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Prospects of Post-conflict Reconstruction in Libya

Amal Bourhous

Researcher

Stockholm International Peace Research Institute (SIPRI)

Since the collapse of the regime of Muammar Gaddafi in 2011, Libya has been floundering through a transition that does not seem to have an end. Several years of conflict have had a dramatic impact on Libya's economy and shattered the country's infrastructure. In conflict-affected areas, many people still live in damaged and unsafe homes, and many communities are struggling to access basic services such as electricity, healthcare and schools (Norwegian Refugee Council, 2022 & REACH, 2023). Cultural heritage sites have also been destroyed, with major losses of architectural heritage in the eastern city of Benghazi alone. With virtually all sectors in Libya severely affected by the conflict, rebuilding the country is clearly a matter of urgency.

Enduring Political Instability Delays Reconstruction

As insecurity and political instability have endured, reconstruction as a comprehensive national project to rebuild the country, promote reconciliation and support recovery has been deferred until a political settlement is reached. Positive developments towards such political resolution of the conflict have been repeatedly derailed by competing claims to legitimacy and the threat of the return of violence. As long as the political process continues to stall, the prospects of meaningful and sustainable post-conflict reconstruction that addresses the needs of Libyans remain uncertain. Libya's unfinished process to

reinstigate political legitimacy makes reconstruction a very difficult and highly controversial issue, especially since leading the reconstruction process has never been the primary mandate of the transitional government of national unity (GNU) led by Abdul Hamid Dbeibeh. When the GNU was formed in March 2021, it was tasked with organizing national elections, and its own legitimacy was tied to this task. Consequently, when the electoral process collapsed in December 2021, this sparked a renewed legitimacy crisis, with rivals claiming that the GNU's mandate had expired and even establishing a parallel government in the east.

Nonetheless, despite its contested legitimacy, the GNU has remained in power and has effectively used its position to develop and initiate reconstruction plans, awarding contracts to foreign companies eager to get a share of Libya's reconstruction and development projects. The government's flawed legitimacy, however, inevitably casts a shadow on any plan or project inasmuch as its authority to manage the reconstruction process can be contested. This also creates risks and uncertainties as regards the stability of the reconstruction process and the sustainability of its outcomes. Furthermore, while the interim government's projects to rebuild infrastructure and public services may indeed address some of the urgent needs of the population, reconstruction is also used as a means to allow the transitional government to remain in power. In other words, although these reconstruction projects may perhaps constitute a step forward, they are also often instrumentalized to maintain the status quo. Furthermore, in a context where institutional weakness and the lack of accountability mechanisms prevail, postwar reconstruction often offers opportunities for self-serving elites to divide the spoils, using their privileged positions to award business deals and prefer-

ential treatment to certain partners and by the same token increase their own influence (Leenders, 2012). The lack of transparency in the allocation of contracts casts a shadow on the activities of the GNU and its Prime Minister Dbeibeh, against whom allegations of corruption and embezzlement already abound (Suliman, 2022).

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The lack of transparency also plagues reconstruction projects launched in eastern Libya, where the House of Representatives (HoR) is based and where the warlord Khalifa Haftar is largely in control. Reconstruction in the eastern city of Benghazi – Libya’s second largest city and the birthplace of the revolution – has been particularly surrounded with controversy. The city, which has suffered severe destruction as a result of the intense fighting since 2011, but especially as a result of Haftar’s military campaign between 2014 and 2017, is in dire need of reconstruction. However, a series of demolitions of war-damaged buildings has sparked public outcry among residents and activists concerned about the repercussions of what they see as a largely arbitrary and opaque process on the city’s cultural heritage and identity (Al-Wasli, 2023). They have called on the authorities to make reconstruction plans public and to ensure that the process is monitored by experts in cultural heritage restoration. The dearth of information from relevant authorities – including the Benghazi municipality and the Benghazi Reconstruction and Stability Committee established by the HoR – has raised many concerns about accountability.

Multiple Stakes at Play

Post-conflict reconstruction processes are often already underway even before conflicts are formally considered to have ended, as actors involved look

ahead and plan for the postwar period. In fact, expectations about potential roles in reconstruction and considerations of future economic, political and geopolitical gains often affect the positions and alignments of actors, and thus shape conflict dynamics. Post-conflict reconstruction in Libya is no exception, as there are considerable stakes at play. In September 2021, the then GNU Minister of State for Economic Affairs Salama al-Ghwail announced that the cost of reconstruction was estimated at 111 billion dollars, to be paid over the next ten years (Alharathy, 2021). To secure economic and geopolitical interests, foreign countries involved in the Libyan conflict have long been vying for a share in the country’s post-conflict reconstruction. Egypt, for example, considers reconstruction in Libya a key priority. Cairo and Tripoli have signed several agreements that give Egyptian construction companies a substantial share of contracts and projects in a number of sectors, particularly the infrastructure sector. For example, a consortium of Egyptian companies, including Orascom Construction Holding, Hassan Allam Construction and Rowad Modern Engineering, has been awarded the contract to build the Third Ring Road of Tripoli as well as new power plants. Egypt also stands to benefit from the return of Egyptian workers to Libya and the remittances they will send back home. Similarly, in October 2022, Turkey and the GNU signed a deal that gives Turkish companies oil and gas exploration rights in Libya’s territorial waters and inland. This deal – which came after the controversial 2019 agreement, which delineated the maritime borders between Libya and Turkey and was signed by the Government of National Accord led by Fayez al-Serraj – was met with strong opposition from Egypt, Greece and Cyprus, as well as from the Tobruk-based HoR and rival factions in eastern Libya. In January 2023, a Tripoli court ruling suspended the hydrocarbon exploration deal on the grounds that it violates Libya’s oil laws, as well as provisions in the Libyan Political Dialogue Forum Roadmap, which state that the interim executive authorities “shall not consider any new or previous agreements or decisions that harm the stability of foreign relations of the Libyan State or impose long-term obligations on it.” (UNSMIL, 2020) While some view the court’s ruling as setting a precedent in holding the transitional government accountable, the extent to which it can be enforced remains unclear.

Libya has also been the theatre of intense rivalry between France and Italy. Driven by conflicting interests, the two countries have backed different sides in the conflict, with France supporting Haftar, while Italy has backed the Tripoli-based authorities. The rivalry between France and Italy has been most conspicuous in their competition over Libya's hydrocarbon resources, with both countries seeking to secure contracts and increase their presence in Libya's energy sector. Following its acquisition in 2018 of a 16.33 percent stake in the concessions of the Waha Oil Company (a subsidiary of the Libyan National Oil Company), the French company Total expanded its access to Libya's oil reserves, challenging the dominance of Italy's ENI in Libya. In the wake of the war in Ukraine and the need to replace Russian gas, ENI signed an 8-billion-dollar deal with the interim GNU in January 2023 (Al Jazeera, 2023). The Tripoli-based authorities say the deal will bring much-needed investments to build new infrastructure and further develop Libya's energy sector. However, the deal was heavily criticized (Ali, 2023), including by the GNU Minister of Oil and Gas, whose condemnation of the deal's non-compliance with legal procedures and its alleged failure to protect Libya's interests underlined the tensions pervading the GNU. The deal was also attacked by actors in the east, particularly some HoR members and Fathi Bashagha, the Prime Minister of the parallel government in the east (although no official statement was put out by the HoR). They challenged the deal's legality by maintaining that the GNU's mandate had expired, that it lacked the authority to sign agreements on behalf of Libya, and that it was using the deal with Italy to serve its own political interests.

Outlook and Areas of Focus

The prevailing approach to Libya's post-conflict reconstruction has so far largely consisted in a series of *faits accomplis*, whereby the transitional authorities somewhat pragmatically, but for the most part opportunistically, have taken ad hoc and unilateral actions to rebuild the country. This, however, has profound implications for the soundness and the sustainability of Libya's postwar reconstruction and recovery. In addition to fundamental issues regarding the authority to manage reconstruction and the legitimacy – or even the legality – of decisions made

in this area, there are also important concerns about the overall principles guiding actions, which projects are prioritized and which constituencies these projects are expected to serve.

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In the absence of an inclusive national dialogue on the future of Libya, reconstruction is bound to be partial, reflecting mainly narrow interests rather than responding to the needs of the wider population and realizing strategic reforms that benefit the country as a whole. Moreover, Libya's reconstruction runs the risk of failing to effectively consider and address, from the outset, some of the greatest challenges of our time, including the impact of climate change and the need for energy transition. For example, while restoring Libya's hydrocarbon industry is undoubtedly necessary for post-conflict economic recovery in the short run, it is also crucial to have a long-term vision to lay the foundations for an alternative economic model that does not perpetuate hydrocarbon dependence and rentierism (Bourhous, 2022). In practice, this entails integrating economic diversification and the shift to renewables as part of Libya's reconstruction plans.

After months of tug of war between the Tobruk-based HoR and the Tripoli-based High State Council, the new UN Special Envoy to Libya Abdoulaye Bathily has recently proposed an initiative to hold elections in 2023 (UN, 2023). Time will tell whether this initiative will succeed in breaking the vicious circle in which Libya has been trapped for several years and produce legitimate institutions enjoying nation-wide recognition. If successful, however, an essential condition would arguably be in place for initiating post-conflict reconstruction as a comprehensive national project. A number of considerations would then need to be taken into account. For reconstruction efforts to have a greater chance of success, it is important to adopt an approach to reconstruction that does not only focus on rebuilding infrastructure, but also on

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restoring and preserving cultural heritage as well as mending social relations and fostering reconciliation (Bourhrous et al, 2022). Rebuilding trust between Libya's regions, tribes and ethnic groups is a priority in the postwar period, and it is important to ensure that reconstruction processes do not exacerbate communal tensions. There is also a crucial need for improving state capacity to deliver public services and meet the basic needs of citizens. Improving local governance and supporting decentralization thus need to be built into processes of post-conflict reconstruction. Furthermore, it is necessary to take into account climate-related risks and challenges as part of reconstruction plans to ensure the long-term sustainability of the process. Finally, it is imperative to involve the Libyan people in post-conflict reconstruction to ensure that it proceeds as a comprehensive, inclusive and locally owned national project to rebuild the country, promote reconciliation and support recovery (O'Driscoll, 2018).

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