# Conflict-Sensitive Assistance to Libya Forum

## Summary of Discussions | 25th Meeting

7 June 2018, Acropole Hotel, Tunis

The Conflict-Sensitive Assistance in Libya (CSA) forum, convened by the Embassy of Switzerland to Libya and facilitated by the Peaceful Change Initiative (PCi), met for its 25th meeting (CSA 25) on 7 June 2018 at the Acropole Hotel in Tunis.

The meeting covered:

- An overview of the CSA process and its various components, including a refresher presentation on conflict sensitivity;
- A joint update of the shared conflict analysis and review of the implications of recent changes in the context for delivery and the conflict sensitivity of assistance;
- Presentation and discussion of the implications of the conflict sensitivity considerations relating to the conflict/informal economy.

### Overview of the CSA process

A short presentation reviewed the different components of the CSA process, including:

- The background and role of the CSA forum; and
- A brief refresher presentation on conflict sensitivity.

The conflict sensitivity presentation is shared as a supporting file to this report.

### Summary update of analysis

Participants reviewed and updated the joint context analysis, based on the factors of UNDP's original analysis, *Insecurity and Instability in Libya* (UNDP Libya, December 2015).

*A complete overview of the updated analysis can be found by logging into the OPSECA online platform at: https://opseca.humanidev.tech/opseca#?p=dashboard?a=6. To register a profile and use of the platform, please contact anthony.foreman@peacefulchange.org. Only organisations participating in the forum have access to the online platform (one login profile per organisation).*

#### Political

The UN Special Representative of the Secretary-General (SRSG) stressed that the prospects for agreement on amendments to the Libyan Political Agreement (LPA) were stalled and unlikely to progress. However, he asserted that such amendments were less important given the prospect of elections before the end of the year.

The SRSG announced the intention to hold the National Conference, outlined under his Action Plan, after the end of Ramadan in mid-June. As part of the lead up to the National Conference, the Centre

for Humanitarian Dialogue has been undertaking a Libya-wide Consultation with people across the country on behalf of UNSMIL, with a view to canvassing public perspectives to inform the conference.

In early April, Khaled Mishri was appointed the new head of the High State Council (HSC) after winning a run-off election of HSC members against the incumbent, Abdulrahman Swehli. Mishri quickly reached out to the House of Representatives (HoR) and met with Ageela Saleh in Morocco in late April.

In April, Khalifa Haftar reportedly fell ill and required treatment outside Libya. This led to two weeks of uncertainty as conflicting reports, rumours and denials regarding the severity of Haftar's illness circulated. Haftar returned to Libya on 26 April claiming good health.

International actors hosted several meetings of Libyan political actors as part of mediation efforts in support of, or parallel to, the main UN-led political process during the reporting period. On 29 May, France hosted a meeting of key Libyan political actors in Paris. Prime Minister Serraj, Ageela Saleh, Khaled Mishri and Khalifa Haftar attended. A communique, in the name of these four, was issued at the end of the meeting which agreed to approve an elections law by 16 September and to hold parliamentary and presidential elections by 10 December. After the meeting, statements by actors have stressed continued support for the outcomes of the meeting but have included qualifications regarding red-lines that they will not cross.

- Forum participants made the following observations concerning the interaction between their work and the changing political context:
    - The push for elections within the international community has affected decisions around programming, including prioritisation, and is likely to shape the space in which assistance, including recovery and humanitarian assistance is delivered;
    - Some participants noted that the approach towards conducting elections is unclear or ambiguous. In particular, there is confusion around whether or not a referendum on the draft constitution will be held.
    - With the declining effectiveness of the Government of National Accord (GNA), local governance institutions in some areas are strengthening. This is resulting in increased competition between governance structures at the national and local levels which are currently manifested as direct requests for assistance and attempts by different institutions to take credit for assistance.
    - There is a disconnect between political level interventions and the practical situation on the ground with the result that the outcomes of such processes may not be relevant. For example, the ongoing violence in Derna and in Sabha was not mentioned during the meeting in Paris.
- As a response to these political developments, participants noted:
    - There is a need for a clear outline of the intended elections process;
    - There is a need to consider possible scenarios arising out of the lead up to and conducting of elections;
    - Assistance providers should use such scenarios to reflect on the appropriateness of programming;
    - Efforts to support elections should not deprioritise municipal elections to be held in 2018, as there is no room for failure.

*Security*

In terms of security, the reporting period saw strategic shifts around Tripoli, continued fighting in Sabha, escalation of fighting around Derna and an uptick in attacks by violent extremist groups.

Over the reporting period, the UN continued to move international staff from many of its agencies into Tripoli. For security, the UN is relying on agreements with local armed groups affiliated with the PC.

Around Tripoli, armed groups affiliated with the Presidency Council (PC)/GNA appeared to continue to consolidate their positions. In particular, the PC decreed an increase in responsibilities of the Rada forces as a counter-terrorism and anti-crime force - including granting Rada sweeping surveillance powers.

Delegations from Misrata and Zintan announced a reconciliation agreement between the two cities, including some aspects of military cooperation. The agreement has been seen by some observers to be a strategic response to the strengthening positions of Tripoli militias.

In Sabha, the ongoing fighting between Awlad Suleiman and Tabu communities continued. On 10 April, the Awlad Suleiman affiliated 6th Infantry Brigade, affiliated with Haftar-led Libyan National Army (LNA) forces, declared a ceasefire that was mirrors by Tabu forces. However, these ceasefires broke down at the end of April with a continuation of fighting including the use of heavy weapons. While based on local inter-communal dynamics, the Sabha fighting is deeply intertwined with national level rivalries.

On 4 June, Misrata and Tawergha announced a peace agreement which could lead to the return of 40,000 Tawerghans to their town. The last agreement between the two communities was concluded in June 2017 but was not implemented.

In Darna, Haftar-led LNA forces began tightening their cordon around the city form mid-April, with several announcements about upcoming large-scale offensive against the city. A serious uptick in fighting since mid-May has seen frequent airstrikes, shelling and skirmishes. Humanitarian access to affected civilians is limited and the UN has reported that the situation is urgent.

The update period saw an increase in attacks by violent extremist organisations, including the Islamic State organisation. Attacks claimed by ISIS include suicide attacks in Benghazi, against an LNA position south of Ajdabiya and a complex suicide attack against the High National Electoral Commission in Tripoli in early May.

- Forum participants made the following observations concerning the interaction between their work and the changing security context:
    - The uptick of violence in Derna is affecting humanitarian contingency planning and may result in the deprioritisation of needs in other areas.
    - The reliance of the UN and other international players (such as diplomatic missions) on local armed for security has conflict sensitivity implications. While practically necessary, it has empowered some groups by granting a sense of legitimacy and through payments.
    - The uptick of attacks by violent extremist organisations may indicate an increased threat to international actors operating in Libya, with NGOs particularly vulnerable due to a lighter security footprint.
    - The empowerment of the Rada militia around surveillance may have an impact on the free communications between international assistance providers and local partners.
- As a response to security developments, participants called for:

- Organisations operating in Sabha to coordinate more effectively, informed by critical reflection of the impact of previous and current stabilisation and community security programmes.

- UN should lead on effective, transparent and inclusive contingency planning, especially around balancing humanitarian needs in Derna with existing and prospective needs in other parts of the country.

- UNSMIL and the EU should call on the GNA led JTCC to be more inclusive of NGOs and civil society, particularly on the migration working group.

- A conflict sensitivity risk analysis relating to the reliance on armed groups for security in Tripoli should be established which identifies mitigation measures to minimise or offset potential harms.

### *Economic*

The update period saw increased infighting between the PC, Central Bank of Libya (CBL) and the Audit Bureau. Each group has blamed the others for Libya's financial and economic problems. In particular, blame was traded over the role of each institutions in issuing Letters of Credit for the import of food stuffs ahead of Ramadan.

The Audit Bureau released its 2017 Annual Report in late May, including allegations of mismanagement and corruption in the CBL. The CBL strenuously denied the claims and criticised the Audit Bureau for its processes. The Supreme Judicial Council and the PC subsequently called for a full investigation, while the CBL announced a freeze on non-essential spending while the allegations are investigated.

In early May, the delayed 2018 Financial Arrangements (budget) was agreed between the GNA and CBL. The financial arrangements predicted a 5bn USD increase in expenditure since 2017 but a reduced deficit of 23%. The CBL is also reportedly considering lifting fuel subsidies within the next two months.

The ongoing currency crisis saw continued liquidity issues and volatility on the black-market exchange rate. Some fluctuations in the black-market exchange rate, which often relates to confidence in the political process, occurred around the news that Khalifa Haftar was seriously ill. The resulting rumours led to an apparent increase in confidence and the dropping of the value to approximately 4LYD to 1USD. However, at the update period at an overall value of around 7LYD to 1USD.

Efforts to address the illicit trade focused on enforcement around fuel smuggling in the West of Libya. At the same time, reports have occurred that suggest that human trafficking operations have reduced in Libya with a shift towards Tunisia.

- Forum participants made the following observations concerning the interaction between their work and the changing economic context:

  - A lifting of fuel subsidies by the CBL will affect inflation, basic services, income streams from fuel smuggling and have other micro-economic impacts, affecting the day to day needs of individuals and communities in Libya.

  - Lifting of fuel subsidies may also lead to insecurity as some actors with interests in fuel smuggling attempt to use force to veto the decision.

  - Ongoing cost increases and exchange rate volatility continues to complicate planning and budgeting.

  - International actors remain a significant source of foreign currency inflows, though more data is needed to understand how much of an impact it really has.

- As a response to economic developments, participants called for:
  - Planning around the potential reduction of fuel subsidies: to offset the needs of individuals and communities; to minimise instability caused by spoilers; and to leverage any opportunities to reengage actors involved in smuggling through promotion of alternative economic activities.

*Social*

Some observers noted anecdotally that the update period saw an increase in the description of Tabu in Libya as 'Chadian', particularly by media and political figures in the East. This is likely related to the escalation in tensions between Eastern-affiliated LNA forces operating near Sabha and Tabu communities as a result of recent fighting in Sabha, with Eastern affiliated commentators attempting to delegitimise the Tabu community by portraying them as foreigners. Such characterisations of all Tabu as outsiders contributes to feelings of alienation and inter-communal tensions.

Significant new powers for the Rada Special Deterrence Force relating to surveillance were granted under the PC's decree 555. These included far-reaching abilities to investigate social media, internet usage, phone calls and other electronic media used by anyone and including a specific budget for surveillance technologies. While not related to civil society organisations specifically, the effect of such surveillance practices on civil society and civil liberties generally could be chilling, especially as Rada has previously been implicated in the past in reducing civil society space and promoting conservative social mores.

Participants noted perception of a recent increase in gender segregation of schools in Libya, though there is a need for more data.

- As a response to social developments, participants called for:
  - Planning around the potential reduction of fuel subsidies: to offset the needs of individuals and communities; to minimise instability caused by spoilers; and to leverage any opportunities to reengage actors involved in smuggling through promotion of alternative economic activities.

## Conflict sensitivity considerations relating to the conflict/informal economy

Motivated by recommendations identified during previous CSA forum meetings and by inputs from participants, the special session of CSA 25 focused on discussing conflict sensitivity considerations relating to how conflict in Libya has transformed the country's economy. The forum noted that there has been some significant recent work on the conflict economy in Libya, such as reports from Chatham House and Mercy Corps. The focus of this session was to look into the practical impacts on how assistance providers deliver assistance in a conflict sensitive manner.

The session included an informal interview with a Libyan businesswoman and her experiences conducting business in Libya, a summary presentation of how conflict has affected the economy, followed by a targeted discussion around conflict sensitivity risks relating to the economy.

The presentation summarised the key ways in which conflict in Libya has transformed the economy through five main mechanisms:

- Decline in economic fundamentals due to political instability and insecurity, leading to reduced economic opportunities, inflation, exchange

- An increase in economic activity relating to illicit trade, such as through black-market currency trading, smuggling of subsidised goods, human trafficking, and the drug and arms trade – largely driven both to the break down of rule of law and institutions able to oppose such activities, as well as to the deterioration of viable economic alternatives.

- An increase in corruption – facilitated by the breakdown in rule of law and deterioration of social cohesion.

- Expanding extortion related criminal activity, including kidnapping for ransom, demanding money at checkpoints and protection rackets, often perpetrated by armed groups who have become empowered as a result of conflict.

- Increase in the extortion of state institutions by groups through control of infrastructure; hydrocarbons sector infrastructure is particularly vulnerable as it is controlled by different armed groups at different locations, each of which may demand payments to ensure that the infrastructure remains operational.

Overall, these changes affect assistance by contributing to uncertainty and risk and affecting priorities for assistance.

Small-group and plenary discussion in the session focused on identifying and expanding on conflict sensitivity risks and dilemmas associated with conflict economy, particularly regarding how assistance could contribute to the conflict economy. Two main risks were presented and identified.

The first risk discussed was related to how organisations manage currency transfers in and out of Libya. It was noted that the disparities between the formal and black-market exchange rates pose significant conflict sensitivity challenges for organisations when paying partners, staff and per diems. Many organisations find it difficult to transfer USD into Libya at the formal exchange rate, which may be 5 times less efficient than the black-market one and where they may face liquidity issues meaning they are unable to physically pay recipients. At the same time, payment in USD encourages the use of black-market currency traders by recipients. Given that black-market often have direct or indirect links to armed groups, this could contribute to indirectly enabling violent actors. No participants disputed the risk identified, however it was noted that there is a need for a better understanding of the scale of the impact of international assistance providers in terms of foreign currency transfers.

The second risk discussed related to the way armed groups in Libya may extort the partners of international assistance providers, potentially without the latters' knowledge. Armed groups are known to require payments, and even percentages of profits or ownership, of businesses operating in Libya and this is also likely to be the case with organisations working with international actors.

Participants noted that these risks posed dilemmas in terms of balancing the need to deliver with potential harms. It was stressed that identifying the risks, however, is a first step and that organisations should undertake cost-benefit analyses relating to the conflict sensitivity risks of their programming and seek to identify mitigating operating modalities that could help minimise harm.

Participants noted that they would find a more in depth look into conflict sensitivity risks and dilemmas, and related tools, useful and it was suggested that it could be the subject of a specific training.

The matrix of the economy related conflict sensitivity risks which was presented and expanded during the forum is shared as a supporting file to this report.