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## BULLETIN

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### LIBYAN PRODUCTION DEFIES POLITICAL CHAOS

Libya's zombie parliament is back with a vengeance. Holdouts from the old General National Congress or GNC, elected five years ago, announced the formation of their own "national guard" this month, complete with a show of force in the capital.

At the same time, an ambitious Egyptian plan to bring the UN-backed administration of Fayeze Sarraj together with strongman Khalifa Haftar fizzled last week in Cairo.

#### **Misrata Militias Back Zombie Parliament**

Pro-GNC forces first took control of their old chamber in October. Since then they haven't caused much of a stir but an infusion of militia fighters from Misrata on February 8 means the GNC now poses an immediate threat to the UN-backed Sarraj. Sarraj's convoy came under fire on February 20. He was unharmed. It's not clear who was responsible.

It's no coincidence that the GNC is rising from its grave when Sarraj is seeking reconciliation with Haftar and the recognized parliament in the east, both of which have opposed the GNC for years. The Europeans and the UN, plus Libya's neighbors led by Egypt, are pushing for a new roadmap that brings Haftar into the fold.

Should they succeed, the zombie parliament would face off against a unified and legitimate government--one with an army and more robust foreign support.

#### **Oil a Bright Spot**

Amidst all the militia moves and political drama in the capital, Libya's oil sector is staying above the fray. For most of this year production has hung around 700,000 b/d. Officials say foreign workers are returning to some fields and the million b/d mark could be reached this summer. Going forward, the production outlook will improve once NOC receives another disbursement from the Central Bank, as maintenance is lagging and infrastructure needs investment. Talks continue to reopen the El-Feel field out west.

In a move that seemed premature at the time, NOC chief Mustafa Sanalla lifted the six-year-old moratorium on foreign investment last month. This week in London he signed a deal on the sidelines of the International Petroleum Week conference with Rosneft's Igor Sechin. "The agreement provides for the establishment of a joint committee between the

two sides to work to assess the opportunities available in a variety of sectors including exploration and production, and NOC also signed an agreement to sell crude oil to Rosneft,” Sanalla said in a February 21 statement.

### **The Undead GNC**

The GNC’s official demise dates to June 2014, when Libyans voted for a new parliament to replace the GNC, called the House of Representatives. Leading up to the election, the self-serving GNC had become a puppet for unaccountable militias and Islamists. Predictably, those “revolutionary” forces were crushed at the polls but they never accepted the results. Instead, they joined forces to purge the capital, kicking off the civil war. The month before the election, Haftar had launched his Operation Dignity to liberate Benghazi.

In response, pro-GNC forces dubbed their coalition Operation Dawn. They re-imposed the GNC in late August. By the end of 2014, two camps laid claim to two capitals and fielded two armies. They clashed most dramatically in late 2014 when Dawn failed to capture oil facilities along the Gulf of Sirte. After that, the frontlines stabilized with Dawn based in the capital and Dignity bogged down in a brutal fight for Benghazi; ISIS later sprang up between them, in Sirte. The House of Representatives, which remains Libya’s recognized parliament, set up shop in Tobruk and backed Haftar to the hilt.

Throughout 2015, Dawn slowly disintegrated as politicians and militias threw their weight behind the UN project. The GNC faded into irrelevance. In early 2016, some members joined the High State Council--a weak advisory body designed by the UN to replace the GNC or at least keep its members occupied. Last March, when Sarraj arrived in Tripoli, the GNC’s pretender prime minister, Khalifa Ghwell, fled the capital immediately, although he refused to cede power. His “government” vanished overnight.

### **Ghwell Returns**

Ghwell was a non-factor for the six months after he quit Tripoli. Then in October, pro-GNC militias pulled off a coup of sorts when they recaptured the Rixos Hotel in Tripoli, where the GNC met for years before the UN-approved High State Council replaced it. More surprising than the bloodless Rixos takeover was the follow-up statement issued by Ghwell. In a shocking 180-degree turn, he called on Haftar and the House of Representatives--the GNC’s sworn enemies--to sidestep the UN, end the civil war, and form a new national unity government with the GNC.

The GNC’s affiliation with the Muslim Brotherhood, among other more extreme groups, doomed any such proposal. For his part, Sarraj issued his toughest ultimatums following the hotel coup, none of which were acted upon. More recently, on February 6, Sarraj announced the formation of a new Presidential Guard which aims to help restore order.

Ghwell responded by announcing the formation of a new National Guard on February 9, which included a parade of pro-GNC forces in the capital. Mahmoud Zagal, head of the

new National Guard, says his mission is to destroy ISIS, which is already on the run, but also “secure” more ministries and territory for the “legitimate” government led by Ghwell.

Many of the militias which entered the capital this month reportedly saw action in Sirte, where they fought ISIS with U.S. help. They hail from Misrata, Ghwell’s hometown.

### **How to Rehabilitate Haftar**

The UN roadmap, drafted in Morocco in December 2015 and known as the Skhirat Agreement, hit a dead-end late last year as Sarraj lost all momentum and Haftar became the strongest player on the political scene. The plan was always for the House of Representatives to endorse Sarraj. That never happened. Instead, Speaker Aguila Saleh Issa acted as a roadblock, rejecting Sarraj’s cabinet and authority, while pushing Haftar’s agenda by granting him the ultimate rank of Field Marshal and free rein in the form of martial law.

Haftar isn’t coy about his endgame. He wants to unify the country, crush Islamists of all stripes, and rule Libya like Abdel Fattah al-Sisi does Egypt. Because of his authoritarian tendencies, he has long been treated as a spoiler by the international community.

Now, however, a consensus seems to have been reached: Haftar is too strong to sideline. On February 8, Martin Kobler briefed the Security Council for the final time as the UN Special Envoy to Libya. He made it clear then that Haftar’s status was the primary obstacle preventing the next phase of the country’s transition.

European diplomats have echoed the same conclusion repeatedly in recent weeks. “That’s the crucial question: how to make sure that Haftar is in some way integrated into the government of Libya,” U.K. Foreign Secretary Boris Johnson said on February 6. A day later, Italian Foreign Minister Angelino Alfano told his parliament the Italians “have been the first ones to say that Haftar should have a role.” EU foreign policy chief Federica Mogherini is also on board.

The Russians are cozier with Haftar than ever before. Last year they hosted him twice in Moscow, where he met with Defense Minister Sergei Shoigu and Foreign Minister Sergei Lavrov. This year they started airlifting Haftar’s men to Russia for medical treatment. State-backed Russian media outlets are pushing Haftar as a hero and raising expectations for U.S.-Russia cooperation in Libya. Sarraj is expected to visit Moscow soon.

### **No Breakthrough Yet**

Egypt has its own plan for Libya and it too seeks to bolster Haftar, although he’s not playing along. Representatives from Tripoli and Tobruk met in Cairo on February 13-14. Egyptian officials expected Sarraj and Haftar to meet face-to-face and announce the “Cairo Plan” for Libya. But the talks broke down. The Egyptians are now trying to save face by claiming a deal was agreed to. However, Sarraj denied any deal was reached and Haftar refused to meet with him. Only the Egyptians seem to think there’s a deal.

### **Reconciliation Possible**

Haftar has avoided criticizing Sarraj. “Personally, I have nothing against Al-Sarraj,” Haftar told Italy’s *Corriere della Sera* last month. “He is not the problem, the problem is the people who are around him. If he really intends to struggle to bring peace to the country, he should take up a gun, and join our ranks. He will always be welcome.”

The “people” Haftar referred to are members of Sarraj’s Presidential Council, which was designed to include different factions--including Islamists--and help Sarraj rule by consensus by drawing representatives from across the country. Even by Libyan standards, however, it has been horrendously dysfunctional, with members boycotting, quitting, or freelancing policy.

Still, the biggest question of all is: Will Haftar submit to civilian oversight? Sarraj might be willing to scrap his broken Council but he’s not eager to be Haftar’s stooge.