

# After Palermo: Achievements and Future Challenges for Libya

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Brief Analysis

## The Italian-sponsored stabilization conference produced some positive outcomes, but a genuine breakthrough requires U.S. involvement.

Despite significant skepticism, last month's international conference on Libya provided a welcome boost to the UN-led political transition plan. Held November 12-13 in Palermo, Italy, the gathering produced consensus on an adjusted timeline for elections and provided a stage for important working groups on security and economic priorities, with most actors playing nice under the Mediterranean sun.

Still, the UN effort will require much more than positive rhetoric going forward. The United States can best support the UN Support Mission in Libya (UNSMIL) and its envoy Ghassan Salame through high-level engagement with European and regional partners—not only to ensure their genuine support for the revised political roadmap, but also

to fend off their reflex efforts to aid certain local allies at the expense of Libyan unity, a practice that has stymied progress in the past. Achieving stability there is key to securing U.S. regional interests against resurgent terrorist activity, retaining Libyan oil production, and minimizing the Mediterranean influence of rivals such as Russia—the latter a goal that was highlighted just last week by National Security Advisor John Bolton in the administration’s new Africa strategy. A political transition and a legitimate, cooperative government are required to achieve these goals, not just periodic airstrikes on Libyan territory.

## WHAT PALERMO ACHIEVED

**W**hereas past international conferences often highlighted differences among the actors, Palermo brought most of the relevant Libyan and international players together at a sufficiently high level to convey an emerging consensus on the required steps for transition. Even Libyan National Army commander Gen. Khalifa Haftar attended after declaring he would boycott the event, though he arrived at the last minute and restricted his participation to a separate meeting with Salame, Italian prime minister Giuseppe Conte, Libyan Government of National Accord prime minister Fayez al-Sarraj, the presidents of Egypt, Tunisia, and the European Council, the prime ministers of Russia and Algeria, and France’s foreign minister. Notably absent at this sideline event: David Satterfield, the acting assistant secretary of state for Near Eastern affairs who served as the top U.S. official at the main conference.

Palermo also revitalized progress on security and economic reform, where the UN is now closely involved. On security, UNSMIL and its international partners will continue to monitor the UN-negotiated ceasefire in Tripoli and look for opportunities to expand it beyond the capital. In the meantime, Libya’s new interior minister Fathi Bashagha, who attended Palermo, has redeployed police in Tripoli and secured international commitments for long-needed training programs. The conference also endorsed the Cairo-led dialogue to restructure Libya’s armed forces. Eventually, though, the UNSMIL and Egyptian security tracks should be linked to avoid legitimizing rival power structures.

On the economic front, Palermo pushed forward a set of temporary reforms that Libya’s Central Bank began implementing in September to address the currency crisis and reduce the black market economy, which has enriched criminal networks and militias. More aggressive reforms are required, from devaluing the Libyan dinar to significantly reducing fuel subsidies. Nevertheless, the country is finally on a positive economic trajectory, with the National Oil Corporation reporting its highest earnings of the year in October.

## THE ELECTIONS DILEMMA

**P**articipants at Palermo generally supported Salame’s plan to postpone elections until spring 2019 and convene a broad National Conference sometime before then. Yet even this delayed timeline will be difficult to meet. Libyan actors are almost certain to spar over the location, participants, agenda, and length of the National Conference. Most important, the conference will need to be tied to the draft constitution in some fashion if it is to produce clear principles that are broadly shared across Libya. At the moment, the constitution is on a separate, convoluted track requiring “a legal basis” in order to hold a referendum on its contents.

More dauntingly, elections need to be held according to an electoral law, which will require decisions on type (presidential vs. parliamentary system), sequencing, districts, and regional representation—issues that depend on achieving some measure of conclusiveness in the National Conference deliberations and, possibly, the constitutional drafting process. Papering over differences on these matters would be a recipe for another round of contested elections, much like the 2014 polls that broke Libya into two rival governments. In contrast, holding broadly acceptable elections would give the population the best opportunity for ending the protracted post-Qadhafi transition period.

# MINIMIZING DISRUPTIONS

Even in the most optimistic scenario, progress on the political, security, and economic tracks may face blowback from internal and external players who benefit from the chaotic status quo. Accordingly, UNSMIL and Salame should continue their deliberate efforts to involve all of Libya's major factions while maintaining support from the main international actors. Senior Italian officials expended enormous effort to get representative groups to attend the Palermo conference, but in the end, most Libyan factions met with international delegations separately rather than engaging with each other. If the fundamental questions about Libya's future national identity are to be answered, the international community will need to pressure these parties to meet face to face at the National Conference.

Other major hurdles include implementing an audit of the Central Bank, which the Government of National Accord and Haftar agreed to in July after he committed to [return oil facilities and revenue](https://www.washingtoninstitute.org/policy-analysis/view/haftars-play-for-libyan-oil) (<https://www.washingtoninstitute.org/policy-analysis/view/haftars-play-for-libyan-oil>) to the National Oil Corporation. The parties must also prepare for the fact that the fragile security situation could break down at any time, especially as the political stakes grow higher and militia or terrorist spoilers target key Libyan or international institutions.

## THE OUTLIER: RUSSIA

Libya has quietly emerged as yet another potential arena for Russian interference in the absence of U.S. leadership. President Vladimir Putin has leaned toward Haftar for years, but lately he has worked to build ties with the Sarraj government and other actors as well, positioning himself as a potential arbiter.

Likewise, Haftar has ostentatiously sought Russia's backing, flying to Moscow whenever he feels pressure from the United States or his episodic backers in Egypt and the United Arab Emirates. He flew there again just days before Palermo, meeting with Defense Minister Sergei Shoigu, senior army official Valery Gerasimov, and Yevgeny Prigozhin, owner of the shadowy Wagner mercenary group that many describe as an unofficial arm of the Defense Ministry. Gerasimov's attendance is telling given that Russian "contractors" have reportedly been operating in east Libya—Haftar's stronghold—on and off over the past few years, most recently in the run-up to Haftar's visit.

Acquiring a larger role in a strategically vital North African country would give Moscow a springboard for greater influence in the rest of the region while advancing a number of other strategic goals. Libya's ports would fit with Moscow's effort to secure naval access throughout the Mediterranean Sea. The Kremlin is also eager to access Libyan energy resources, revitalize old arms sales, and resume economic contracts. Moreover, an outsize Russian role would demonstrate another victory in the face of Western "failure," in line with Putin's larger goal of projecting power at America's expense and thereby bolstering his domestic legitimacy—all without bringing genuine resolution to Libya.

## WHERE IS THE UNITED STATES?

Given the absence of high-level U.S. involvement in the Palermo talks and other recent transitional efforts, the first order of business for Washington is to name a new ambassador to Libya—albeit dispatched to Tunis rather than Libya given the security concerns raised by the 2012 Benghazi attack. There is simply no substitute for a seasoned, full-time U.S. diplomat who can lead outreach to local actors and oversee the requisite regional coordination.

Second, Washington should engage visibly, and in a sustained fashion, at the political level. Secretary of State Mike Pompeo's recent Brussels meeting with Sarraj is a welcome move, though such outreach would have been far more valuable had it occurred at Palermo, with multiple Libyan players. Other regional actors and potential spoilers demonstrated the priority they place on Libya by sending presidents and prime ministers.

Third, the United States should do what it does best: convince close regional partners (Egypt, the UAE) and European allies (Britain, France, Italy) to align their efforts with the UN's program. This includes separate bilateral activities (e.g., counterterrorism) that have knock-on political effects such as empowering certain militias. In so doing, they could block Russian efforts to continue building Haftar up as a dominant independent force.

Finally, Washington should bank on the U.S. quality that most other outside powers lack: a reputation as an honest broker. Ironically, that reputation may have been heightened precisely because the United States drifted away from engaging in Libya over the past two years. Now is the time for Washington to reengage—UNSMIL's efforts are gaining momentum, and only the United States can give the mission the political space required to advance the next stages of Libya's long-overdue transition.

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