

A Ceasefire with Feet of Clay: The Potential Spoilers of Peace in Libya

by Dario Cristiani

On 23 October 2020, negotiators from the 5+5 Joint Military Commission, the dialogue format between the forces of the UN-recognised Government of the National Accord (GNA) and Khalifa Haftar's Libyan National Army (LNA), signed a ceasefire in Geneva.

Two days later, the United Nations Support Mission in Libya (UNSMIL) announced the launch of the Libyan Political Dialogue Forum (LPDF),¹ whose first round took place in Tunis between 9-15 November, after virtual sessions started on 28 October. Delegates agreed on a date for elections (24 December 2021) but not a new government, and will reconvene to continue negotiating at the end of November.

While the announcement of the ceasefire and the political dialogue held in Tunis is obviously good news,

the road ahead remains rife with challenges. The acting UNSMIL head, Stephanie Williams, has warned that many will seek, "for narrow personal and purposes, to corrupt and disrupt" the process.²

Looking ahead, four dynamics can spoil the process, undermining the prospects for a more sustainable political settlement in Libya: Haftar's role; the situation of the global oil market; Turkey's regional ambitions; and the economic interests of militia groups in Tripoli.

A first dynamic revolves around the role of Khalifa Haftar, the self-styled leader of the LNA, who remains the most significant spoiler and obstacle to a genuine national agreement in Libya. His actions since 2014 demonstrate that he does not want to be *part of the*

¹ UNSMIL, *Acting Special Representative of the Secretary-General for Libya Stephanie Williams Announces the Launch of the Libyan Political Dialogue Forum Process*, 25 October 2020, <https://unsmil.unmissions.org/node/100042693>.

² Sami Zaptia, "UNSMIL's Williams Warns against Spoilers during Her Closing Address at the First Virtual Libyan Political Dialogue Forum", in *Libya Herald*, 28 October 2020, <https://www.libyaherald.com/?p=126406>.

solution: he wants to be *the* solution.

The timing of his April 2019 attack on Tripoli and the GNA, days before the national conference scheduled in Ghadames, proved once again that he was not genuinely interested in being part of the political dialogue. If he was not willing in April 2019, when he might have played a central role in a negotiated settlement, why should he be now, when his position is weaker than ever?

Over the years, Haftar has managed to consolidate his power in the east thanks to foreign financial support, a network of tactical alliances of interest and a ruthless approach to local security and dissent.³ Yet, the idea that he is the actual representative of eastern Libyan claims has always been far-fetched, if not entirely misleading.

This is particularly the case among those nurturing federalist sentiments in the east, which are unlikely to share Haftar's vision of a strong and nationalist state centred around him, his family and immediate inner circle. In other words: *Gaddafiism without Gaddafi*.

In this regard, Haftar's foreign backers have also partially shifted their positions: recent vocal support by Egypt and Russia for the speaker of the eastern-based House of the Representatives (HoR), Aguila Saleh, is a signal that their confidence in Haftar is eroding. However, Haftar is *down*,

³ Mattia Giampaolo, "General Haftar and the Risks of Authoritarian 'Stability' in Libya", in *IAI Commentaries*, No. 20|04 (February 2020), <https://www.iai.it/en/node/11269>.

but not *out*. The ceasefire might be an occasion to reorganise his forces for a new attack, as happened in the past, seeking to regain political influence through the battlefield.

A second important dynamic involves energy markets, oil and COVID-19. The ceasefire agreement and the launch of the political dialogue in Tunis come when the second wave of the pandemic is in full swing.

The global impact of the pandemic will increase uncertainty on the markets and spur economic volatility, putting further downward pressure on the already low global oil prices, like the first wave did. However, the first wave hit when Libyan oil output had almost entirely ground to a halt, as the blockade launched by Haftar in January had brought production down from 1.3 million barrels per day (b/d) to 90,000 b/d already by March.

Haftar tried to use the blockade as a bargaining chip to force the GNA to surrender, but his strategy failed. The actual result was to further worsen socio-economic hardship, and in particular Libya's electricity crisis, one of the crucial drivers for the outbreak of popular protests over the summer in both east and western Libya.

As such, on 18 August, Haftar's Petroleum Facilities Guards (PFG) announced the reopening of oil ports and relevant facilities to distribute fuel and gas stockpiles to power stations.⁴

⁴ "Haftar Announces Reopening of Oil Ports", in *The Libya Observer*, 19 August 2020, <https://www.libyaobserver.ly/node/15546>.

Initially, the LNA did not want to allow production for export to restart. Yet, exports resumed after a 17 September agreement, brokered by Russia in Sochi, between the Deputy Prime Minister Ahmed Maiteeq and Khalid Haftar, one of Haftar's five sons.⁵

In mid-November, the National Oil Corporation (NOC) announced that production returned to 1.2 million b/d.⁶ However, given present conditions, the global energy market might struggle to absorb a full return of Libyan oil to the market and prices might crash again.

Indeed, the grouping of OPEC+ countries are trying to find a solution to the rise in supply due to the return of the Libyan oil online.⁷ The budgetary sustainability of certain key foreign meddlers in Libya, such as the United Arab Emirates (UAE), Russia and Saudi Arabia, significantly depend on energy prices. Current oil prices are ranging between 40–45 US dollars. No Arab oil producer, aside from Qatar, can balance its budgets at under current prices.

Oil prices should almost double in order for Saudi Arabia and the UAE to match their breakeven prices. Russia has a bit more room to adjust, as its breakeven price stands at 42 US dollars for 2020.⁸ Still, the Russian economy is

structurally weaker than the economies of the UAE and Saudi Arabia. As such, Moscow still needs a wider margin to moderate its economic vulnerabilities. All these elements provide a significant incentive, in the short-term, to keep Libyan oil off market again. Renewed military action by Haftar, involving the closure of oil facilities, could serve this purpose.

A third dynamic in Libya involves the role of Turkey, the most important supporter of the GNA in Tripoli. For Turkey, Libya is fundamental for several reasons. Beyond the often misunderstood and exaggerated narrative of President Erdoğan's neo-Ottoman inclinations, Libya is crucial for economic reasons, as Turkish companies have contracts worth billions of dollars that were never terminated and, above all, to break Turkey's growing isolation in the Mediterranean.

The reason why Turkey doubled down on its support for the GNA in November 2019 was more circumstantial than structural: the complete isolation in which the GNA found itself in those months, and the tilting military balance on the ground due to the arrival of Russian Wagner mercenaries in support of Haftar, offered Ankara an opportunity to boost its influence.

As such, the GNA – after unsuccessfully requesting support from other countries – turned to Turkey again, accepting to sign two controversial Memorandum of Understanding on military cooperation

Derail Putin's Spending Promises", in *Financial Times*, 2 March 2020, <https://www.ft.com/content/1bf1f7fa-5a41-11ea-a528-dd0f971feb9c>.

⁵ "Haftar Announces Conditional Lifting of Libya Oil Blockade", in *Al Jazeera*, 18 September 2020, <https://aje.io/eham9>.

⁶ "Libya's Oil Production Made a Remarkable Recovery", in *The Libya Observer*, 14 November 2020, <https://www.libyaobserver.ly/node/16423>.

⁷ Alex Lawler, "OPEC Watching Libyan Oil Restart Closely, Needs Time to Assess-Sources", in *Reuters*, 21 September 2020, <https://reut.rs/3cjuqbf>.

⁸ Max Seddon, Henry Foy and Nastassia Astrasheuskaya, "Falling Oil Prices Threaten to

and the delimitation of an exclusive economic zone (EEZ) between the two countries.

Turkey's open intervention in support of the GNA changed the military balance, forcing Haftar's forces to withdraw. Since then, Turkey has finalised several agreements to further strengthen its military presence in western Libya. According to the ceasefire terms, parties should gradually refrain from relying on foreign military training, but both the GNA and Turkey made no mystery they will continue cooperation, and it is similarly unlikely that the Eastern forces will comply with this provision regarding military cooperation with foreign powers as well.

Turkey has an interest in stabilising Libya and avoiding a partition that could complicate its plans in the Eastern Mediterranean.⁹ Having accrued leverage in Libya, its military presence in the country has become a red-line, particularly without a diplomatic breakthrough in the Eastern Mediterranean. Should the ceasefire threaten Turkey's military role in Libya and Ankara still feel isolated, Erdoğan may have a considerable incentive to spoil the process, being content in freezing the military conflict in order to retain leverage rather than backing a comprehensive effort for its resolution.

Last, but not least, the fourth dynamic to keep an eye on revolves around Tripoli's informal political economy and the degree to which a potential

political solution may threaten Libya's lucrative networks of black-market trade and corruption.

Since late 2014, when Tripoli's local revolutionaries expelled the Misratans and the Zintanis from the capital, their business thrived, benefiting from the state of anarchy and the lack of an adequate central power, building a *de facto* cartel.¹⁰

Already at the time of the Skhirat agreement in late 2015, local militia leaders feared that an eventual settlement would have put an end to their "business freedom". One of the GNA's *original sins* was indeed to accept to have a limited influence over these militias, which were economically and militarily autonomous, ultimately becoming dependent on them for its survival.

Although the situation has now slightly changed, militias still control most of the informal, and parts of the formal, economy of the capital. As such, should the ceasefire hold and pave the road to a more structured political settlement, these militias might have an obvious incentive to spoil the process if their economic interests are threatened.

Among the potential spoilers, Haftar's role remains the most worrisome. In the past, he had already used negotiations and ceasefires to reorganise his forces. While history does not necessarily repeat itself, concerns that he might do the same are widespread. The

⁹ Michael Gabriel Hernandez, "Turkey 'Absolutely Against' Libya Partition: Spokesman", in *Anadolu Agency*, 21 July 2020, <http://v.aa.com.tr/1917908>.

¹⁰ Wolfram Lacher, "Tripoli's Militia Cartel", in *SWP Comments*, No. 2018/20 (April 2018), <https://www.swp-berlin.org/en/publication/libya-tripolis-militia-cartel>.

GNA has accused Haftar of carrying out fortification works on the Sirte–Jufra road, contradicting the ceasefire agreement.¹¹

Haftar is weaker than before, but he remains an important actor with the capacity to disrupt the process. The EU and the United States, actors that have been relatively soft on Haftar over the past years, should increase pressure on him and his foreign backers, primarily the UAE to limit this potential.

While excluding Haftar from the negotiations might backfire, the EU and especially the United States have the leverage over Abu Dhabi to scale down its support for the Libyan general. Without it, Haftar's autonomy, and thus the capacity to undermine the process, would diminish substantially.

The EU and the US can also play a role in dissuading Turkey from spoiling the process: for Ankara, the military presence in Libya is not a goal in itself, but is functional to break its isolation in the Mediterranean. For Erdoğan, the Trump administration represented a crucial political ally to shield pressure from the Congress and other NATO members.

The new president, Joe Biden, is unlikely to play the same role. Yet, a more *normal* US presidency, which values the relationship with Ankara without giving Erdoğan a diplomatic free pass,

might push the Turkish president to partially recalibrate his assertive foreign policy, aware of the diplomatic and economic consequences.

The EU could build up on this momentum in two ways. First, moderating the anti-Turkish rhetoric of some member states, such as France, Greece and Cyprus, and driving a process of political and military de-escalation in the Eastern Mediterranean, the regional theatre in which Ankara fears isolation the most.

Second, Europe should more actively and visibly support the GNA in Tripoli, so to provide an alternative to those within the GNA who do not want to rely on Ankara only. EU countries that supported and legitimised Haftar, such as France and Greece, should publicly shift their approach and the EU should be united in backing the UN process and the GNA *with no ifs and buts*. A unified and more consistent EU vis-à-vis the Libyan dossier can also pave the way for a greater EU engagement, for instance in monitoring the ceasefire.

If the EU manages to successfully address these two issues, it can reach two fundamental goals: regaining a role in shaping dynamics on Libya and reducing Turkey's potential for disruptive policies in the Mediterranean.

12 November 2020

¹¹ Khaled Mahmoud, "Al-Wifaq al-Libia Tatahim 'al-Jaysh al-Watani' B-Intihaak Tafaahumaat al-Hudna" [The Libyan GNA accuses the 'National Army' of violating the ceasefire agreements], in *Asharq al-Awsat*, 16 November 2020, <https://aawsat.com/node/2627671>.

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