still proving to be problematic.²³

Despite the national political divide and the existence of parallel CBLs, salaries and subsidies have for the most part been paid across the country

²³ Interview, World Bank employee, Tunis, July 2018.

on both sides of the political divide. These salaries are paid from the Tripoli-based CBL. Indeed, during the budgetary negotiations between the parallel MoFs and CBLs facilitated by the WB, the Tripoli-based CBL agreed to absorb into the central budget salary costs for the circa. 40,000 public sector employees appointed in the East since 2014.²⁴ Similarly, budgets allocated to national public bodies, such as the GECOL or the Tripoli-MoH's Hospital Division are spent nationally on both sides of the divide.

Some municipalities in the East complain that they are not receiving the same levels of financial support as those in the West, and that no monies have been available from Tripoli for expenditure over and above salaries.²⁵ However, this perception may be based on a lack of knowledge of the equally difficult situation facing municipalities in the West, which have also only received the salary proportion of their budgets.

The most significant challenge to disbursement of public finances is in those cases when parallel agencies have been established in the East. In these cases how are central budget allocations made and funds distributed for public services in the East? For example, there presently exist two Primary Health Care Divisions, the established division under the MoH in Tripoli, and the newly-formed division in Al-Bayda that is responsible for primary health care in the areas aligned with the Eastern Block. The central budget allocations are provided to the Tripoli-based division, but primary health care units in the East are required to report to, and request funding from, the Al-Bayda division. Hence, what are the processes by which the Al-Bayda division can make payments to primary health care units in the East? Does it have a separate budget? Does it liaise with the Tripoli-based division to ensure finances flow to Eastern primary health care units? Do any Eastern primary health care units maintain informal contact with the Tripoli-based division and receive funding on the basis of this relationship? This analysis was not able to answer these questions, or to clarify the processes by which public expenditure on primary health care in the East is agreed and enabled given the national political divide.

²⁴ Telephone interview, former UNSMIL employee, June 2018.

²⁵ Author's interviews, municipal representatives, Eastern Libya, May 2018.

Paralysis of the national transition and institutional reform

The national division and the existence of two political blocks inside Libya has led to a paralysis of the transition. This paralysis is manifest in the absence of a consistent policy/reform agenda. Firstly, (1) Tripoli-based institutions have demonstrated only limited ability to project authority, with a focus on shoring up support from key constituencies. The existence of two governing blocks has further resulted in (2) parallel and sometimes contradictory policies and reforms. These policies and reforms are applied in the municipalities under the control of the respective blocks. The division of the LPA-recognised legislative (HoR) and executive (GNA/PC) branches across the national divide has meant (3) there are no formal mechanism for public oversight and scrutiny of policies and reforms undertaken from Tripoli. Perhaps most importantly, the national political divide has (4) enhanced the role of municipalities in the west and south vis-à-vis the central state, as they are widely viewed as more legitimate political actors.

The existence of the parallel political blocks and their desire to act as the sole legitimate governance authority has been at the heart of the challenges for the development of unified policies and reforms. However, there are several other structural causes of note. Firstly, (1) the capacity of the public sector is critically low and undermines any attempts to develop and deliver policies/reforms. Secondly, (2) the process of decentralisation undertaken in Libya since the 2011 civil conflict has not led to a clear division of responsibilities between central and local authorities. Most importantly, while municipalities are on paper responsible for delivery services, in practice financial allocations for services are made centrally. In addition, (3) there is no clear framework for the distribution of finances to the municipal level to respond to local urgent needs during the transition. Instead, distribution appears to be on the basis of the leverage that a municipality holds with central authorities.

This paralysis has meant that Libyans are required to negotiate two sets of policies and legal requirements across the country. This in turn creates separate living habits in the East and West. Importantly, the policies developed and reforms undertaken in Tripoli are on the basis of decree rather than legislation, and are consequently open to depending on the leadership. Further, reforms have the potential to be contested and/or not implementable in the Eastern Block-aligned municipalities, to be unsustainable and to even worsen the national political divide. In addition, municipalities have in many cases taken responsibility for pushing policies/reforms required for the stability of their areas. This can lead to direct competition between local and central authorities. The lack of a clear process for allocating funds and services locally, creates competition between municipalities, and deepens feelings of marginalisation and distrust of central authorities.

Limited ability of Tripoli-based institutions to project authority

Tripoli-based institutions have struggled to project their authority across the country since the end of the 2011 civil conflict. This trend deteriorated into a complete paralysis of governance functions in the period 2014–2016, with competition between the Eastern and Western Blocks and the withdrawal of international bilateral support resulting in a governance vacuum. The situation did not immediately improve with the conclusion of the LPA in December 2015 and the formation of the GNA/PC in January 2016.

In the intervening period, the GNA/PC and its associated Tripoli-based institutions have made slow progress in developing a coherent reform agenda and in building relationships with municipalities across the country. Instead, the focus has been on shoring up the support of key security actors and community/political/tribal constituencies in Tripoli and its immediate surrounds. In many ways this has been an existential issue for the GNA/PC, with its ability to operate from Tripoli in no way assured, as important constituencies in the GNC, and their aligned armed groups, did not accept the LPA.

While this focus made sense given the need for the GNA/PC to create a core base of support, it has reinforced the perception in the rest of the country that institutions in Tripoli comprise 'a government of Tripoli for Tripoli'. Given the reliance of the GNA/PC on international support for its claims to legitimacy, and its agreement to anti-ISIL and anti-migration actions favoured by the international community, the GNA/PC has also fallen foul of a perception, especially in the east, that it is more interested in delivering on international priorities than on the reforms required by Libya.

Box 4: Example differences in public policies and reform

- Migration management: In Western Block areas, detention of illegal migrants and measures to combat trafficking are under the authority of Department for Combatting Illegal Migration (DCIM), while registration of migrant workers is a MoL responsibility. In Eastern Block areas, the LNA is responsible for detention and countering trafficking, while the Military Investment Authority (MIA) is responsible for registration of migrants, with the merged MoLSA having a secondary role; ^(a)
- Islamic Banking Law: An Islamic Banking Law was passed by the GNC in 2013, cancelling conventional bank loans. This law has been implemented by the Tripoli-based CBL and commercial banks in western Libya in the form of introduction of a 'murabaha' interest-free loan. The HoR voted in August 2015 to freeze implementation of the law for five years, as it restricts an important source of income and liquidity for commercial banks.^(b)

(a) For deeper analysis of migration management in the East of Libya see D. Wood, 'Local economies and migrant registration: Eastern Libya', UNDP (To be released). It appears that the Tripoli-aligned DCIM is still able to function in Tobruq.

(b) See 'Libya's Shadow Economy' Mercy Corps, April 2017.

Parallel/contradictory policies and reforms

The legislative body recognised by the LPA (the HoR) and the executive body recognised by the LPA (the GNA/PC) are on opposing sides of the divide and hence do not work together to develop legislation and policies. Instead, the HoR prefers to legislate for the Eastern executive branch, the IG. As a result, the Eastern and Western Blocks undertake separate policy initiatives, with GNA/PC and HSC working in separation from the HoR/IG and the LNA; in effect creating two parallel sets of policy processes and reform agendas (box 4, pg. 33).

Limited public scrutiny and oversight of policy development

Any initiatives undertaken by the GNA/PC, separate from collaboration from the HoR, has not been subjected to sufficient public scrutiny by a legislative body. At the present moment GNA/PC reforms tend to be passed on the basis of decrees or resolutions with limited external scrutiny. For example, attempts to enable municipalities to manage local revenues have been facilitated via joint decrees issued by the GNA's Prime Minister's Office (PMO), MoF and MoLG.²⁶

This approach has the potential to undermine good practice in civilian and democratic governance, by setting a precedent whereby a small group of officials take major decisions on the future of the country without external scrutiny. This approach is also vulnerable to changes in leadership (or the whims of those that maintain leadership positions). For example, a 2016 decree on municipal management of local revenues was frozen by the present Minister of Local Government (Tripoli), leading to a lack of clarity as to municipalities' responsibilities.²⁷

Enhanced role of municipalities vis-à-vis central authorities

Municipal and national elections were held in parallel in early 2014. While the results of the national elections were rejected by the GNC, the municipal elections were not contested and the resultant Municipal Councils (MC) were mostly viewed as credible governance actors, and to a degree filled the governance vacuum created by the national political conflict.

The role of municipalities as governance actors in the west and south was reinforced by a number of factors: (1) with the evacuation of international diplomatic representatives and cessation of bilateral support to Tripoli-based institutions, the international community focused its assistance support on municipal-level development; (2) a special track for municipal-level dialogue was created with the political process, in parallel to dialogues involving armed groups, political parties, women and other civil society organisations; (3) MCs became the entry-point to governance for

²⁶ These decrees will provide a legal basis for municipalities to maintain bank accounts, and to appropriate and spend monies from 'own source revenues' such as parking fees. Telephone interview, US-funded programme representatives, July 2018.

²⁷ Ibid.

Key learning

The present approach to reforms and the transition in Tripoli is to make decisions on the basis of decrees without sufficient external public scrutiny.

most community/political/tribal constituencies to advocate for their interests; (4) MC representatives in the West collaborated on shared needs; and (5) MC representatives developed direct relationships with the parallel governments, in some cases overstepping and becoming more important than their respective line ministries. The LPA committed to further decentralisation and empowering of municipalities.²⁸

This empowerment of municipalities in the west and south has not been reflected in the east, as the LNA gained greater influence in political and economic issues (see 'Weakening of the potential for civilian and democratic governance'). Most significantly, the Eastern military governor disbanded 12 Eastern Municipal Councils and replaced them with military-appointed mayors. The first 'military mayor'²⁹ was appointed in Benghazi in August 2016 on the basis that anti-BRSC operations constituted a state of emergency requiring direct military governance and that disputes between MC members had impaired its ability to deliver services. The rationale for the disbandment of the remaining 11 mayors was not so clearly articulated. This initiative ensured direct military control over these municipalities, as the appointed mayors reported to the military governor rather than the Eastern MoLG. The present and future status of the military-appointed mayors has not been clarified by the Eastern Block. The LNA has committed to replacement of the appointed mayors with elected officials in the event of municipal elections. In addition, the Eastern MoLG claims that its oversight over the appointed mayors has grown since 2014, although it is not clear what this means in practice.³⁰

Not all municipalities are functional, or have strong levels of local acceptance and trust, with many being internally divided. For example: (1) prior to the appointment of the military mayor, Benghazi MC was divided with two members claiming to be mayor; (2) the elected mayor of Murzuq municipality resides in Tripoli due to threats against his life if he returns to the town; (3) the mayor of Sirte has been kidnapped and holds weak relationships with a substantial part of the community.

The strength of municipalities and the level of acceptance/trust in them from local community/political/tribal constituencies is mostly dependent on the relative strength of the underlying Local Political and Security Agreements (LPSAs) (see 'Sub national violent conflict').

Vicious circle of low public-sector capacity

The capacity of the public sector is incredibly low. This is partly due to the reliance of the Libyan workforce on public sector jobs, both traditionally and especially since the economic crisis induced by the 2011 civil conflict and 2014 political crisis (see below). The result is that many agencies are

²⁸ The LPA includes as a governing principle: 'Activation of the decentralized system as a basis for local governance within the framework of the unity of the State.' LPA, p.4.

²⁹ Not all appointed mayors had a military background. Indeed the appointed mayor of Benghazi has been changed three times with the incumbents split between those with a military and those with a civilian background.

³⁰ Telephone interview, eastern academic, June 2018.

over-staffed with employees who do not have the requisite skills for their roles. Many of these employees exist on paper only and do not fulfil functions in their agencies, or at the minimum are required to sign into work once a week or month, in effect becoming 'ghost employees'. Some public agencies are more affected by ghost employees than others. For example, the head of the Tripoli PWC has complained that his agency has become a dumping ground for unwanted staff from other agencies, and that this is inhibiting devolution of public work services to the municipal level as staff will not accept transfers to municipal employment.³¹

Public employees that are visibly playing a role in their institution are not motivated to engage in challenging work, take tough decisions or act in a leadership role. This is because they are low paid and no incentives exist for them to go beyond their minimum duties. For example, a senior employee at the Ministry of Planning (MoP) has described how his staff members are paid between 1,500 LYD and 2,000 LYD per month and that he has not identified a way of building in financial/promotion incentives in advance of substantial reform of the public employment model. As a result, he is becoming increasingly dependent on internationally seconded staff to deliver on key MoP projects.³²

Division of responsibilities between central and local authorities

While municipalities have been widely viewed as legitimate governance actors in Libya, and their influence has grown in the west and south during the political vacuum, their capacity to deliver services is very limited and dependent on central state institutions and the interests of the Eastern/Western Blocks. Law 59 of 2012 'Concerning the Local Administration System'³³ gives responsibility for delivery of local services to municipalities, but does not clearly explain the mechanisms for decision-making on, and funding of, these services. Most importantly, Libya has not experienced fiscal decentralisation. The majority of finances that reach municipalities are for the payment of salaries rather than for budget development and deployment.

In effect, Libya is still a heavily centralised state, with the municipalities acting as conduits of information to central line ministries. Planning, financial allocation and contracting is subsequently done centrally, theoretically on the basis of information provided from municipalities. For example, local Labour Offices attached to each municipality provide monthly reports on unemployment in their area (either to the MoL West or the MoLSA East), but do not have the ability to develop programmes to overcome unemployment or to allocate public sector jobs without instruction from their respective 'central authorities'. This means that while municipalities are the primary point for of governance access for community/political/tribal constituencies, they cannot respond to local needs.

Key learning

While municipalities are the primary method by which Libyans access public governance, they do not have the ability to respond to local public needs.

³¹ Author's interview , Public Works Company representative, Tripoli, January 2018.

³² Author's interview, Ministry of Planning representative, Tripoli, May 2018.

³³ For an English translation of the law see: <https://security-legislation.ly/node/31807>

Decision-making on allocation of resources to municipalities

There is also no clear system outside of annual and multi-annual budgeting processes for central authorities to make decisions on which municipalities' needs are most pressing and require response. As a result, those MCs with the strongest ties to and leverage over central authorities are most likely to be prioritised.

This has resulted in MCs looking to step around line ministries and engage directly with Fayez al-Serraj as president/PM (Western Block) or with Aguila Saleh Issa as leader of the HoR, Abdullah al-Thinni as IG PM or Khalifa Heftar as head of the LNA (Eastern Block). For example, prior to Ramadan in May 2018, Obari municipality put pressure on Fayez al-Serraj to provide liquidity to the town, resulting in a transfer of 1 million LYD into the town on the 4 May.³⁴

Separate lives East and West

The process of the Eastern and Western blocks undertaking separate reforms is having a significant impact on the shared living space in Libya. This is because Libyans have to understand and negotiate two sets of 'state' actors and 'legislative' arrangements.

For example, in the case of migrant management, a Libyan business looking to legally employ migrant labour will have to liaise with the MoL in the West and the MIA in the East. The parallel migrant management system provides significant challenges for migrants arriving into the country, in terms of legal status and protection. Even if a migrant worker travels into the East of Libya and is registered with the MIA there, her/his legal status as an migrant worker depends on receipt of a visa from the Passports and Citizenship Authority based in Tripoli. Similarly, banks offering loans will have to follow separate instructions in the East and West, as to whether they offer loans at a commercial rate or 'murabaha' loans without interest; in turn meaning that individual Libyans and businesses in the East and West of the country will have different expectations regarding bank loans.

Experience in other conflict-affected contexts has demonstrated that processes that impact on the shared living space undermine the potential for conflict resolution and successful post-conflict reforms. For example, the continued division within Bosnia and Herzegovina into the Federation of Bosnia and Herzegovina, Republika Srpska and Brcko Canto has made it difficult to pursue national reform agendas, with different living experiences in the three constituents; for example in relation to policing.

Sustainability of reforms and development agenda

It could be argued that any actions taken by the GNA to deliver reforms before practical unification of executive and legislative bodies: (1) would not have a sufficient legal grounding, as there is a coherent argument by Eastern Block representatives that the GNA has no authority to

³⁴ Author observation, Obari, May 2018.

develop/deliver policy without endorsement by the HoR; (2) would be difficult to implement in the present divided context; and (3) could be vulnerable to challenge in the future. This is most evidently true of the decentralisation agenda, especially given the GNA/PC commitments towards decentralisation of public finances.

The existence of parallel governance institutions in competition over legitimacy has created significant challenges for development programming. At the time of analysis, most diplomatic missions were being re-established in Tripoli and there is a move towards resumption of bilateral support to Tripoli-based institutions. Internationally supported reforms are unlikely to be sustainable in advance of a political solution, and may even further the national political divide, as GNA/PC reforms supported by the international community are only delivered in part of the country.

Box 5: Examples of Municipal Councils taking action

- Measures to register migrant workers required by local economies (e.g. Sabratha, Misrata);
- Collection of local public income, e.g. from parking fines or port authorities (e.g. Tobruq);
- Joint lobbying of Tripoli by a network of municipalities in the West to take direct control of public works budgets (including cleaning and waste disposal);
- Agreement of collective security agreements, such as the open roads agreement in the Nafusa/Western mountains;
- Economic cooperation, such as the economic cooperation scheme amongst municipalities between Tripoli and Misrata.

Municipal initiatives and conflict with central authority

Given the centralised nature of public administration in Libya, alongside fiscal centralisation, some MCs have taken a number of steps to develop creative solutions to local needs across a range of areas or to collaborate on joint needs. However, individual and collective actions by MCs to deal with local needs can lead to tensions with central authorities over jurisdiction. Indeed, there have been occasions when MC members have been arrested for taking measures that are thought to impinge on central state responsibilities (e.g. local tax collection).³⁵

Competition between municipalities and state fairness

As there is no clear process for allocating resources between municipalities, they often use leverage over central authorities to ensure receipt of funds and delivery of public services. Similarly, central authorities in the Eastern and Western Blocks can use the delivery of funding and services to

³⁵ Telephone interview, US-funded programme representatives, July 2018.

maintain the allegiance of municipalities. This means that those municipalities with greater leverage or of greater importance to the two blocks are more likely to receive funding and services. This can be seen in the Western Block, where the PC/GNA's focus on shoring up support in Tripoli and the surrounds has meant that these areas have been prioritised. The end result is that municipalities and their residents can feel that they are in open competition with each other for funding and services. It can also deepen a sense of marginalisation and distrust towards central authorities, especially in those municipalities with less leverage or viewed as less important

Economic crisis, structural and conflict-related

The Libyan economy is in a protracted crisis and has slipped into a conflict economy, characterised by: (1) a reduction in wealth and greater scarcity of resources; (2) increasing competition over control of the diminishing pool of wealth and resources; (3) profiting from the conflict economy and hence incentivisation of continued instability; and (4) limited or no stimulus for economic recovery, as the unstable environment deters domestic and international investment; and (fig. 3).

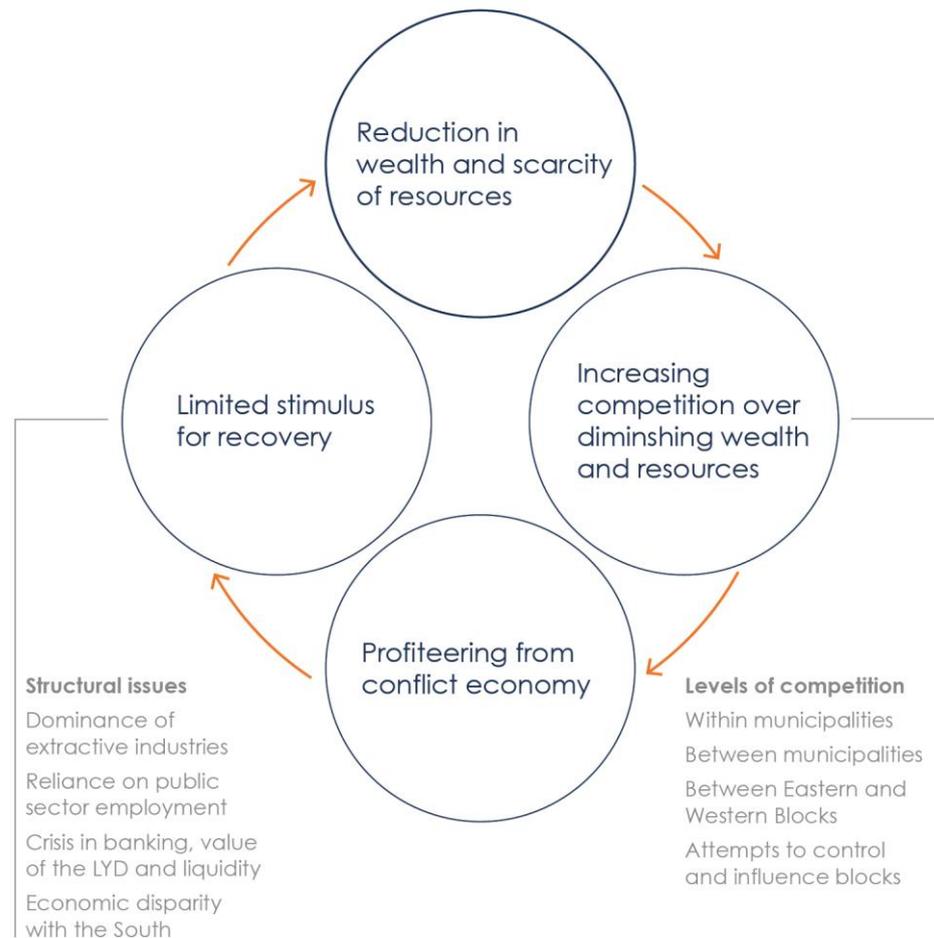


Fig. 3: Negative conflict-economy cycle in Libya

In the case of Libya, the potential for recovery is further limited by structural issues with the Libyan economy, namely: (1) dominance of the extractive industries as the engine of growth and wealth; (2) a reliance on the public sector to provide employment rather than the private sector, and its present inability to fulfil this role; (3) use of the budgeting process to maintain public order, buy allegiances and control armed groups; (4) a breakdown in trust in the banking sector, underpinned by a distortion in the value of the Libyan Dinar (LYD) and manifest in a nation-wide liquidity crisis; and (5) a substantial economic disparity between the south and the rest of the country.

The impacts of the conflict economy have been manifold. (1) It has impacted on the livelihoods of substantial part of society, who can no longer necessarily afford to purchase basic commodities. This is especially true of public sector workers and in the south. The conflict economy has (2) provided momentum for migration from southern Libya to the north, especially public sector workers looking to gain regular access to salary payments, or those in need of critical public services such as health and education. This migration is reinforced by the relatively weak economy in the south. Further, the crisis has: (3) undermined the ability of public agencies and businesses to function and hence to contribution to economic recovery, as businesses are not able to secure consistent payment; and (4) destabilised the labour market leading to a deficit of sufficiently skilled workers, especially migrant labour. (5) The crisis has also strengthened reliance on the black market as a source of income for many Libyans. This is especially the case in the south of the country due to its historical underdevelopment, proximity to the border and history of trafficking.

Economic contraction

Libya experienced an initial economic contraction of 62% of GDP following the civil conflict in 2011. This initial contraction was driven by: (1) the suspension of large scale public/capital works and the evacuation of the foreign companies delivering these works; and (2) a reduction in oil production and overseas sales – before the revolution, Libya produced approximately 1.5 million barrels of oil per day. Production dropped to circa. 988,000 at the beginning of 2014, as a result of blockades on oil facilities and damage to the national production infrastructure.³⁶

A second and potentially more devastating contraction occurred from 2014 onwards as a result of the political crisis: –23.5% of GDP in 2014, –10.1% in 2015 and –8.1% in 2016.³⁷ This contraction was again driven by evacuation of those foreign companies that had returned to Libya since the 2011 civil conflict and a consequent reduction in oil production – to 498,000 barrels of oil per day at the beginning of 2015, 431,000 in 2016 and 426,000 in 2017.³⁸ This second economic contraction was worsened by the collapse of public trust in the banking system and a nation-wide liquidity crisis.³⁹

Competition over diminishing resources

The economic decline in Libya has taken place in parallel to an increase in violent competition between different municipalities and their associated communities, political and tribal groups, as well as between armed groups (see 'Sub-national violent conflict'). This is especially the case since the

³⁶ The Economist: https://ycharts.com/indicators/libya_oil_production

³⁷ <https://tradingeconomics.com/libya/gdp-growth-annual>

³⁸ https://ycharts.com/indicators/libya_oil_production.

³⁹ While the 2011 conflict also created a liquidity crisis, it was short lived due to the unfreezing of Libya's overseas funds, printing of currencies in the UK and the imposition of cash withdrawal limits until June 2012. www.reuters.com/article/libya-bank-cash-idUSL5E8H766520120607.

political crisis in 2014, as resources have diminished and groups have sought to control those that are available.

The conflict over diminishing wealth and resources is taking place at multiple levels that reflect the sub-national conflicts described above and the wider political conflict: (1) within municipalities; (2) between municipalities; (3) between the Eastern and Western Blocks; and (4) by community/political/tribal constituencies and aligned armed groups through attempts to control and influence the two blocks.

Within municipalities, different community, political and tribal groups can compete for jobs, business or in the black market. This competition is most prevalent in those places with weak LPSAs, and especially in the south. So for example, the conflict between Tebu and Tuareg in Obari happened against the background of competition over control of trafficking routes. Similarly, the tension between Arabs and Tebu in Murzuq is in part fuelled by competition to control local public spending and the local economy. Violent competition between groups from different municipalities often also has an economic basis as well. For example, the conflict between Zuwarah and Zaltan/Al Jamel/Raqdalin is partly due to competition over control of the Tunisian border at Ra's Ajdair, partly due to employment at a local chemical plant.⁴⁰

Political conflict between the Eastern and Western Blocks has also spilled over into competition to control economic resources. For example, a number of attempts have been made by the Eastern Block's CBL to directly access finances accruing from the national oil industry. Further, the Eastern Block, through the LNA, has taken over the land and sea borders in the East and hence income from import duties in these areas. Finally, different constituencies and armed groups have attempted to access economic benefits through political influence in the Eastern and Western Blocks. For example, the main armed groups in Tripoli have sought to leverage the dependency of the GNA/PC on them for security in the city in order to accrue wealth. Further, key municipalities have pressured GNA/PC to release funds to them for continued support. In the East, the IG has sought to gain the favour of community/political/tribal constituencies through salary payments to public officials, while the LNA has sought to leverage its influence in the East to dominate key economic areas (e.g. sand dredging).

Key learning

There are examples of international assistance becoming the focus of competition between local constituencies and even leading to the use of violence.

Given the scarcity of income opportunities and resources across the country, international assistance can become the focus of competition and can even increase competition if not handled correctly. For example, during reconstruction of Obari through the SFL, a Tebu youth group attacked renovation works as they felt that they had not had equal opportunity to tender for contracts.⁴¹ Similarly, a European Union- (EU) funded programme focused on economic recovery received complaints

⁴⁰ Understanding the relationship between communities and armed groups: As a contribution to peaceful change in Libya, D. Wood, PCI, May 2012.

⁴¹ 'The Stabilisation Facility for Libya: an independent strategic and operational review', UNDP.

from Tripoli-based officials that its work was more visible and impactful in the East, and that it should focus more resources on municipalities aligned with Tripoli.⁴² The risk of international assistance exacerbating conflict, and hence the need for international organisations to understand and plan for this potential, is especially pressing given the planned increase in direct international assistance into the country.

Profiting from the conflict economy

As demonstrated by learning from other conflict economies, the longer they endure the more entrenched become the groups that profit from them, and the more able are such groups to prevent measures that would reverse the conflict economy.

In Libya, the main profiting groups are: (1) those involved in trafficking in goods and persons; (2) those involved in exchange rate and other financial scams; (3) armed groups, whose influence depends on the need for protection; and (3) the Eastern stakeholders who have gained economically from greater autonomy from Tripoli. These groups would seem to have significant sway on the nature of the economy and on the overall potential for the stabilisation of Libya. As such, it is essential to identify ways of incentivising these groups to become positive forces for economic development, rather than working to maintain the conflict economy.

Limited stimulus for recovery

Prior to the 2011 civil conflict, economic development was dependent on public expenditure on large-scale capital works, fuelled by income from the extractives industry. The GNA and Tripoli-based CBL have also based their plans for economic recovery on an expansion of oil production, a resultant increase in the public purse and an ability to increase spending on public works. There are indications that this strategy may prove fruitful as oil production recovered to a level of circa. 864,000 barrels per day at the beginning of 2018.⁴³ This recovery in production led to an increase in oil revenues from United States Dollars (US\$) 4.8 billion in 2016 to US\$ 14 billion in 2017, a reduction in the budget deficit from 20.3 billion LYD to 10.6 billion LYD⁴⁴ and overall growth of 55%.⁴⁵ However, this strategy is risky as any uptick in conflict dynamics around oil production facilities or attempts by the Eastern Block to control oil revenues will again reduce the potential for public spending.

Dominance of extractive industry as the engine of growth

The speed of the economic contraction and Libya's struggle to recover from it reflects a deep structural problem as the national economy has not diversified beyond oil production and is heavily dependent on its hydrocarbon wealth, which provided for 86% of government revenues in

⁴² Author's Interview, MoLG representatives, Tripoli, May 2018.

⁴³ https://ycharts.com/indicators/libya_oil_production.

⁴⁴ CBL, Tripoli statement, 4 January 2018.

⁴⁵ <https://tradingeconomics.com/libya/gdp-growth-annual>.

2017.⁴⁶ In the aftermath of the 2011 civil conflict and the 2014 political crisis, the decline in oil production (as well as the relative value of the oil produced as a result of a drop in international oil prices) translated into a reduction in government revenue (a drop of approximately 90% between 2012 and 2015), a reduction in the size of the public budget and a concurrent increase in the budget deficit (an increase from 43% in 2014 to over 75% in 2017).⁴⁷ With a significant drop in government revenues, the government was not able to maintain the same level of public expenditure, with reduction in investments in public works and capital projects. The reduction in public expenditure did not, however, fall at the same rate as the reduction in revenues, due to a commitment to continued payment of salaries and subsidies so as to control social pressure (see below). The result was that public expenditure drew on Libya's foreign exchange reserves. For example, reserves fell by US\$ 51 billion in the period 2013–2015 (from US\$ 108 billion to US\$ 57 billion).⁴⁸

Reliance on public sector for growth and employment

The Libyan workforce is heavily dependent on public sector employment, with the legal private sector providing employment for only approximately 4% of the working population.⁴⁹ The most substantial budgetary expenditure presently is on wages and salaries⁵⁰ followed by subsidies, with a virtual freeze on all other budgetary expenses. For example, in 2017, 20 billion LYD was spent on the wages of 1.5 million public employees, 6 billion LYD was spent on subsidies and only 4.5 billion was spent on government expenditure, 900 million on projects/development and 780 million on emergency spending.⁵¹

While reliance on the public sector is understandable given the country's hydrocarbon wealth and the conflict-induced economic crisis, it is proving unable to provide sufficient employment opportunities, especially for young people. For example, unemployment in Benghazi increased from 27,000 in 2012 to 60,000 in 2014.⁵² In January 2018, the IG's prime minister issued a decree tasking the Eastern MoLSA with moving 20,000 people into public sector employment in Benghazi. By May 2018, the MoLSA had only managed to facilitate the employment of 8,400 public sector workers. Even if the MoLSA were able to facilitate the employment of 20,000 public sector workers, this would fall far short of the number of unemployed persons in Benghazi.

⁴⁶ CBL, Tripoli statement, 4 January 2018.

⁴⁷ www.worldbank.org/en/country/libya/overview.

⁴⁸ www.ft.com/content/cd84410c-813a-11e4-896c-00144feabdc0#axzz4CDeHMBUW.

⁴⁹ Ibid.

⁵⁰ Chapter 1 of the Libyan budget. The second largest area of public expenditure is Chapter 4, subsidies and price equilibrium. Since the 2014 political crisis there has been a significant reduction in the proportion of the budget allocated for Chapter 2, recurrent expenses, and Chapter 3 (operational costs), development (capital costs).

⁵¹ Libyan Audit Bureau report, 2017: <http://audit.gov.ly/home/pdf/LABR-2017.pdf>. A similar spending pattern was announced for the 2018 budget: 24.5 billion on salaries, 4 billion on subsidies, 6.7 billion on government expenditure and 4.7 billion on projects/development: www.libyaherald.com/2018/05/11/details-of-2018-ld-42-5-bn-budget-revealed-first-budget-to-be-agreed-without-international-mediation/.

⁵² D. Wood, 'Local economies and migrant registration: Eastern Libya', UNDP (To be released).

The alternative to direct public sector employment has in the past been through public-funded large-scale capital works. The closure of these works has consequently also had a substantial impact on the potential for employment across the country. For example, prior to 2011 approximately 75% of employment in Benghazi was through international companies delivering public works.⁵³

Public order, buying allegiance and controlling armed groups

One of the reasons that Libyan budgets focus so heavily on salaries and subsidies is that respective transitional governments, following a practice established during the Qaddafi period, have used public sector employment as a means of providing social security during the economic downturn. Hence, the national budget was used to maintain public order. The budgeting process has also been used as a means of buying the allegiance of key community/political/tribal constituencies. This is amply demonstrated by the circa. 40,000 public appointments made by the Eastern Block since 2014. Most importantly, the budget has been used to reduce the threat posed by armed groups, security actors and their members, by payment of regular salaries.

As such, the public budget is primarily used as a tool of social control, rather than to fund those measures required to strengthen the fundamentals of the Libyan economy. The focus of the budgeting exercise on salary payments has also enabled an increase in payroll fraud, a practice whereby one person would have duplicate or multiple public salaries, to the excess of 300,000 duplicate salaries.⁵⁴

Banking and liquidity crisis and the financial black market

The economic contraction in Libya has been more significant since 2014 as it occurred in parallel with a sharp drop in trust in the national financial system; one that has proved more tenacious than the financial crisis in 2011 and has had a deep impact on social stability in the country. As they lost trust in the financial system, Libyans preferred to withdraw their savings from banks and keep their money in cash or use it to purchase gold or US\$, which are viewed as more secure investments. The tendency of Libyans to withdraw their savings from banks has resulted in a shortfall of hard currency in most banks (which may show healthy electronic ledgers). This drop in trust also led to a significant discrepancy between: (1) the formal LYD–US\$ exchange rate, as set by the CBL; and (2) the black market rate (the amount of LYD that Libyans are willing to spend on 1 US\$ so as to secure their savings). While the official rate in mid-September 2018 was 1.38 LYD per 1 US\$, the black-market rate was 5.80 LYD per 1 US\$.

⁵³ *Ibid.*

⁵⁴ <http://www.libyamonitor.com/news/labour/pm-300000-duplicate-salaries-being-paid>

Key learning

The focus of the budgeting process on salaries and subsidies has the primary purposes of: (1) providing social security and maintaining public order; (2) buying the allegiances of key community, political and tribal constituencies; and (3) reducing the threat posed by armed groups.

Key learning

The black-market rate for US\$ has become a useful indicator of how Libyans view the stability of their country, and their relative spending power.

The black-market rate has varied dramatically depending on the level of perceived instability in the country and dropped as low as 10 LYD per 1 US\$ during the height of the crisis. The black-market rate has become a focus for Libyans as a measure for the level of stability in the country and their relative spending power. As a result, a culture of speculation on the black-market rate has developed, with Libyans tracking a range of indicators to ensure that they stay ahead of potentially damaging fluctuations.⁵⁵

Liquidity issues have been worsened by robberies on banks and by the difficulty in transporting hard currency into those areas suffering from armed violence or whose transport links to Tripoli pass through areas of violence. The liquidity crisis has also been fuelled by a financial black market, in which criminal groups and individual Libyans profit from the discrepancy between formal and black-market rates through exchange rate scams; in which US\$ are acquired at the official rate through state subsidies, but then sold at the black-market rate, resulting in a substantial profit (see Box 6).

Box 6: Example exchange-rate scams

- Letters of Credit (LCs): LCs are provided to companies to allow them to buy US\$ at the official rate, so as to purchase goods overseas for import back into Libya. In these schemes no goods are purchased, with the criminal groups bribing customs officials to provide false import documentation, and the US\$ acquired being subsequently sold in Libya at the black-market rate;^(a)
- Personal US\$ allowance: At the beginning of 2017 the Tripoli-based CBL enacted a policy to provide US\$ 400 per month to each family at the formal exchange rate (rising to US\$ 500 in 2018). However, US\$ cannot be withdrawn from banks in Libya. As a result, it has become common practice for Libyans to sign up to credit cards, to travel overseas to withdraw US\$ on these credit cards and then to travel back to Libya to sell the US\$ on the black market.^(b)

(a) See for example 'Libya's Monetary Crisis', LAWFARE, 10 January 2018.

(b) www.libyanexpress.com/libya-credit-cards-and-turkish-atms-a-story-that-never-ends/.

The response of the Tripoli-based GNA and CBL has been to attempt to maintain rather than devalue the LYD, and to control the distribution of currency through the banking system so as to prevent a run on the banks – as whenever money is made available through banks Libyans immediately try to withdraw the money available to them. These efforts have included the imposition of withdrawal ceilings of between 200 and 500 LYD depending on the bank and area,⁵⁶ as well as restrictions on the use of LCs, which have impacted equally on genuine businesses as well as criminal groups. However, these measures have had the effect of reducing

⁵⁵ See for example: www.facebook.com/pages/category/Finance-Company/Libyan-Black-market-exchange-rate-626595290844926/.

⁵⁶ 'Libya's Shadow Economy', MercyCorps, April 2017: www.mercycorps.org/sites/default/files/Mercy%20Corps_Libya%20Shadow%20Economy.pdf.

incentives for Libyan individuals and businesses to put their money in banks. The result is that over half of the money in circulation in Libya is in the financial black market. According to the Tripoli-based CBL, in 2015, 23 billion LYD of a total cash supply of 42 billion was in the black financial market; rising to 26.5 billion in 2016.⁵⁷

Impact of economic crisis on livelihoods

The liquidity crisis has meant that many families no longer have sufficient money to purchase key commodities, either because of an inability to access money from banks or due to a concurrent increase in commodity prices. Commodity prices have risen as the result of shortages in the supply of basic commodities. The end result is inflation of 28.5% in the first half of 2017.⁵⁸ The impact of the liquidity crisis is most keenly felt: (1) by public sector workers; and (2) by communities in the south of the country.

Public sector workers are more directly impacted as they can only withdraw their salaries from banks. Private sector workers on the other hand are less affected (especially if they are working in the black market) as they can be paid in cash. Municipalities in the south are more deeply affected than those in the north as the Western Block has prioritised money transfers to municipalities in the north, as part of its strategy of reinforcing its position. Disbursement to the south has been more sporadic and in response to direct interventions from community/political/tribal leaders from the south. The end result is that public sector workers in the south are one of the groups most affected by the liquidity crisis.

Vicious cycle of poor public services and migration from the south

A knock-on impact has been the relocation of a substantial proportion of public sector workers in the south to the Tripoli area, so as to ensure they can access their salary payments. Central authorities are apparently inundated with requests from public officials to transfer their positions to the north of the country.⁵⁹ This in turn has led to a drop in the availability and quality of key public services in the south; most notably healthcare. In response, there are examples of Tripoli-based institutions offering higher wages for public sector workers to relocate to the south (e.g. for doctors and nurses).

The relative deterioration of public services in the south – especially in terms of health and education – has led to a further migration of Libyans from southern Libyan to the north of the country in search of better quality services. This migration can vary from temporary periods as a result of, for example, urgent medical needs, or more sustained periods in order, for example, to ensure good levels of education for young family members.

⁵⁷ *Ibid.*

⁵⁸ Libya Risk and Resilience Assessment, February 2018.

⁵⁹ Author's interview, Ministry of Health representative, Tripoli, April 2018.

Key learning

The liquidity crisis is most keenly felt in the south of Libya as the Western Block has prioritised disbursement in Tripoli and the surrounding areas, so as to reinforce its position there.

Key learning

The parallel increase in the liquidity crisis and direct international assistance for public services is a conflict sensitivity concern due to: (1) conflicts over duplicate contracts; and (2) a preference amongst Libyan businesses to work with international organisations as payments are guaranteed in US\$.

A further impact of the liquidity crisis has been on the business environment for both public agencies and private companies. Public bodies (such as the MoH's Primary Health Care Unit and the MoE's Schools' Maintenance Unit) have in some cases been unable to pay contractors to undertake key works (e.g. maintenance of healthcare equipment or school repairs), with some contractors providing services without payment since 2014. While some private contractors have demonstrated willingness to continue to provide services in the hope of an eventual pay-out, others have stopped providing services until past debts are met. This is leading to degradation of public infrastructure and of services delivered.

It is also a conflict sensitivity concern, given the increase in direct international assistance for renovation of public infrastructure. This assistance is usually on the basis of competitive tendering with payment guaranteed in US\$. As a result: (1) there have been cases of conflict over 'duplicate contracts' when international organisations hire a company to undertake works but another company already holds a contract for these works with a national agency (but has been unable to undertake work due to a lack of payment); and (2) Libyan companies would prefer to work with international organisations rather than national public agencies.

Unstable labour market

The liquidity crisis has also had a substantial impact on labour market stability across the country. Aside from sporadic payments to Libyan public sector workers, it has also contributed towards a reduction in the availability of migrant workers required by local economies. Since 2011, and especially since the 2014 political crisis, there has been decrease in the number of documented migrant workers who view Libya as their end destination for employment, concurrent with an increase in migrants travelling through Libya in order to travel onwards to Europe. This has partly been because of the closure of large public works and the departure of the migrant labour employed by them.

Box 7: Shortfall in required migrant labour – Tripoli

The Tripoli Public Works Company's (PWC) Abu Salim Branch requires 500 foreign workers for its cleaning services. However, in 2017, it was only able to employ between 50 and 70 local workers per month. The head of the Abu Salim PWC claims that they would be able to incentivise migrants to stay and work for the PWC if they could guarantee payments to them.^(a)

(a) D. Wood, 'Local economies and migrant registration in Libya: contributing to resilience and recovery', UNDP (To be released).

Labour market instability is also due to the liquidity issue, as Libyan companies/public agencies are not able to guarantee payments to

migrant labourers hired locally.⁶⁰ This means Libyan companies/public agencies are not able to hire or keep migrant workers; either those brought in specifically from overseas or those migrants transiting through Libya. Many local economies are dependent on migrant labour, either to provide skills not available in the Libyan workforce or to undertake work that Libyans have not traditionally undertaken during the Qaddafi period.

There has been an increase in unemployment among Libyans since the 2011 civil conflict and especially since the 2014 political crisis. However, Libyans have on the whole not proved willing or able to undertake available jobs that would previously have been conducted by migrant workers. This is either because they lack the requisite skills (e.g. in carpentry or baking), because their wage expectation is higher than that of migrant workers or because they view such work as inappropriate for Libyans. The main exception to this is the south of Libya, where Libyans seem willing to undertake labour traditionally viewed as the purview of migrant workers.

Growth of the black market and its dominance in the south

Local economies in the south of the country are much less developed and less diverse than in western and eastern Libya, lacking substantial production facilities or large-scale enterprises. Instead local economies are dominated by small private agricultural holdings and micro/small businesses in the light construction and service sectors, including, inter alia, food markets, tailoring, mechanics, iron works, IT solutions, air conditioning servicing and carpentry. Micro/small businesses in the service sector are so important due to the distance from the large businesses in the north.

While small agricultural holdings play a substantial role in the local economy, prior to 2011 large-scale state agricultural holdings comprised a large part of the legal economy in the south and represented a significant employer. These large-scale farms are presently closed as a result of a lack of funding from central government and theft of capital goods by armed groups, meaning that the production facilities are no longer functional.

As the legal economy has contracted and job opportunities have reduced, there has been an increase in the size of the black market. This is especially the case in the south of the country.⁶¹ It is important to note that employment in the black market is believed to be more widespread among local Tebu and Tuareg residents than among Arab residents. This is partly because the conflict over identity and nationality means that the proportion of Tebu/Tuareg population in the area without Libyan documentation cannot access public sector jobs or legal employment. Tuareg groups tend to dominate trafficking and black market activity over the Libya–Algeria border, while Tebu groups dominate activity over the Libya–Chad and Libya–Niger borders.

⁶⁰ The dearth of skilled migrant labour has causes other than the liquidity crisis: (1) some countries have placed bans on their citizens travelling to Libya for work; and (2) some migrants view the country as too unstable to be a preferred destination for employment.

⁶¹ For analysis of the black market in southern Libya, see: 'How Libya's Fezzan Became Europe's New Border' (ICG, July 2017).

Weakening of the potential for civilian and democratic governance

The potential for democratic governance in Libya is reducing rather than increasing due to a number of trends. Firstly, (1) most communities in the west and south maintain strong ties to local armed groups, with the actions these groups negotiated through informal conversations between armed group, traditional and municipal leaders for the benefit of the community. In the Western Block, (2) security actors have informal influence in civilian government through relationships with high-ranking officials and the ability to block initiatives that challenge their interests at the administrative level or through violence on the streets. In the Eastern Block there is (3) an ongoing process of militarisation of society, with the LNA becoming influential in governance, internal security (policing) issues and economic questions. This influence is, in contrast to the west, overt and formal and as a result is being openly contested by those leaders more in favour of civilian governance. Finally, (4) corruption in Libya is at endemic levels, and has accelerated since the 2011 civil conflict and especially since the 2014 political crisis.

The important roles of armed groups and weapon ownership for community/political/tribal constituencies is partly because of the fear of marginalisation described previously – that armed groups and weaponry are required in order to ensure their interests are met. The present strength of armed-group actors in the Western Block is based on a history of attempts by consecutive Tripoli-based governments to co-opt arms groups as a way of buying national influence. Militarisation in the East is built on public support for the anti-extremist Dignity operation, and the relative normalisation of life in the East. The fall in livelihoods and the conflict economy has created an environment in which: (1) groups are more likely to view distribution of resources as a zero-sum contest requiring the use of armed groups and personal weaponry; and (2) individuals are more likely to engage in corruption so as to gain income.

The overall impact is a growing trend whereby individual Libyans can only access governance through armed groups and security actors; hence reinforcing their role as power brokers in society. Through a vicious cycle, the perceived failure of democratic government has shifted public sentiment towards greater support for strong-men figures who can deliver on society's immediate needs.

Community-armed-group relations and weapon ownership

The experience of the revolution in Libya is perhaps a history of the conundrum of how to ensure civilian and democratic control over those that have taken up arms. Immediately after the end of the civil war in Libya, most armed groups were under substantial control from their host community/political/tribal constituency, with Libyans able to access security/justice through informal relationships and mechanisms.⁶²

⁶² 'Understanding the relationships between communities and armed groups: as a contribution to peaceful change', D. Wood, PCI, May 2012.

This dynamic still pertains in most of west and south of the country, and especially in smaller more traditional communities. Indeed, almost all community/political/tribal constituencies maintain allegiance with armed groups, with individuals from the constituency joining relevant armed groups in times of need. For example, during the 2014 clashes between Zintan and Kikla, almost the entirety of the Kiklan community mobilised to join the fight. In those places where local LPSAs have broken down and there are a number of local constituencies vying for local dominance, each will usually maintain its own set of armed groups. For example, in Sabha there are multiple armed groups aligned with each tribe and with non-Arab ethnic Tebu groups. Only a very few constituencies in the west and south of Libya do not maintain armed groups, often for political or security reasons (see box 8).

Box 8: constituencies without armed groups

- Tawergha has not maintained an armed group since its forced displacement;
- Bani Walid has not maintained a coherent armed group since the October 2012 war, although smaller criminal groups from Bani Walid are involved in human trafficking;
- No localised armed groups have emerged in Sirte since the end of the anti-ISIL campaign, partly because of the strong control demonstrated by BaM.

Given the often close ties between armed groups and their host community/political/tribal constituency, the actions of armed groups are often negotiated through informal conversations between armed group, traditional and municipal leaders.

The major exceptions to localised control of armed groups, when description as 'security actors' is more applicable, are in: (1) Tripoli, given the diverse urban nature of the population and the influence of Tripoli-based armed groups in the national politics arena; and (2) the East, as the LNA has dominated the military space and absorbed the majority of local armed groups.⁶³ (3) Salafi armed groups, both those in the east and the west, are quite distinct in that they include representatives from a range of tribes and tend not to adhere to tribal political requirements.⁶⁴ In addition: (4) the Petroleum Facilities Guard can be considered a national political actor; and (5) some Tebu and Tuareg armed groups operate across community and national borders in the south, often holding complex relationships with localised/community Tebu/Tuareg armed groups.

www.peacefulchange.org/uploads/1/2/2/7/12276601/2012_05_relationships_between_communities_and_armed_groups_in_libya_web.pdf.

⁶³ However, during Operation Dignity the LNA was dependent on localised community armed groups to win the ground war against BRSC aligned groups. Stabilisation Facility Social Peace Assessment: Area 1, Benghazi, UNDP, August 2016.

⁶⁴ Extremist groups (e.g. ISIL and Ansa al-Sharia) are another type of armed group actor that include representatives from a number of tribes and do not adhere to tribal political requirements. It could be argued that Salafi armed groups are 'extremist'.

Individual weapon ownership is also at a very high level in Libya. The Geneva Small Arms Survey estimated that in 2017 there were 851,000 firearms held in public hands, or 13.3 firearms for every 100 people.⁶⁵ Perhaps more importantly, that translates into 74% of households.⁶⁶

Influence of security actors in the Eastern Block

While most armed groups are still tied into their host constituency, some in the West have also developed into substantial security actors with national economic and political interests. For example, the main Misratan armed groups, the Nawasi brigade in Suq al-Juma, Tripoli, and the Knights of Janzur in Janzur, Tripoli. Some of these security actors have become entirely detached from their original host constituency. Security actors' influence in the Western Block is less formal and less visible than that of the LNA in the Eastern Block. Influence is exerted on high-ranking officials in the GNA, as these officials depend on security actors for their position. In the event that GNA initiatives threaten the interests of security actors, they have blocked them through pressure on civil servants working at the administrative level or through violence on the streets. Finally, security actors in the west have a controlling role in black market money exchange and Letters of Credit fraud.

Box 9: Actions by armed groups to help solve local issues

- In Abu Selim, the Central Security Apparatus has become involved in ensuring migrant workers can access salaries from banks in the area, as there is a dearth of required foreign labour;^(a)
- In Tarhuna, the local armed group leader has taken direct control of health service provision, closing a number of health care facilities and firing a proportion of local health sector employees so as to concentrate resources in a smaller number of facilities, with the idea of increasing the quality of services.^(b)

(a) 'Local economies and migrant registration in Libya', D. Wood UNDP (To be released). See for example 'Libya's Monetary Crisis', LAWFARE, 10 January 2018.

(b) Telephone interview, US-funded programme representatives, July 2018.

In some cases where armed groups have come to dominate their host community/political/tribal constituency, as their economic resources have increased they have noted that their credibility also depends on helping to solve local problems; hence, there is a need for them to reinforce their situation vis-à-vis their host constituency (box 9).

⁶⁵ Civilian Firearm Holdings, 2017, SAS, www.smallarmssurvey.org/fileadmin/docs/Weapons_and_Markets/Tools/Firearms_holdings/SAS-BP-Civilian-held-firearms-annexe.pdf.

⁶⁶ The United Nations estimates the average household size in Libya as 5.6 persons. www.un.org/en/development/desa/population/publications/pdf/ageing/household_size_and_composition_around_the_world_2017_data_booklet.pdf.

Militarisation of the East

While security actors have increased their influence in the West behind the scenes, in the East the military has openly become increasingly involved in civilian governance, especially in terms of: (1) local governance; (2) internal security (policing) issues; and (3) economic issues.

The initial first step in this process was the appointment by the HoR president of a military governor for the area 'Derna to Bin Jawad' in June 2016 (Major-General Abdul Razzak Al-Nazhuri).⁶⁷ This resulted in the imposition of military law as an emergency measure and was followed by a range of temporary decrees that encroached on the jurisdiction of the newly established IG institutions. The most significant measure of the military governor was to disband 12 elected MCs and replace them with military-appointed mayors (see above). The replacement of the MCs coincided with a campaign of arrests of civilians accused of terrorist connections, often because of their family or tribal background. These arrests included individuals that openly questioned the LNA operations in Benghazi or expressed support for the GNA/PC and Tripoli-based institutions. In this way, the campaign had the impact of suppressing dissenting voices. While Al-Nazhuri was removed from the post of military governor on the 21 July 2018,⁶⁸ It is not clear whether the role will continue with a different incumbent.

In terms of internal 'civilian' security, the LNA has established the *Al-Katha Wa al-Saytara* (Judiciary/'elimination' and control department). The *Al-Katha Wa al-Saytara*'s influence has been exerted through, for example, taking over the principal ports of entry and exit into Libya in the East (including the ports in Tobruq and Benghazi). In addition, the recently created MIA⁶⁹ has established a commission for migrant control, charging a 'foreign labour tax' of US\$ 200-500 from each migrant worker registered and issues them with an ID card.⁷⁰ Migration control is considered the jurisdiction of the MoI and MoL in the West of Libya in accordance with national legislation.

The military has also become actively involved in economic issues in the East of the country. The MIA has appropriated a range of profitable investments, property, trades or legal entities. For example, the MIA has taken over licensing of sand-dredging and scrap metal sales. As the MIA is responsible for providing money for investments in military infrastructure, it may be the case the MIA is acquiring these assets in order ensure the financial independence of the LNA (in line with the Egyptian military model). The LNA has also involved itself in reconstruction initiatives in the East, and in Benghazi in particular.

⁶⁷ <http://alwasat.ly/news/libya/103040>.

⁶⁸ www.libyaobserver.ly/news/hor-speaker-removes-military-governor-post.

⁶⁹ Former IG Minister of Interior General Mohamed Al-Madani Al-Fakhri wa appointed head of the MIA in June 2017: www.dzbreaking.com/2017/06/09/haffer-appoints-former-beida-interior-minister-head-military-investment-authority/.

⁷⁰ Telephone interview, Eastern official, June 2018.

Endemic levels of corruption

Corruption in Libya is at endemic levels, and has accelerated since the 2011 civil conflict and especially since the 2014 political crisis, driven by the worsening economic environment and the development of a war economy (see 'Economic crisis, structural and conflict-related'). Corruption occurs at all levels and is a further reason for the paralysis in national policy making/delivery. For example, at the level of individuals, many Libyans have more than one public job and receive salaries for both. At the level of private business, there are examples of traders purchasing goods at a reduced rate through government subsidies and selling them to the public at the market rate, resulting in an increased profit margin. Armed groups and security actors have subverted national salary payments, and are increasingly involved in protection and foreign currency rackets.⁷¹ Public officials continue to steal public monies through false accounting, procurement scams and direct appropriation of hydrocarbon revenues.

The Audit Bureau's annual report for 2017 provided important insights into the levels of public wastage and potential corruption since the revolution.⁷² According to the report, the respective Libyan transitional governments had spent approximately 277 billion LYD in the period 2012 to 2017, or approximately US\$ 200 billion (at the official exchange rate). Of this amount, the Eastern IG has spent 21 billion LYD in the period 2014–2017, while Tripoli-based institutions had spent 36 billion LYD in 2017 alone. Importantly, the report identified substantial areas of corruption, including tax evasion, documentary credits, Libya's overseas investments, salary transfers and administrative corruption in banks. The report also identified a number of examples of questionable expenditure by government officials, including on private jets, gifts and furniture. The report caused public anger in Libya, and was also one of the factors behind armed groups supplanting the Presidential Guard at public buildings in May 2018.⁷³

Marginalisation narratives

Many communities rely on their armed groups to help protect against the potential for marginalisation in the future Libya and the potential for the central state to treat them unfairly, as they provide a means of self-defence and of threatening and influencing the central state. As such, the actions taken by armed groups in the national political arena, either in support of the GNA/PC in the West or the LNA in the East, are often done on the basis of consultation with the host constituency and in order to further its interest.

Importantly, this means that conventional attempts at disarmament, demobilisation and reintegration (DDR) so as to reduce the sway of armed groups on the potential for civilian/democratic governance will not be

⁷¹ 'Tripoli's Militia Cartel', W. Lacher, SWP Berlin, April 2018: www.swp-berlin.org/fileadmin/contents/products/comments/2018C20_lac.pdf.

⁷² <http://audit.gov.ly/home/pdf/LABR-2017.pdf>.

⁷³ Overnight, Presidential Guard security was replaced by Tripoli-based armed groups. This may have been because these armed groups felt that they had not received as much economic resources as was possible and that they could receive a 'larger slice of the pie'. Author's Interview, public officials, Tripoli, April 2018.

Key learning

In the west and south of the country armed groups often act on the basis of negotiation with their host community/political/tribal constituency. Hence, attempts to reduce the influence of these groups nationally need to focus on measures that increase trust and perceptions that the central authorities will act fairly.

successful in Libya without measures that reduce community/political/tribal constituencies' fears of marginalisation. This is because, (1) community/political/tribal constituencies will not disavow their armed groups and (2) individuals will not give up their weapons, as they provide a defence against unfair actions by the state – especially if the state is felt to be controlled by constituencies whose interests may be opposed to theirs, or with whom they may have negative relationships. Hence, armed groups will more easily be controlled and disbanded, and weapons collected, when local constituencies have greater trust in central institutions to treat them fairly and to resist capture by influential groups.

However, the history of international engagement has demonstrated consistent attempts to apply a very limited approach to DDR that focuses on the employment needs and opportunities of armed group members, rather than the wider needs of the communities that they are part of. This approach has previously helped to incentivise rather than reduce participation in armed groups, as membership was essential for access to salaries, retraining opportunities and jobs.

History of attempts to co-opt armed groups and security actors in the West

The genesis of the political influence of armed groups in the west and south, and their transformation into security actors of national relevance, lies in the measures taken by the El-Keib and Zeidan governments to co-opt armed groups in an attempt to extend their influence. This was done by building substantial payments for armed groups into the national budget under Chapter 1 on wages and salaries. This attempt to control armed groups backfired, with the stable income solidifying their position and leading to ever increasing demands for financial transfers, for security contracts (especially of oilfields) and for control of national resources. For example, Misratan/Zintani armed groups were asked to intervene in Sabha to stop communal clashes in January 2014. However, they only ultimately deployed after spending two weeks in Juffra as their leaders negotiated the benefits they would receive for their intervention.⁷⁴ A similar approach has been used by armed groups with the private sector, with substantial protection rackets established in the area between Zawiyah and Misrata.

Unfortunately, it seems that the same negative pattern that developed under the El-Keib and Zeidan governments has been repeated by the GNA/PC. Since 2014, the GNA/PC has been dependent on a small number of armed groups to secure its position in the capital – the Tripoli Revolutionaries Brigade, the Nawasi Brigade, the Special Deterrence Force and the Central Security Apparatus. As such, it supported these groups in their conflict with other armed groups in the city and is now almost entirely dependent on them. This has led to these four groups (plus the significant Misratan groups that engaged in Sirte) having a 'controlling vote' in actions of the GNA/PC.⁷⁵

⁷⁴ Conflict Sensitive Assistance Forum report, June 2013.

⁷⁵ For deeper analysis of this relationship, see 'Tripoli's Militia Cartel', W. Lacher, SWP Berlin, April 2018: www.swp-berlin.org/fileadmin/contents/products/comments/2018C20_lac.pdf.

Success of Libyan National Army in the East

The political elites and wider society in the East are divided as to the role of the military in society, and the degree to which it can and should involve itself in civilian affairs. There was general support for appointment of a military governor in 2016, given the armed conflict with Islamic groups in Benghazi and the apparent inefficiencies of MCs. There is also widespread public support for the LNA following its success in the anti-extremist operations in Benghazi and Derna, and as a defence mechanism in the national political divide. However, there has been disquiet at the continuing role of the military following the end of fighting in Benghazi. There has also been civil action to challenge the arrest and detention of dissenting voices through the court system, by protests and by individual initiative. Perhaps most importantly, the IG PM has launched a challenge in the HoR against military involvement in the field of migration management.

This presents a challenge for the international community. There has been a meaningful attempt to establish civilian institutions in the East that are separate from those in the West. However, there is a risk that these institutions will become dominated by the military and that a substantial part of the East is against this development. Should the international community ignore the nascent civil institutions in the East, given its recognition of the GNA/PC, and hence risk their takeover by the military.

The conflict economy and fall in livelihoods

The fall in livelihoods because of the conflict economy has created an environment in which: (1) community/tribal/political constituencies are more likely to view distribution of resources as a zero-sum contest requiring the use of armed groups and personal weaponry; and (2) individuals are more likely to engage in corruption so as to gain income.

Development of undemocratic practices

The violent conflicts since 2014 and the paralysis in national policy making have also created an environment in which leaders have had to use informal relationships/practices to solve problems. At the local level, this has included MC members directly lobbying PC members for resources, rather than using processes established by line ministries. At the national level, this has involved GNA officials frequently using decrees that have not been subjected to sufficient public scrutiny. Informal practices have been reinforced at the expense of professional civilian and democratic ones.

Pro-autocracy sentiment

Some Libyans have a negative view on the potential for democracy in Libya due to the challenges since 2011. This has meant that there is a willingness to support strongman figures able to provide security and deliver against local needs, whether at the local level in communities or at the national level. The relative success of Operation Dignity and the resultant increase in stability in the East has provided a boost to this perception.

Sub-national violent conflicts

The 'Libyan conflict' contains a range of sub-national violent conflicts: (1) inter-municipal conflicts, primarily in the West, involving violence between two or a number of municipalities and associated community/tribal/political constituencies; (2) intra-municipal conflicts, primarily in the south, when different constituencies inside a municipality compete for local dominance; and (3) violence used by extremist Islamist groups to promote their goals, or against extremist Islamist groups to suppress their manifestation.



Fig. 4: Types of sub-national conflict

Importantly, there have to date been no substantial direct confrontations between Eastern and Western Block military forces. Rather those confrontations that have taken place have been proxy fights involving aligned community/political/tribal constituencies and associated armed groups. Since mid-2017, there have however been moves towards direct confrontation as the Eastern and Western Blocks have competed for influence in the south-west.

There are several factors driving sub-national violent conflict. (1) Inter-municipal conflicts can be based on historical grievances related to (inter alia) land disputes, justice issues or local political dominance. (2) Intra-municipal conflict is usually related to ethnicity and identity (especially in the south), pro-/anti-revolution divides and different interpretations of Islam. The potential for intra-municipality divisions to result in violence depends on (3) the relative strength and ability of informal LPSAs to manage differences of interest. Conflict dynamics also tend to repeat themselves due to (4) the inability of Libyan conflict-management processes to address the underlying drivers of conflict, to transform attitudes or to provide sustainable solutions. Key amongst these weaknesses is a consistent failure to provide for compensation.

Perhaps most importantly, (5) the sub-national conflicts have a two-way symbiotic relationship with the national political conflict, whereby national political actors can look to gain local influence by backing a local conflict party or local conflict parties can look to gain dominance in a local conflict by gaining support from national actors.

The impact of sub-national violence is most immediately visible in (1) the increased levels of human suffering due to exposure to violence, higher levels of mortality rates and displacement. Displacement has (2) led to substantial population increases in a few cities in Libya and a resultant overstretching of public services in these areas. This is most evident in Tripoli. Importantly, post-revolution Libya is home to frequent examples of (3) communal punishments, whereby a whole community is punished for the actions of a small number of members. Communal punishments targeted a number of supposedly pro-Qaddafi communities immediately following the revolution/civil conflict and are now most evident after anti-extremist operations. Communal punishments have the potential to create further grievances and provide a breeding ground for the resurgence of extremism. In addition, (4) intra-municipal conflicts due to weak LPSAs are likely to impact negatively on the functionality of local municipalities. The symbiotic relationship between sub-national conflicts and the national political divide also means that (5) it will be difficult to achieve a sustainable political solution without in parallel addressing sub-national conflicts.

Inter-municipal conflict in the West

Western Libya is host to a range of inter-municipal conflicts, which have increasingly manifested in the use of violent force since 2014. The main conflicts, their manifestation and present status are described in the following table. It should be noted that given the complexity and dynamism of conflict dynamics in Western Libya this table is by no means comprehensive. For example, prior to the 2017 Zintani-led offensive against potentially pro-Qaddafi groups in the Worshefena area, Worshefena and Zintani leaders held relatively strong relationships and had coordinated their actions in opposition to Dawn-armed groups in 2014.

The number of inter-municipal conflicts in the West means that it is especially difficult to effectively govern the area, as it requires balancing the interests of the different community/political/tribal groups in their conflicts. As noted above, the Western Block had some success in increasing its ability to govern the West by the end of 2017 by reaching an accommodation with Zintani leaders; ultimately leading to the successful military operations in Sabratha and the Worshefena area. However, this progress is based on the use of incentives to gain Zintani alignment and the use of force against other communities, and is hence fragile.

Key learning

Inter-municipal conflict dominates in the west and makes governance there harder, as it entails balancing the needs and interests of conflicting municipalities, and associated constituencies and armed groups.

Table 2: Main inter-municipal conflicts in Western Libya

Description of conflict	Present status
Bani Walid — Misrata Historical negative relationship. On opposite sides during the revolution. Targeting of Bani Walid civilians for arrest and detention led to reprisal violence. Large-scale military confrontation in October 2012 led to occupation of Bani Walid.	'Frozen conflict' that is not presently manifest in violence; but underlying justice issues remain. Some normalisation of relationships based on community-/tribal-dialogue processes, starting with the return of Bani Walid bodies held in Misrata in 2013.
Bani Walid — Suq al Juma Grievances in Bani Walid based on thefts and lootings during revolution and October 2012 war. Suq al Juma revolutionaries killed by Bani Walid armed groups in January 2013.	Thawing of conflict dynamics on the basis of community/tribal dialogue.
Kikla — Gualish⁷⁶ Historical land dispute, with the Kiklan sub-tribe Gualish favoured during the Qaddafi period. Displacement of 9,000 Gualish during revolution.	Process of ongoing negotiation and relationship building for sustainable return. No use of violence at the time of analysis.
Kikla — Zintan Front line in conflict between Zintani and Operation Dawn fighters during 2014 political crisis. Led to displacement of up to 40,000 Kiklan residents.	Frozen conflict that is not presently manifest in violence. Peace agreement did not include compensation. Majority of displaced remain in Tripoli.
Gharyian — Zintan & Nalut — Zintan Historical conflict over political dominance in the Western/Nafusa mountains. Zintan gained dominance as a key military and revolutionary force after 2011.	Frozen conflict that is not presently manifest in violence. Limited likelihood of violence in the future.
Zintan — Mashasha Historic land dispute, with Mashasha tribe implicated in support of Qaddafi forces in 2011. Displacement of over 10,000 Mashasha from Al Awiniya area, with accusations of further reprisal actions.	Frozen conflict, with outstanding justice issues. Process of ongoing negotiation and relationship building for sustainable return.
Nalut/Jadu — Tiji/Badu Settlement of Sian Arab tribe in Tiji/Badu, historical Nalut/Jadu Amazigh territory. Siaan accused of being on anti-revolution side during revolution. Reprisal violence led to displacement of town.	Thawed conflict. Early negotiation of return in late 2012. Residual tensions around road use and justice continue.
Misrata — Tawergha Historical negative relationship, with Tawergha a pro-Qaddafi population accused of Human rights abuses during the revolution. Displacement of entire town of circa. 30,000 with reprisal attacks.	Frozen conflict. Return has not been agreed, but dialogue and relationships are in place. Limited potential for violence as Tawergha is not armed.

⁷⁶ This conflict could also be considered an 'intra-municipal conflict' given that the Gualish is a sub-tribe of the Kiklan community.

Misrata — Sirte	Sirte was major pro-Qaddafi area, leading to recurrent reprisal actions by Misratan armed groups in 2011–2013. Subsequent Misratan-led anti-ISIL operation in 2016-2017.	Hot conflict with no community dialogue, substantial justice issues and involvement of Misrata in internal Sirte politics. Potential for violence is high.
Zawiyah — Worshefena	Sporadic violence from 2012–2017. High levels of criminal targeting by Worshefena forces. Zawiyah offensive in 2014 led to displacement of Worshefena families. Zintan control from 2017.	Hot conflict with no community dialogue, substantial justice issues and potential for return to violence.
Zawiyah — Bani Walid and other presumed pro-rev. areas	Bani Walid grievances against Zawiyah (and others') involvement in two wars in Bani Walid. Bani Walid leaders held in Zawiyah post-2012 war.	Thawed conflict based on community dialogue. Key event was the release of Bani Walid leaders held in Zawiyah and payment of compensation for October 2012 violence.
Zuwarah — Zaltan/Al Jamel/Raqdalin	Historical negative relationship, with Zaltan/Al Jamel/Raqdalin pro-Qaddafi area accused of human rights abuses during the revolution. Led to a series of low-intensity conflicts and reprisal actions in the period 2012–2013	Thawed conflict based on community dialogue. Very limited potential for further violence.
Amazigh Ghadamsia — Awal Tuareg⁷⁷	Two ethnicities historically living in Ghadames. Tuareg considered pro-Qaddafi during the revolution and accused of human rights abuses. Self-displaced to Awal following the revolution in defence against reprisal actions.	Thawed conflict based on community dialogue. Limited potential for further violence.

The conflicts in other parts of the country tend to be intra-municipal or relate to bigger political questions. It appears that Eastern Libya is least affected by inter-municipal conflicts. Two substantial reasons for the absence of inter-municipal conflict were provided by interlocutors in the East. Firstly, Eastern tribes are thought to be bound by a historical Cyrenaica treaty that has resulted in a clear division of land and tribal borders, resulting in the absence of land disputes or substantial historical grievances. Secondly, there is a perceived history of united action during political/violent events in Libya. During the Italian uprising, the 2011 revolution and the 2014 conflict, communities in the East on the whole took the same side, while in the West communities were pitted against each other on opposing sides and have hence accumulated newer grievances.

Interestingly, Eastern interlocutors tended to describe the major inter-municipal conflict affecting them as 'Misrata vs Cyrenaica'.⁷⁸ This

⁷⁷ This conflict could also be considered to be in the South and to be an intra-municipal conflict, as the Tuareg of Awal lived in Ghadames before self-displacing following the end of the civil conflict in 2011.

⁷⁸ Electronic correspondence with sample of Eastern residents.

perception is partly based on recent experiences of the LNA–BRSC conflict in Benghazi when Misrata was believed to be the main source of military, financial and political support for the BRSC. Indeed, the majority of Internally Displaced Persons (IDPs) from Benghazi that have been displaced to the West are of Misratan background.

Intra-municipal conflict

Libya is also home to a range of intra-municipal conflicts, where constituencies in one municipality compete for local dominance. Such conflicts dominate in the south of Libya, although there are examples in both the west (e.g. Bani Walid) and the East (e.g. Benghazi). Intra-municipal conflict usually has a spill-over effect into the situation in surrounding areas (see box 10). This is especially the case in the south due to the inter-dependency of municipalities and the importance of Sabha as a hub for both regional governance and transportation.

Box 10: Spill-over impact of intra-municipal conflict

- Violence during the 2014–2016 conflict in Obari between Tebu and Tuareg spilled over into Tebu attacks on Tuareg traders from Ghat, who would use the Ghat–Obari road as their main transit route to the rest of Libya;
- The 2017 anti-ISIL/trafficking operation in Sabratha, which pitched two local armed groups against each other, was replicated in Surman among groups aligned with the two Sabratha factions.

Pro-/anti-extremist Islamic violence

There have been several examples of the extremist Islamic groups Ansar al-Sharia and ISIL using violent means and societal coercion to take control of communities, or generally to undermine local/national democratic processes. The main examples have been Benghazi, Derna, Sabratha and Sirte, although the conflicts in Ajdabija and the south of Libya also include a strong Islamic element. The nature and result of pro-extremist violence in Libya has varied. In Benghazi, Islamist groups undertook a campaign of terrorist attacks and assassinations against LNA officials to gain a foothold in the city. In Derna, extremist groups over time threatened civilian officials, took over civilian structures and suppressed civil society, leading to displacement of most of the city's civil society leaders.

In some cases these Islamic movements have gained a foothold as the result of political isolation or recent injustices. For example, Ansar al-Sharia became dominant in Sirte in 2013 partly because of the history of extra-judicial arrests and deaths (mostly at the hands of Misratan armed groups) since the 2011 civil conflict. Ansar al-Sharia provided a relative level of security and protection that was initially welcomed despite its conservative Islamic agenda. Similarly, ISIL gained its strength in Sirte (ultimately dominating Ansar al-Sharia) by providing employment opportunities and salaries to young men, who were otherwise struggling to earn an income.

The main anti-Islamic operations have been equally violent, and have often failed to distinguish between genuine extremist groups and 'fellow travellers' who may have been sympathetic to the aspirations of extremist groups (e.g. a society based on Sharia law), but were not directly involved in acts of violence or opposition to the state, and hence could be addressed through other means. This is especially the case in Benghazi, where Operation Dignity, the campaign launched by the LNA to counter 'Islamist militia', did not distinguish between the groups responsible for terrorist attacks and assassinations and other conservative groups, in effect forcing them to collude under the umbrella of the BRSC. Similarly, the anti-ISIL operations of BaM in Sirte fed into a history of grievances of part of the community against Misrata, leading to non-ISIL groups' participation in 'defence of their city'.

Table 3: Main inter-municipal conflict causes

	Historical Grievances	Revolution divide	Recent injustice	Political crisis (2014+)	Land issues	Political dominance	Ethnicity	Criminality
Bani Walid–Misrata	X	X	X					
Bani Walid–Suq al Juma	X	X	X					
Kikla–Gualish	X				X			
Kikla–Zintan			X	X				
Gharyian–Zintan						X		
Nalut–Zintan						X		
Nalut/Jadu–Tiji/Badu		X	X		X		X	
Misrata–Tawergha	X	X	X		X			
Misrata–Sirte		X	X					
Zawiyah–Worshefena		X	X	X			X	X
Zawiyah–Bani Walid		X	X					
Zuwarah–Zaltan/ Al Jamel/Raqdalin		X	X		X		X	
Ghadamsia/Awal Tuareg		X	X		X		X	

Causes of inter-municipal conflict

Sub-national conflicts are generally based on grievances related to land disputes, attempts to dominate local politics, ethnicity, historical grievances, pro-revolution and revolution-sceptic divides, recent injustices,

alignment with the two political blocks during and since 2014 and experiences of criminal targeting. Competition over criminal opportunities can provide an additional reason for inter-municipal conflict. In areas of Libya with Amazigh communities, inter-municipal conflict can also be driven by disagreement over the status, and cultural and language rights, of Amazigh. These disagreements spill into disputes between majority Amazigh and Arab municipalities over land rights, public employment and control of trafficking. Grievances may have developed prior to the Qaddafi period, during the Qaddafi period, or because of the experiences during and after the revolution.

Inter-municipal conflicts also feed into marginalisation narratives and fears that central state authorities will not act fairly if they are dominated by a competing group. The causes of the main inter-municipal conflicts in Western Libya are summarised in table 3 (pg. 62).

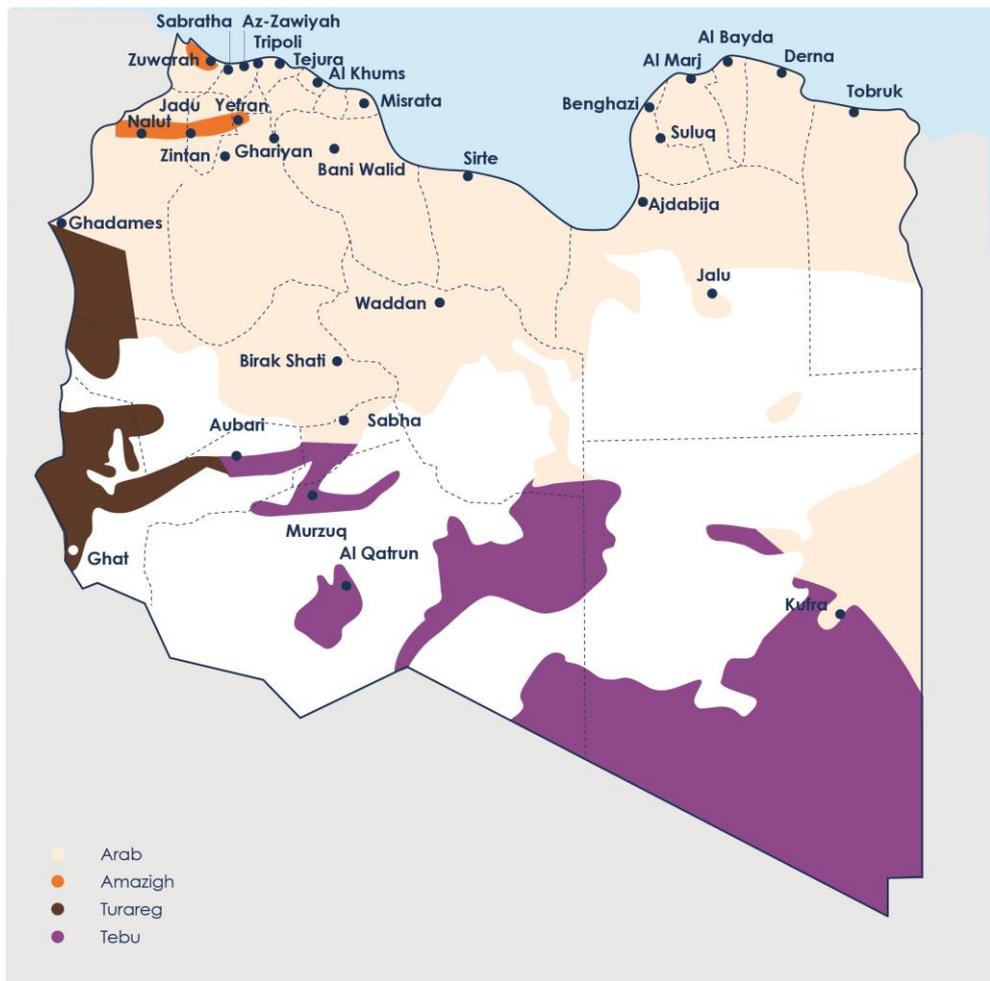
Causes of intra-community conflict

The most prevalent reason for intra-municipal conflict is ethnic/tribal differences and associated questions of ethnicity and identity, especially in southern areas such as Kufra, Sabha, Murzuq, Obari and Ghadames. Apart from the Amazigh, contemporary Libya is home to two other minority groups – the Tebu and the Tuareg (map 2, pg. 64).

There is a question over the citizenship and identity of Tebu and Tuareg communities. There is also an outstanding question over the status of some 20,000 Tuareg families that have been in legal limbo since the 1980s as they have not received full Libyan nationality. This means that they do not have the relevant Libyan documents required to access benefits/opportunities, including receiving state salaries. This citizenship challenge does not apply to Tebu families that were resident in Libya before the revolution/civil conflict in 2011.

There is a parallel conflict over the status of both Tebu and Tuareg families that arrived into Libya after 2011. Some Tebu/Tuareg, which would be considered undocumented migrants by Arab residents as they have arrived after 2011, have gained access to Administrative IDs, and there is a concern among Arab residents – especially in towns that are most directly impacted by demographic change such as Kufra, Sabha and Murzuq – that this practice will continue. This concern is fuelled by a fear among Arab residents of demographic change and eventual dominance of Tebu/Tuareg in local politics and the economy. On the Tebu/Tuareg side, there is frustration among some undocumented residents because of a belief they have an equal right to documentation (and associated benefits) and the denial of this right is due to discrimination.

Map 2: Ethnic distribution of Libyan population



After ethnic/tribal difference, the second most prevalent reason for intra-municipal conflict is internal divisions in respect of the revolution, with a proportion of the community supporting the revolution and a significant proportion being revolution-sceptics. The most high profile case is Bani Walid, but other towns such as Mizdah have suffered equally. The third most prevalent reason is internal disputes over the role of Islam and the growth of extremist movements internal to a community (often with external support), for example in Benghazi, Sirte, Sabratha, Ajdabija and Derna.

Similar to inter-municipal conflict, competition over criminal opportunities can provide an additional reason for intra-municipal strife. Also, several causes can overlap to create a negative spiral that undermines the local LPSA (see below). For example, in Obari, competition over control of criminal opportunities fed into inter-ethnic divisions.

*Local Political and Security Arrangements*⁷⁹

Libya has a deeply decentralised public experience, with most Libyans strongly associating with their local community and the community/political/tribal constituency in their local area. This association is less strong in the major coastal cities of Tripoli and Benghazi, but is still prevalent. The importance of local identity translates into informal rules for how local politics and security is arranged – and this constitutes an area's LPSA. These are the informal, and often traditional, practices by which local decisions are reached and local grievances dealt with so as to prevent, minimise or halt the use of violence. Intra-municipal conflicts tend to result in violence in those places where LPSAs have broken down.

Since the civil conflict in 2011, some of these LPSAs have proved themselves robust, managing internal issues and projecting external coherence. For example, the LPSAs in Tobruq, Jadu, Zuwarah and Misrata have generally been successful in managing internal disagreements and enabling local leaders to reach agreement on issues in their town, and how they relate to other areas and national political questions. Other LPSAs have broken down, leading to internal tensions, the use of violence to dominate local political/security arrangements and, in some cases, substantial displacement of a part of the municipality that is on the 'losing' side.

Since the political crisis in 2014, the relative strengths of some LPSAs have changed. For example, those in both Bani Walid and Obari appear to have strengthened, partly because of external support in conflict management and relationship building. By contrast, the LPSA in Misrata appears to be under some strain, partly because of the Misratan-led military intervention in Sirte, and partly because of internal divisions as to how Misrata should position itself vis-à-vis the LPA and GNA/PC.

Libyan conflict-management processes

Libyan conflict-management processes (traditional and community driven) have been impressive in their ability to stop violence and rebuild damaged relationships (1) between municipalities and associated community/political/tribal constituencies, or (2) between constituencies within the same municipality. For example, the lowered tensions in the Zintan–Kikla, Zuwarah–Zaltan/Al Jamel/Raqdalin and Bani Walid–Zawiyah conflicts are the result of sustained actions by traditional/community mediators.

However, while relatively effective at stopping violence, these processes tend not to deal with the underlying issues driving conflict. Most importantly they are in general not able to address the justice and compensation issues that remain after the violence has stopped. Some community/traditional mediation processes have included agreements on compensation, for example to end the violence between Zway and Tebu in Kufra in 2012, or

⁷⁹ A version of this categorisation was included in the strategic assessment of the SFL, conducted by the same author: 'The Stabilisation Facility for Libya: an independent strategic and operational review'.

Key learning

There is a need to strengthen Libyan conflict-management processes, so that they can deliver transitional justice and compensation processes.

between Tebu and Tuareg in Obari in 2016. However, as these agreements are not owned or driven by national political actors, no substantial mechanisms are in place to pay compensation agreed. As a result, tensions and the potential for violence remain.

The most successful example of post-violence compensation has been in Bani Walid following the 2012 war (see box 11). This compensation programme is one of the reasons that there has not been a return to violence in Bani Walid, and that it has rebuilt relationships with areas such as Misrata and Zawiyah.

Box 11: Stabilisation through compensation in Bani Walid

Community dialogue between the local and social councils in the town, and with a special representative of the prime minister, led to a compensation programme that included: (1) damaged private property (3,974 houses, compensated to a total of 100 million LYD with an average of over 25,000 LYD per house); (2) visible investments in local policing (primarily focused on the transfer of 97 police vehicles); and (3) a renovation programme for public spaces (through three instalments – 5.25 million LYD for the 1st instalment, 7 million for the 2nd; figures for the third not available). The contracts for these renovation programmes were given to local businesses, also ensuring wider economic benefit. Key to the success of this process was the involvement of the prime minister's special representative to facilitate delivery of the agreed compensation programme.

Inter-relation with the national political conflict

There is often a two-way symbiotic relationship between the national political conflict and local inter-municipal or intra-municipal conflicts. This means that national political actors can seek to gain local influence by backing a local conflict party. It can also mean that local parties can seek to gain dominance in a local conflict by gaining support from national actors in the Eastern and Western Blocks.

For example, in the 2014–2016 Obari conflict between Tebu and Tuareg forces, Tuareg forces were closely aligned with Misrata's third force that was situated in the south, receiving logistical and potentially supply support. Similarly, the Tebu fighters look to the LNA and Eastern Block for support.⁸⁰ In addition, the parties in the May 2018 confrontation in Sabha were allegedly provided with informal support from national actors, although the picture is confused, with the Awlad Suliman potentially receiving support from within the Eastern Block and the Tebu from Western constituencies.

The 2014 clashes in and around Tripoli are a further good example. Operation Dawn was formed in mid-2014 in response to Operation Dignity in Benghazi and the East, and was composed of a mix of Islamic and non-

⁸⁰ 'Stabilisation Facility Social Peace Assessment: Area 2, Obari', UNDP, August 2016.

Islamic revolutionary armed groups from Tripoli, Misrata and other areas in the West (e.g. from Kikla, Zawiyah and Zuwarah). In 2014, Operation Dawn armed groups clashed with Zintani armed groups. This was very much a localised intra-revolutionary conflict over control of the capital and was not a direct confrontation between Dawn and Dignity (as it has sometimes been conveyed). The Zintani groups did build relationships with the LNA/Eastern Block as they sought to reinforce their position (a relationship was also formed locally with non-revolutionary Worshefena forces). However, the subsequent rebuilding of relationships between Zintani and Misrata leaders and alignment of Zintan with the GNA/PC demonstrates that this alliance was temporary in nature.

Widespread experience of violence, death and displacement

The impact of this violence on community groups and the social fabric in Libya is hard to estimate. In general terms there was a peak of suffering in the period 2014–2015 during the initial Dawn and Dignity operations, but associated communal violence, and relative levels of suffering, have reduced since the beginning of 2016 as the Eastern and Western Blocks have consolidated control in near geographic areas. For example, the total number of IDPs fell from 400,000 in 2014 and 500,000 in 2015 (or 8% of the population) to 304,000 in 2016 and 197,000 in 2017 (or 3% of the population). Nevertheless, there were still 29,000 new IDPs in 2017.⁸¹ Similarly, the number of violent deaths in Libya peaked in 2014 with 2,825 deaths and dropped to c. 1,550 in both 2015 and 2016.⁸² At the same time anecdotal evidence points towards a significant increase in violent conflict-related crimes, such as armed robbery, kidnapping and carjacking.

Impact of displacement on public services, focused on Tripoli

Displacement has resulted in a demographic shift in the country, with migration from smaller communities to the main cities. This is partly as a result of people leaving areas of violence. For example, the May–June 2018 International Organisation for Migration's (IOM) Libya IDP Report calculates that there are circa. 31,000 IDPs in Benghazi; 25,000 in Tripoli (centred on Abu Selim); 23,000 in Sabha and 28,000 in Misrata.⁸³ Demographic change is also, however, due to the liquidity problem and a degradation of public services across the country, forcing families to seek money and services in the larger cities. While, the population change due to general movements is difficult to assess, public officials in Tripoli regularly quote a population increase of 1 million persons within the city.

The increase in the population in major cities, and in Tripoli in particular, is placing a significant strain on public services. This is because national budgeting (which has not been revised since 2014) is based on pre-revolution census figures, meaning that insufficient monies are allocated for, inter alia, health and education in Tripoli and other large urban areas.

⁸¹ Libya Data from Internal Displacement Monitoring Centre: www.internal-displacement.org/countries/libya#113.

⁸² Libya Body Count: <http://www.libyabodycount.org/>.

⁸³ www.iom.int/sites/default/files/dtm/libya_dtm_201805-06.pdf.

Communal punishment

While the reduction in overall levels of violence is welcome, some communities continue to suffer from social targeting. The most prominent example of social targeting exists in the Tawergha population, which has remained displaced around the country since reprisal actions by Misrati armed groups at the end of 2011. However, the most worrying trend relates to the use of punitive measures following anti-extremist operations.

Key learning

Communal punishment, especially relating to anti-extremist violence, continues after the end of periods of open conflict through targeting of associated social groups. This could store up grievances for the future and create the conditions through which extremists re-emerge.

In both Benghazi and Sirte, anti-extremist operations have continued beyond the end of open violence, through the suppression of communities and families associated with extremists. In the case of Benghazi this has, according to the United Nations High Commission for Refugees (UNHCR) led to the continued displacement of 27,500 persons or 5,500 families to the west of Libya.⁸⁴ Such ongoing social targeting on the basis of 'guilt by association' may store up grievances for the future and create the conditions by which extremist armed groups could re-emerge.

Relationship between LPSAs and municipal government

A good deal of analysis has been undertaken to understand the kind of measures that can strengthen local civilian governance against the influence of armed groups and/or traditional tribal processes. There seems to be a substantial misunderstanding of the nature of society in most of Libya and how civilian governance is situated within society. Most communities in Libya are relatively small structures, in which families know each other, interact on a regular basis and have developed over time informal relationships and processes for managing important questions. As such, Libyans in smaller communities tend not to distinguish between 'tribal', 'civilian' and 'military' leaders, with the three groups interacting and working together. This is not the case in larger cities, where the civilian administration is more likely to have formalised and armed groups more likely to have become political and economic entities.

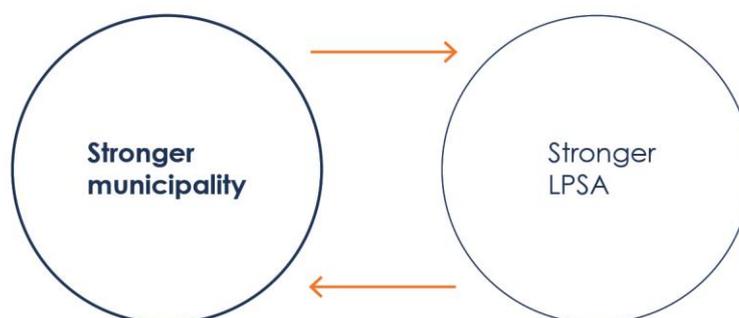


Fig. 5: Role of LPSAs and Municipalities in manage

⁸⁴, 'Protection sector update on the IDPs from Benghazi', March 2018: <https://reliefweb.int/report/libya/libya-displacement-benghazi-march-2018>. A July 2018 UNSMIL statement stated that the number of IDPs from Benghazi is closer to 100,000 persons or 13,000 families: <https://unsmil.unmissions.org/representatives-and-activists-benghazi-call-peaceful-dialogue-enable-safe-and-dignified-return>.

Key learning

In areas with weak LPSAs, support for local governance will not be effective unless it is balanced with support for rebuilding the informal relationships and processes by which decisions are made.

As such, the strength of local civilian government – either elected MCs or appointed local councils – depends on the pre-existing LPSA in the community. When an LPSA is strong, and tribal/civilian/military leaders have acknowledged informal processes/relationships for managing difficult issues, local civilian government has on the whole proved itself to be relatively effective (although this is not universally the case). In those areas where relationships and informal processes have broken down, MCs have proved ineffective and even divisive. This means that, in such environments, measures to strengthen local government will not be successful without concurrent measures to build or rebuild informal relationships and decision-making processes.

Difficulty in achieving a national political solution

The symbiotic relationship between sub-national conflicts and the national political divide also means that it will be difficult to achieve a sustainable political solution without in parallel addressing sub-national conflicts. This issue is covered above in the section 'De facto division of Libyan State into two entities'.

Municipal alignment across the national political divide

Given the five key fragility, conflict and violence phenomena described above, it is incredibly challenging to develop a comprehensive actor mapping for the conflict in Libya. Indeed, best practice has demonstrated that an actor mapping should always be formed around an issue or event. For example, the nature of an actor mapping of the positions of Libyan constituencies on the federalist question will look very different from a mapping of perspectives on the Political Isolation Law. The following mapping provides a very basic breakdown of relationships between: (1) the Western and Eastern Blocks; and (2) key municipalities and their associated community/political/tribal constituencies.

It is important to note that 'alignment' refers to the present positions of municipalities/tribal constituencies, but that these positions are changeable. Factors that influence alignment include: the provision of economic and political incentives (e.g. the choice of Zintani military leadership to align with the Western Block), the use of force (e.g. control of the LNA over the Magharba-majority municipality of Ajdabija), or grievances (e.g. the Worshefena-majority municipalities' anti-Western Block position due to experiences of violence since 2014).

Community, political and tribal constituencies explained

This report makes a distinction between municipalities and associated community, political and tribal (in this case taken to also encompass ethnic constituencies such as the Tebu and Tuareg) constituencies. Each municipality can be home to a range of constituencies, some of which can hold very different perspectives on the national political conflict and may be antagonistic towards each other internally. As noted in the section 'Sub-national violent conflicts', when the informal LPSAs that regulate relationships between different constituencies in one municipality breakdown, it can lead to violent conflict for local dominance. See box 12 (pg. 71) for some examples of the interaction between municipal-level constituencies and national politics.

Some constituencies cut across municipalities. This is most evidently the case with tribes and ethnic groups. For example, while the Warfalla tribe's main town is Bani Walid, it has substantial representation in a range of towns, including Sabha, Sirte and Benghazi. Similarly, as described in 'Sub-national violent conflicts', the Amazigh, Tebu and Tuareg are present in a number of municipalities. National political constituencies include the revolutionary movement, the revolution-sceptic or pro-Qaddafi movement (most recently solidified under the umbrella of the 'Popular Front'), the federalist movement, the Muslim Brotherhood political movement (although there are different perspectives as to whether a coherent Muslim Brotherhood group exists in Libya) and the Salafi movement.

Box 12: Municipal constituencies and the national political conflict

- Bani Walid has one main tribal constituency, the Warfalla. This has altered slightly since 2014 with the arrival of IDP constituencies into the town. However, the Warfalla has two political constituencies: a pro-revolution minority, that is represented by the Tripoli-appointed local council (from 2012), and 'revolution-sceptic' majority, represented by the informal social council. The local council and pro-revolution minority are relatively strongly aligned with Tripoli; the social council and revolution-sceptic majority are not supportive of the GNA/PC, but take more of a neutral position in the national political conflict.
- Kikla is considered one community even though it is not a coherent tribe (such as the Warfalla in Bani Walid). Kikla is geographically close to Tripoli and is presently closely aligned with the GNA/PC. However, a key political leadership constituency, including the present mayor, is more supportive of the NSG that existed prior to the LPA and is sceptical on the legitimacy of the GNA/PC.
- Sabha is home to range of tribal/ethnic constituencies, including the Awlad Suliman, the Qadhatfa, Warfalla, Magarha, Abu Seid, Hasawna and Tebu, as well as a number of smaller groups (e.g. displaced Tawergha). The Qadhatfa, Warfalla and Magarha dominated local politics during the Qaddafi period; while the Awlad Suliman, and to a lesser extent the Tebu, joined the revolutionary movement relatively early. Since, 2012, there have been a series of escalating confrontations between the Awlad Suliman and Tebu for local dominance. While both groups are nominally aligned with Western Block, the LNA has alternately attempted to gain the support of both (most recently it has targeted the Awlad Suliman through Abdul Majid Saif al Nasser).
- Ajdabiya has two substantial tribal constituencies – the Magharba tribe (comprising circa. 50% of the population) and the Zway (circa. 30% of the population) – as well as a number of smaller tribal constituencies (Algabial, Alfawkher and Awlad Alshaikh). Since 2001, the Magharba have dominated local politics, forming an alliance with the smaller tribal constituencies to restrict the influence of the Zway. The Magharba also provided the majority of fighters in the Eastern Petroleum Facilities Guard. The Zway is largely pro-Eastern Block and pro-LNA (although there was an attempt by Misratan leaders to develop the Zway as an advocate of the Western Block in the east). The Magharba had taken a nuanced stance in the national political conflict in the period 2014–2016, maintaining relationships with both East and West, until the LNA secured control of the Oil Crescent. The Magharba leadership is pro-Federalist, and hence could be thought of as naturally pro-Eastern Block. However, since 2016 it has been strongly anti-LNA and hence more aligned with Tripoli.

It is important to recognise that while these national constituencies exist, their local representatives can have very different perspectives on the national divide. For example, the perspectives of Warfalla living in Sabha, Bani Walid and Benghazi, or Amazigh groups living in Zuwarah and Nalut, can differ substantially. The Farjan tribe provide a strong example. The Farjan have a strong presence around Ajdabija in the east, in Sirte in central Libya and to a lesser degree in Zliten in the west. Importantly, the Farjan is the tribe of General Khalifa Hefta, the head of the LNA. The Farjan in the east are strongly supportive of the Eastern Block and the LNA. However, the Farjan in Sirte are more aligned with the Western Block, due to the strength of the Salafi movement among the Farjan of Sirte and their cooperation with BaM forces during the anti-ISIL operations. Similarly, while the revolutionary movement might have a united perspective on the need to restrict the influence of presumed pro-Qaddafi constituencies (e.g. the Warfalla of Bani Walid), revolutionary groups have not been universal in their support for the Western Block. For Example, Zintani revolutionary groups were previously in conflict with Misratan groups for control of Tripoli, while Eastern revolutionary groups have worked with Qaddafi-era security personnel in the anti-BRSC operations in Benghazi.

While local branches of national constituencies can take very different positions on the national political divide, the main eastern tribes – Zway, Al-Abaidat, Al-Awagir, Magharba, and Bara'sa – are mostly cohesive in their support of the Eastern Block. That said, they can have very different positions on the LNA and the leadership of the IG. For example, the Al-Abaidat and Al-Awagir have antagonistic relations with General Khalifa Hefta and would prefer that he was changed for an alternative military commander, although leaders of both tribes have regularly made gestures of support for the LNA.⁸⁵ Further, the Magharba of Ajdabija, one of the strongest pro-Federalist constituencies, is now largely anti-LNA following the LNA operations to control the Oil Crescent. There is the potential for this anti-LNA sentiment to translate into a pro-Western Block position.

The tension between Federalists and those supportive of a unified state in the Eastern Block is also significant. Khalifa Hefta and leading figures in the LNA see the Eastern Block as a vehicle for promoting their vision of the future Libya state and see this as a unified state. However, leading Federalists are using the Eastern Block to push federalism/independence.

Alignment of municipalities and associated constituencies

The map below (map 3, pg. 73) provides a broad idea of the extent of influence of the Eastern and Western Blocks at the municipal level. It charts both blocks' level of influence (weak and strong) and where there is active confrontation for control. The table that follows (table 4, pg. 74) describes in more detail the alignment of a select number of more important municipalities and their associated constituencies vis-à-vis the national political divide.

⁸⁵ See for example: www.libyaherald.com/2017/09/03/awagir-tribal-elders-say-they-still-back-the-lna/.

Table 4: Alignment of municipalities and associated constituencies

Western Block – strong	Western Block – weak	Non-aligned / nuanced	Eastern Block – Weak	Eastern Block - strong
<p>Tripoli municipalities – the capital and host to the GNA/PC. Tripoli contains a range of constituencies, all of which are broadly pro-Western Block. Control of the city is presently being contested by a number of revolutionary armed groups.</p>	<p>Sabratha/Sorman – Zintani-led offensive led to GNA/PC control of the town in late 2017, which was previously controlled by ISIL and trafficking groups. The municipality is strongly aligned with the Western Block, but this position is not shared among all constituencies.</p>	<p>Bani Walid – majority Warfalla tribal and revolution-sceptic/pro-Qaddafi political constituency. While the local council is aligned with Tripoli, the majority of the community is neither pro-Western nor pro-Eastern Block.</p>	<p>Tobruq – home to the influential Eastern tribe, the Al-Abaidat. The municipality has taken a nuanced position in the national political conflict. While part of the Eastern Block, it has maintained relations with Tripoli.</p>	<p>Benghazi – significantly pro-LNA since the end of the violent conflict with the BRSC. This is partly because pro-BRSC constituencies have been displaced to the West. There is generally an anti-Tripoli and pro-Federalist/independence sentiment in the city.</p>
<p>Misrata – an influential community constituency in the Western Block. The town is militarily dominant in Sirte through the BRSC and was previously dominant in the south through the 3rd Force prior to 2017 Barak Shati massacre. A significant political constituency in the town is pro-NSG and not supportive of the GNA/PC.</p>	<p>Sirte – home to a wide range of tribal constituencies that are spilt between being ‘anti-ISIL’ and ‘anti-Misrata’. The town is presently under strong military control of the BRSC. The alignment of Sirte with the Western Block is not guaranteed in the event that the BRSC loses control.</p>	<p>Sabha – home to a range of tribal/ethnic constituencies. There has been sporadic violence between the Awlad Suliman and Tebu since 2011, with both the Eastern and Western Blocks seeking to incentivise alignment of these groups. The other main tribal constituencies are revolution-sceptic/pro-Qaddafi and neither pro-Western nor pro-Eastern Block.</p>	<p>Derna – recently liberated from extremist Islamic groups by the LNA. However, the town still includes a strong pro-extremist constituency, which is neither aligned with nor supportive of the Eastern Block and the LNA.</p>	<p>Al Bayda – host of the IG since 2014 and a pillar of the Eastern Block. Al Bayda is host to a strong pro-Federalist/independence constituency.</p>
<p>Zintan – an important military community/tribal constituency in the west. Since June 2017 Zintan has been aligned with the Western Block, on the basis of incentives provided by the GNA/PC, and has been at the forefront of measures to control Sabratha and the Tripoli–Tunis road corridor.</p>	<p>Az-Aziziyah/Al Maya – home of the Worshefena tribal constituency and potentially also a strong revolution-sceptic/pro-Qaddafi constituency. The Worshefena have a conflictual relationship with Az-Zawiyah and the area is presently controlled by Zintani armed groups.</p>	<p>Aubari – home to Arab, Tebu and Tuareg constituencies. The period 2014-2016 saw violent conflict between the Tebu and Tuareg, with the Tebu in part supported by the Eastern Block and the Tuareg supported by the Western Block (via the Misratan 3rd force). Both blocks are presently vying for the allegiance of all three constituencies.</p>	<p>Ajdabiya/Bin Jawad/As Sidr – host to Magharba and Zway constituencies. The Zway are pro-Eastern Block, while the Magharba are pro-Federalist and prior to 2016 maintained relations with both blocks. Since 2016, the area has been under the military control of the LNA. However, this has created popular anti-LNA and potentially pro-Western Block sentiment.</p>	<p>Al Marj/coastal/Green Mountain communities – municipalities in the area are all strongly supportive of the Eastern Block. Levels of pro-Federalist/independent sentiment vary across different constituencies, but are generally strong.</p>

Al Khums/Zliten – coastal towns whose constituencies are strong supporters of the Western Block. This is partly due to the influence of Misrata economically and militarily.

Zuwarah – coastal Amazigh town that controls the road west to the Tunis border and the important Ra's Ajdir crossing. Zuwarah is nominally aligned with the Western Block and pro-Tripoli sentiment is stronger than among mountain Amazigh; but the influence of Tripoli is extremely limited.

Murzuq/AI Qatrun – majority Tebu area, with significant Arab constituency in Murzuq. The Arab constituency is mostly pro-Western Block, with the Murzuq Arab mayor residing in Tripoli. The Tebu take a nuanced position, maintaining relationships with both blocks.

Kufra – home to Zway and Tebu constituencies, who have been in violent conflict since 2011. Both the Zway and Eastern Tebu are important components of the Eastern Block, and hence the IG and LNA have sought to balance the needs of both.

Suluq – an important Awagir tribal community with very strong pro-LNA and Eastern Block sentiment. The town also suffered from terrorist attacks associated with the BRSC.

Tajoura – an important political and military actor east of Tripoli. While part of the Western block, armed groups from Tajoura are presently vying for influence in Tripoli.

Nalut/Jadu/Yefren – principal Amazigh towns in Nafusa/Western Mountains (others include Kabaw and Wazin). These towns are nominally aligned with the Western Block, but have threatened to remove support for the GNA/PC following the 2017 agreement with Zintan.⁸⁶

Waddan – a strategic area on the main trafficking route from the south to the coast. The town is home to a strong pro-Eastern constituency and has been under their military control of the LNA since mid-2017.

Jalu – an important transit point from the south east to coast and for the oil extractive industry. Is host to a substantial Zway constituency that is strongly pro-Eastern Block, despite previous efforts by Misratan leaders to gain influence.

Az-Zawiyah – an important revolutionary town. Municipal constituencies are strongly aligned with the Western Block.

Ghat – Tuareg town on the southern border with Algeria. Ghat is nominally aligned with the Western Block, but the influence of Tripoli is extremely limited.

Birak Shati – saw clashes between Misrata and LNA armed groups in 2017; the closest to direct confrontation between the Eastern and Western Blocks.

Gharyian/ Kikla – pro-revolution Arab municipalities in the Nafusa/Western Mountains. These towns are aligned with the Western Block, but contain significant political constituencies more support of the NSG.

Ghadames – Amazigh town on the border with Algeria. Ghadames is nominally aligned with the Western Block, but the influence of Tripoli is extremely limited.

⁸⁶ <https://www.libyaobserver.ly/news/amazigh-towns-threaten-withdraw-recognition-presidency-council-source>

2. Donor strategies for supporting the transition

This section assesses international strategies for supporting the transition in Libya, including both political actions and aid. It compares these strategies to the analysis provided in section one and poses a set of key challenges that that the international aid community needs to resolve.

Summary of donor strategies

International assistance to Libya was initially characterised by an optimism bias that the vision for the transition articulated in August 2011 was in the interest of all Libyans and hence would be widely supported. The resultant international strategies emphasised technical bilateral assistance focused on reinforcing the capacity of central institutions and reform processes. Most bilateral assistance was suspended following the political crisis in 2014, with aid instead targeting municipalities. The rationale for this shift was that while national authority was contested, municipalities were universally recognised as legitimate.

The LPA created momentum for re-establishment of bilateral relations with GNA institutions in Tripoli in 2016 and a general refusal to engage with those established by the Eastern Block. Post-LPA Mediation and diplomatic initiatives were initially geared towards obtaining HoR approval of the GNA and hence full implementation of the LPA; although the UN Special Representative's Sep. 2018 Action Plan shifted this focus towards revision of the LPA and greater inclusion through a national dialogue. Nevertheless, the international actors have on the whole taken sides in support of the Western Block, and are viewed by Libyans to have done so. This approach deserves critical examination.

Technical reform not peacebuilding

The international community has struggled to effectively engage in Libya in a manner that progresses peace since the 2011 civil conflict. The initial engagement was characterised by an optimism bias driven by: (1) general enthusiasm for the revolution, with a belief that it was supported by the majority of the public;⁸⁷ and (2) a resultant buy-in to the revolutionary movement's narrative that Libyans were united in their aspiration for the future of the country. This positive bias was in part because of a lack of access to community, political and tribal constituencies across the country, itself a result of the political isolation of Libya during the Qaddafi period, and hence limited networks of Libyan interlocutors. The result was that the positions and perspectives of a wide range of Libyan constituencies, and

⁸⁷ This supportive position was not universal. Most evidently, Russia and China were opposed to military intervention. Within Europe, Germany was most open in its opposition to the intervention in support of the revolutionary movement, which in turn prevented the EU from providing direct support beyond humanitarian goods.

especially any alternatives to the revolutionary movement's narrative, were not well understood.

This optimistic bias was reflected in initial planning for post-conflict assistance through the Libya Coordinated Needs Assessment (LCNA), requested by the NTC, co-conducted by the UN, WB and EU and focused on ten sectors.⁸⁸ The LCNA was in theory to follow the methodology and approach for Post-Conflict Needs Assessments (PCNA) agreed between the EU, United Nations Development Group (UNDG) and WB in the 2008 'Joint Declaration on Post Crisis Assessments and Recovery Planning', which entailed identification of the underlying drivers of conflict and fragility.⁸⁹ However, the focus areas established by the NTC and the approach to undertaking the assessment did not look at the underlying drivers of conflict, as the revolutionary movement's narrative held that there were no deep divisions in society and that the transition was a technical process of unravelling the Qaddafi regime's influence.

As such, early planning for assistance did not seek to understand or take into account the different perspectives, needs or interests of political/community constituencies across the country. Indeed, the LCNA did not lead to the planned integrated-assistance programme, with the ten sectoral assessments being used on an *ad hoc* basis by UN agencies, WB and EU to inform their assistance strategies.⁹⁰

With the failure of the LCNA to develop a consolidated and common view of what successful transition in Libya entails, there has not been a guiding strategy for how assistance can be delivered most effectively and in a manner that promotes peace. In addition, low levels of understanding of the perspectives, positions and interests of the range of community/political/tribal constituencies in Libya are still prevalent among the international community. This is especially true of constituencies in the east and to a lesser degree the south of the country. This is partly driven by the evacuation of most international missions from Libya since mid-2014, and hence more limited ability to engage directly with a range of constituencies. Most engagement occurs through the organisation of Libyan delegations to travel to Tunis or other overseas destinations. It is also driven by the mostly common position of interpreting the LPA as implemented, and hence the Tripoli-based GNA as legitimate. As a result of this interpretation, there is general reluctance to engage with political constituencies in the Eastern Block.

⁸⁸ a. Social Services; b. Civil Society; c. Infrastructure Repairs; d. Border Control; e. Disarmament, Demobilisation and Reintegration; f. Public Security and the Rule of Law; g. Electoral and Constitutional Processes; h. Public Assurance/Messaging; i. Shared Services (Public Financial Management, Public Service Delivery, Public Administration, Civil Service Reform); j. Economic Recovery and Employment Generation including agriculture and food security, with a focus on youth. <http://mptf.undp.org/factsheet/fund/LBY00>.

⁸⁹

http://siteresources.worldbank.org/EXT/LIBY/Resourses/Trilateral_JD_on_post_crisis_assessment_s_final_draft_15_September_08_logos.pdf.

⁹⁰ 'Review of Experiences with Post-Conflict Needs Assessments', D. Garrasi and R. Allen, 2015: <https://openknowledge.worldbank.org/bitstream/handle/10986/24029/K8699.pdf?sequence=2&isAllowed=y>.

Donor priorities – migration and extremism

With the end of the civil conflict in 2011 there was a general consensus among the traditional donor community that Libya was not eligible for development assistance as it is a middle-income country with access to substantial hydrocarbon wealth. This led to more limited post-conflict reconstruction programming (focused on civil society, women's empowerment and electoral support) compared to comparable contexts, with international actors instead emphasising bilateral technical support to the NTC and the subsequent GNC government, and that ultimately 'Libya should pay' for any development assistance. This narrative still persists despite the rising poverty indicators across the country.

In spite of this narrative, two significant funding programmes were established in the wake of the 2014 political crisis: (1) the EUTF, which has the ultimate purpose of preventing the flow of migrants from Libya across the Mediterranean into Europe⁹¹ and (2) the SFL that was designed to reinforce the legitimacy of the Tripoli-based GNA by rehabilitating public services in municipalities most damaged by war.⁹² These multi-lateral funding mechanisms have set a precedent for larger-scale programming in Libya and have exposed substantial weaknesses in the ability of delivery partners to implement projects across the country. The WB has raised the potential for a third multilateral fund that would support larger-scale reconstruction works, although this was not included in their recent Country Strategy Document.

International strategies towards assistance for Libya have been driven by two overarching priorities: (1) to reduce the flow of migrants through Libya across the Mediterranean to Europe; and (2) to combat the influence of extremist Islamic groups and the potential for the Libyan state to be captured by those promoting extremist ideologies.

While other traditional development agendas have also been pursued (e.g. gender equality, human rights, democratisation), migration and extremism have driven strategic decision-making. For example, it could be argued that the pressure for a practical outcome to the political dialogue was in part due to the need for international actors to have a government partner for its anti-extremist and anti-migration actions. Indeed, large-scale anti-ISIL operations in Sirte, under the umbrella of BaM, began in May 2016 shortly after formation of the GNA (January 2016).

⁹¹ https://ec.europa.eu/trustfundforafrica/region/north-africa/libya_en.

⁹² www.ly.undp.org/content/libya/en/home/operations/projects/sustainable-development/stabilization-facility-for-libya.html.

Focus of aid – bilateral and municipal-level

Most bilateral international assistance was suspended following the political crisis in 2014, with international actors refocusing their aid towards municipal-level development. The rationale for this shift was that while national authority was contested, MCs represented the only recognised legitimate bodies in the country and, hence, that it was important to strengthen this level of government during the national political crisis. As such, support for decentralised government became a safe way of providing support into Libya.

This focus has, however, been challenged in two fundamental ways. Firstly, there are increasing question marks over the effectiveness of arms-length support for decentralised government, given: (1) the security context, which has meant most international missions do not have a field presence on the ground; (2) the ongoing national political conflict, meaning that most support is restricted to municipalities aligned with the Tripoli-based GNA, with more limited penetration into the east and south; and (3) that without supporting reforms and capacity development at the central level, assistance for municipal authorities is unsustainable. For example, without changes to Law No59 in terms of decentralised public financial management and local tax management, capacity development to MCs in Public Financial Management (PFM) and taxation will not lead to improvements in service delivery. Indeed, on this issue, MCs have on the whole been reluctant to undertake measures that contradict existing legislation (even when trained in 'international best practice') and there have been examples of the arrest of MC members in those cases where creative measure have been taken.⁹³

Overall, there is no evidence that substantial investments in municipal-level capacity to date has had any impact on the quality of local governance or local public service delivery – and in fact it could be argued that no such impact can be achieved without both a shift in the national political conflict and systemic/institutional reform to enable decentralisation, especially from a fiscal perspective.⁹⁴

Secondly, there are concerns that support for municipal-level government, although well intentioned, could have the result of weakening the authority of central institutions and further fragmentation of the country. As such, there is a general consensus about a need to balance municipal-level assistance with assistance for the reform of central institutions, especially in terms of the decentralisation agenda.

⁹³ Telephone interview, US-funded programme representatives, July 2018.

⁹⁴ For a deeper analysis of the limitations of support for municipalities without parallel system and institutional reform see: Dr. G. Wilson, 'Local Government and Decentralisation in Libya – Initial Report: Mapping and Programme Design', Antylles, December 2017.

Development of conflict-sensitivity good practice

As a response to the failure of the LCNA to look at underlying drivers of fragility and conflict, a CS process was launched in October 2012 under the auspices of the Swiss Embassy, with technical facilitation by the international non-governmental organisation PCi.⁹⁵ The process includes: (1) a Conflict Sensitive Assistance to Libya Forum, which produces shared conflict analyses of Libya and is updated regularly by a group of participating organisations, with the results captured in an online platform;⁹⁶ (2) a Conflict Sensitivity Leadership Group comprised of the heads of key bilateral missions and multi-lateral agencies to promote CS; (3) a peer review mechanism to enable organisations working in a particular sector to collectively identify the impact of their assistance on conflict and how it can be improved; and (4) an on-call facility to support the capacity of individual organisations or programmes to be conflict sensitive.

The CS process is the primary vehicle for development and sharing of conflict analysis on Libya. It has also led to the mainstreaming of CS as a standard practice in Libya, with, for example, CS requirements written into the SFL as well as into funding arrangements under the EU Emergency Trust Fund for Africa (EUTF). However, the process has not led to political- and strategic-level agreements as to the measures that need to be taken to address the underlying drivers of conflict, or the most effective approach for delivering assistance. Three CS principles were agreed by the Leadership Group in 2016 as guidance for planning assistance,⁹⁷ but these are only used sporadically and are not universally understood among the development community. Perhaps the most impactful application of the CS principles has been during the design of the SFL, when it was argued that the facility should be delivered across the country rather than being restricted to those municipalities aligned with the Tripoli-based GNA (and hence in accordance with principle one that 'Assistance should be delivered as inclusively as possible').

The relative failure of the CS process to set the agenda for measures to address the underlying drivers of conflict, or to steer how assistance is delivered, has led to alternative initiatives. For example, the EU has pushed for agreement of a 'code of conduct' for support to municipalities, so as to ensure that local-level support does not undermine the strength of central state functions or further fragmentation of Libya.

⁹⁵ Since 2017 the CSA process has received substantial funding from the EU's Instrument for Stability (IfS).

⁹⁶ <https://opseca.humanidev.tech/opseca/#?p=dashboard?a=6>. At the point of reporting 25 rounds of analysis had been conducted, with the latest analysis on 7 June 2018.

⁹⁷ Assistance should: (1) be delivered as inclusively as possible; (2) strengthen the ability of our partners to be equally accountable across communities and constituencies; and (3) strengthen the connection between state institutions and communities across the country, by delivering tangible improvements.

Involvement in the political process

The LPA was endorsed by the UN Security Council on 23 December 2015⁹⁸ and the GNA appointed by the PC was subsequently recognised as the legitimate government by a substantial part of the international community despite the fact it has not been approved by the HoR.⁹⁹ This recognition created momentum for states to re-establish bilateral relations with Libyan institutions in Tripoli (that were associated with the GNA) and to seek to re-establish their diplomatic presence in the capital. It has also resulted in a widespread refusal to engage with the parallel government institutions established in the East. As such, the majority of the international community has de facto taken sides in the political crisis, and are perceived to have taken sides by Libyans.

Attempts by the UN SRSG and United Nations Support Mission to Libya's (UNSMIL) political team to facilitate approval of the GNA by the HoR were not successful. As a result, the SRSG announced a new roadmap in September 2017 that shifted the focus of the political dialogue from obtaining HoR approval of the GNA, to: (1) amendment of the LPA; (2) confidence-building and inclusion through a National Conference; and (3) moves towards a constitutional referendum, and presidential and parliamentary elections.

The strategy of the roadmap could hence be understood as providing the conditions for a unified government in the future, based on a credible referendum and elections that are supported across Libya. This shift away from attempts to enforce the LPA and gain acceptance of the GNA among political communities in the East of the country was further emphasised by the May 2018 Paris Discussion, which included an unwritten commitment not just to elections in 2018, but also unification of the central bank and the phasing out of parallel governments and institutions.

It is not clear how the majority position of international actors in recognising the GNA assists with implementation of the roadmap, both in the lead-up to and following a constitutional referendum and presidential/parliamentary elections. This is especially the case if the roadmap seeks to build confidence and consensus across the main political divide, while the international community is perceived as supportive of one side of the divide. Further, it is important to note that while Tripoli-based line ministries will continue to function after an election, it is not necessarily the case that a future government will fit the title of 'GNA'.

⁹⁸ www.un.org/press/en/2015/sc12185.doc.htm.

⁹⁹ It is important to note that not all states' diplomatic missions have recognised the GNA as the legitimate government. For example, the Swiss FDFA has not done so due to its policy of only recognising states and not governments. Author's Interview, Swiss FDFA representative, June 2018.

Key challenges for international assistance

This approach taken by the international community to supporting the transition in Libya deserves critical examination. The following questions are proposed as tools to assist this reflection, and it is recommended that international aid actors look to develop collective positions on them.

- **What potential is there to re-envisage the political process?** Implementation of the LPA does not address the political and social divisions that have emerged during the transition, rather focusing on political agreement of a unified government (although this focus has become more nuanced with the Sep. 2018 Action Plan). The political process would ideally involve discussion on what the transition should entail and how governance should be done, as well as increased capacity for support to sub-national peace processes.
- **How should we support public reform in advance of a political settlement?** Support for reform in Tripoli runs the risk of only being delivered in aligned municipalities, and in deepening both the political divide and societal division. Reforms generated in Tripoli will also not undergo public scrutiny from the HoR. Yet, there is need for improvements to public service delivery nationally. For example, procurement of medical equipment and medicines, and decentralised public financial management.
- **How can we support the delivery of public services in the east?** While there is a deficit in public service delivery nationally, it is most keenly felt in the east, as Western Block institutions are unwilling or unable to provide services there. Most donors' strategies do not allow for direct technical assistance to Eastern Block agencies, further limiting the potential to improve service delivery to eastern constituencies.
- **Can we counter the influence of the security sector in governance, especially in the east?** Security actors' interference is more overt in the Eastern Block and more subtle in Tripoli. Security sector reform (SSR) is unlikely to counter this influence and SSR initiatives would not extend to the Eastern Block. If the international community does not support governance by Eastern Block institutions, civilian functions are likely to become militarised at a more rapid rate than those in Tripoli.
- **Can we reduce violent and proxy competition over municipalities, especially in the south-west?** Eastern and Western Blocks are in competition for influence over municipalities. This has involved prioritising resources to ally municipalities in an untransparent manner. In 2017, it also started to involve more direct military confrontation in the south-west; a trend that is likely to continue. Prevention of competition to dominate the south-west would involve agreements on local distribution of resources and political mediation between the two blocks.

3. Building peace in Libya – principles and actions

This section of the report charts a potential way for international aid actors to respond to the challenges outlined above. It does this by proposing principles for judging the appropriateness of intended aid against the conflict context, as well as practical actions that should be prioritised in order to meet the peacebuilding needs in Libya.

Principles for delivering assistance to Libya

Based on the preceding analysis, it is recommended that any assistance into Libya follows the following three principles. All existing and potential programmes should be judged by the degree to which they adhere to these principles.

1: Adopt a peacebuilding approach to statebuilding

A key factor driving fragility, conflict and violence in Libya is the fear held across constituencies that they could be marginalised in the future, and that unless they have direct influence on national-level decision-making then they are unlikely to be treated 'fairly'. This fear has contributed to the failure to reach a political settlement, attempts to capture the central state and increased localised violence. It is important that international support for statebuilding aims towards a pluralistic Libyan state that is representative of and serves the wide range of constituencies in the country, rather than those who have direct influence on national institutions. This means that aid to Libya should be measured equally on whether it makes a tangible improvement in target groups' perception of the fairness of central state institutions, rather than in technical performance improvements alone. For example, before supporting decentralisation of public competencies, should it be a priority to increase transparency over the distribution of finances between municipalities?

Adopting a peacebuilding approach also requires understanding of the different contexts in the Eastern Block-aligned municipalities, in Western Block-aligned municipalities and in the south-west. The different contexts require different aid objectives and ways of working. The main differences are summarised in table 5 (pg. 84). It should be noted that this table is indicative only and that there are also large differences in context within each area.

2: Ensure assistance does not ignore the national political divide

The political divide is leading to a duplication of national agencies, is forcing municipalities and local constituencies to take sides, and is fuelling the potential for violence in the south-west. Development assistance that focuses on Tripoli and aligned municipalities has the potential to contribute to these negative dynamics. In particular, aid that targets a GNA/PC-aligned public body will consequently most likely only be delivered in

GNA/PC-aligned municipalities. The result is that aid may further the division in practice between the Eastern and Western Block agencies, and in the shared living space, unless the divide is actively planned for. Any intervention should look to: (1) where possible, build linkages between Eastern and Western Block agencies and prevent further division; (2) be delivered in both Eastern and Western Block-aligned municipalities, so as to reinforce the shared living space; and (3) disincentivise competition over the south-west and reinforce stability there. Similar to principle one, proper application of this principle entails a nuanced understanding of the different contexts in Eastern Block-aligned municipalities, Western Block-aligned municipalities and in south of the country. For example, application of this principle could entail support for primary health care that includes facilitation of dialogue between the parallel primary health care units and is piloted in the south.

	Eastern Block areas	South	Western Block areas
Nature of sub-national conflict	Violence by or against extremist groups, with communal punishment.	Intra-municipal conflict, influenced by ethnicity and identity.	Inter-municipal conflict, historic or due to recent grievances.
Nature of centre-municipality relationships	Strong centre with widespread communal support.	Strong municipalities, but competition for influence between the two blocks	Strong municipalities that are influential in Tripoli and may to a large extent self-govern.
Nature of civil-military relations	Unified security sector under the LNA with overt influence on economy and governance.	Community-based armed groups, focused on trafficking and ethnic issues.	Both community-based and political groups. Informal influence and control of black market.
Economy and public services	Limited access to public funds or to international aid.	Economic crisis, with limited services and a large black market.	Greater access to public funds and international aid.
Stability and the potential for violence	Growing stability following anti-extremist operations.	Increasing violence, due to competition between the two blocks.	Intermittent violent contest for control of Tripoli.

Table 5: Differences in context between east, west and south

3: Integrate individual and socio-political change

In line with learning on effective peacebuilding from the Reflecting on Peace Project,¹⁰⁰ aid to Libya should link: (1) change at the individual-personal level; with (2) change at the socio-political level. Individual-personal change means that the attitudes (thinking) and behaviours (acting) of Libyans are transformed so that they are better able to manage conflict. Such change applies to both leaders ('key people') and the wider

¹⁰⁰ Reflecting on Peace Project Handbook, Collaborative Learning Projects, 2004: <http://www.steps-for-peace.org/wp-content/uploads/2013/07/ReflectingOnPeacePracticeHandbook.pdf>

public ('more people'). Socio-political change means that the environment in which Libyans live reduces the likelihood of them using violence. Socio-political changes could include improvements in the functioning of institutions, more effective legislation or changes in normative cultural practices (e.g. the tendency for victors to use communal punishment). For example, support for anti-corruption could look to change key people through support for Audit Bureau staff, more people through a public anti-corruption movement, and the socio-political environment by supporting revisions of standard operational procedures related to anti-corruption.

Recommended peacebuilding actions

The following recommended actions are designed to both meet the most pressing peacebuilding needs in Libya and assist practical implementation of the above principles.

1: Support a further shift in strategy on the national political process

The UN Special Representative's September 2018 Action Plan marked an important change in direction for the political process, towards discussion of amendments to the LPA, a wider national dialogue and a timetable for elections. This change should be deepened through dialogue across the national political divide on a vision for a 'successful transition' that addresses the root causes of conflict and fragility in the country, rather than being based on technical milestones (e.g. holding of elections or institutional unification). This dialogue could include reflection on alternative governance arrangements to the one proposed in the LPA. The international community should support dialogue on the transition through identification of collective measures of success for bilateral aid focused on the root causes of conflict and fragility. A Recovery and Peacebuilding Assessment could help in this regard, as long as it is inclusive of leaders across the divide, rather than being developed solely with institutions in Tripoli.¹⁰¹ The international community should also explore ways in which it can engage more widely with Eastern Block interlocutors, so that it is more effective in planning aid and so as to diffuse a perception in the east that the international community is opposed to eastern interests.

2: Support technical cooperation across the conflict divide

This cooperation would improve short-term service delivery and provide concrete agreements that build confidence, thus contributing towards the political process. Suggested focus areas are:

- Planning for public financial management of service delivery in Eastern Block-aligned municipalities. The approach taken should be on an agency/service basis and be sensitive so as not to disturb or undermine any cooperation that exists.

¹⁰¹ The Post Conflict Needs Assessment conducted in 2012 did not analyse the underlying drivers of conflict and gave priority to the perspectives of leaders in the revolutionary movement.

- Agreement on decentralisation and division of resources between municipalities. Transparency on distribution of resources is critical for increasing a sense of fairness in central government, and for decreasing competition between the blocks.
- Restoration of trust in the banking system and improvements in national liquidity. The national liquidity crisis has become a substantial driver of conflict, and is tipping parts of the country into 'zones of fragility' especially in the south.
- A national learning process on de-radicalisation. Anti-extremist violence continues after the end of military operations through communal punishment, potentially storing up grievances that will further the spread of extremist ideologies in the future.

3: Support negotiation across the political divide on unification of national public agencies

Both blocks have made a commitment to unified national institutions. Support should be provided for direct negotiation across the political divide on the technical processes for reunification and strengthening of national agencies, rather than presume that unification will automatically follow public commitments. These negotiations should be conducted on an agency-by-agency basis, and based on identification of entry points where progress is more likely to be made (e.g. on national auditing and sports management).

4: Increase civilian oversight of armed groups and security actors through a national anti-corruption campaign under the auspices of a unified Audit Bureau

A direct approach to SSR will not work in Libya given: (1) the close relationships between armed groups and communities in much of the country; and (2) the influence of security actors in both the Eastern and Western Blocks. Instead, the influence of armed groups and security actors could be tackled through a wider anti-corruption process that has the purpose of increasing public scrutiny over financial flows to armed groups and security actors and reinforcing trust in central institutions. Technical support to the Audit Bureau would assist unification of parallel institutions related to audit and anti-corruption. An indirect approach to SSR through anti-corruption could also enable international engagement on civil-military relations in the Eastern Block, without requiring direct interaction with eastern political and security leaders.

5: Provide a surge in support for sub-national conflict mediation and transformation

Conflict resolution has for the most part focused on the national political divide, with more limited support for measures that look to mediate or transform the wider political and social divisions afflicting Libya. Learning from national Libyan experience of conflict mediation and transformation to date, this surge should include:

- Funding and capacity development for inter-community conflict mediation, especially in western Libya.
- Establishment of a national psychological support programme to deal with conflict-related trauma.
- Establishment of an international funding and expertise body for transitional justice and compensation in Libya.
- Commitment to strengthening informal local political and security agreements through all municipal level capacity-development projects.

6: Develop a comprehensive peacebuilding programme for south-west Libya

South-west Libya is the epi-centre of confrontation between the Eastern and Western Blocks. It is also the area of Libya most affected by the economic crisis and by intra-community conflict, with violence in one community often affecting the stability of surrounding areas. While the need on the ground is great, both national authorities and the international community have only limited ability to deliver development programmes in the south-west, or to support local peace initiatives. The international community should support a comprehensive peacebuilding programme that includes preventative political mediation between the two blocks, a larger footprint that can more directly assist mediation initiatives locally on the ground and a regional economic development programme that addresses instability in the region. The GNA has committed to a 1 billion LYD development package for the south-west; but unless it is part of a more comprehensive approach, that also includes the Eastern Block, it is unlikely to reduce the potential for violence.

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Bomb blast at the Tibesti Hotel in the eastern city of Benghazi on Wednesday 1st June 2011
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