LIBYA-ANALYSIS CONFLICT & POLITICS REPORT

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CONTENTS

Political, Economic & Strategic Developments

Dabaiba prepares for government amid video controversy

Incident: On 15 February, it was reported that the media office of the new Prime Minister designate, Abdul Hameed Dabaiba, has confirmed that his cabinet will be ready before the 21-day deadline for forming the government. The report also stated that any names of potential cabinet members circulated on social media are incorrect, and that the new government will represent all constituencies in Libya.

On 13 February, a video circulated on Libyan media purporting to show Dabaiba promising a significant role for Misratan political leaders in the new government, including the current GNA Minister of Interior Fathi Bashaagha. In the video, Dabaiba appears to address an audience of leading personalities from Misrata, pledging that the city will be prominent in the new government. In particular, he promises that Misratan individuals who were not elected by the Libyan Political Dialogue Forum (LPDF) will have a role in the new administration, singling out Bashaagha by name.

Comment: Dabaiba must work against the clock to form a new government before the deadlines set by the LPDF roadmap and prerogatives agreed in Tunis in November last year. Within a maximum period of 21 days starting from the date of his election (that is, by 26 February), Dabaiba must present his cabinet and work programme to the House of Representatives (HoR). Starting from the date when Dabaiba presents his cabinet to the HoR, the HoR has a period of 21 days to endorse Dabaiba's government (that is, by 21 March at latest). If the HoR fails to endorse the government, then the LPDF has the power to do so.

Significance: Dabaiba is faced with the challenging task of gaining significant buy-in from the competing constituencies to ensure that his new Government of National Unity (GNU), as his cabinet list will be called, is broadly recognised and not undermined by spoilers – a task that Serraj and the GNA failed to achieve when they were brought into being in 2015-16. It remains unclear who will be in the new cabinet, although the breadth of Dabaiba's meetings over the last week – from international actors to Tripoli militia leaders – suggests he will look to strike a balance between competing groups. However, the leaked video of Dabaiba in Misrata may hint that he could seek to empower his inner circle rather than adopting a more inclusive approach. He may also attempt to satisfy the whims of the HoR and its Speaker, Aqeela Saleh, to achieve political legitimacy and to integrate the parallel eastern government of Abdullah al-Thanni. Dabaiba's schedule over the next fortnight will be defined by engagement with domestic and international stakeholders petitioning for a place for their allies in the new GNU.

Oil, Infrastructure & Investment

PFG ends blockade at Hariga, and "postpones" it elsewhere, but risks remain high

Incident: On 12 February, the Petroleum Facilities Guard (PFG) at the Oil Crescent ports reported for work even though they had previously said that they would begin blockading again on 11 February. This work continuation was actualized without fanfare as the PFG at the Oil Crescent ports seem to believe that the Hariga protestors have secured for them the concessions and promises of payment from Namroush and Serraj that they need.

On 10 February, the local PFG at Hariga announced that it had lifted its blockade of the port. This followed the delivery of a significant amount of funding by way of payment orders by the Ministry of Finance to the PFG at Hariga.

On 10 February, reports indicated that the Tripoli-based PFG administration approved payments to eastern PFG branches of outstanding salaries for October, November, and December 2019 and January, February, March, and April 2020.

On 9 February, a PFG-affiliated group calling itself the ‘PFG Coordination Body’ released a statement calling on the PFG at Brega, Ras Lanuf, and Sidra to impose a blockade on crude oil exports from 11 February due to unpaid salaries – they later failed to honour this pledge or to formally rescind it. The statement claimed the unpaid salaries affected their families and livelihoods, and apologised to the National Oil Corporation (NOC) and to the Libyans for their actions, but described them as ‘necessary’. The statement also accused Tripoli-based PFG commander, Brigadier Ali al-Deib, of blocking their payments and being ’racist’ towards eastern PFG branches. The ‘PFG Coordination Body’ warned that the threat of arrest would not change their demands and they would not deescalate until all of their demands had been met.

Comment: From early January, the PFG has been engaged in industrial action to secure the payment of outstanding salaries and other benefits. The local PFG at the Hariga oil terminal closed the port for oil exports since 24 January over unpaid salaries. On 29 January, the PFG stated that they would let vessels call at the Oil Crescent ports until 7 February if the pay dispute was not resolved but would then begin to blockade again. The PFG then extended the deadline for strike action in the Oil Crescent to 11 February, but then did not honour that deadline and in effect allowed the Oil Crescent ports to continue operations. Those in communication with the PFG in question believe that the protests are motivated by the current widespread PFG salary dispute rather than being encouraged by political or military actors.

Significance: The election of the new executive authority increased momentum for the resolution of the PFG oil blockade, with the GNA Minister of Defence Salah al-Din Namroush issuing instructions for the payment of the protestors via the GNA Ministry of Defence. Consequently, the epicentre of the PFG protests at Hariga lifted its blockade earlier this week. This seems to have been sufficient to cause the Oil Crescent PFGs to cancel their blockade scheduled for 11 February and for all the ports to essentially come back online. It is possible that the blockade at Hariga may return intermittently until March when the whole situation is likely to be resolved as all of the outstanding payments will have made their way through the system by then. Similarly, the Oil Crescent ports (Ras Lanuf, Sidra, Brega, and Zuetina) remain at risk of a blockade while the payments work their way through the system, and especially if they do not, and the PFG may call for further payments of outstanding salaries as well as demanding other incentives. The PFG has learnt that the Tripoli government can be blackmailed into making major financial concessions when key infrastructure is at threat – this lesson has not been lost on the local branches of the PFG or indeed on other militias. Nonetheless, the PFG have handled themselves in a non-partisan matter and have sought mostly to temper the public statements of their demands and not seek the limelight either for their protests or for the resumption of work. In short, it now appears that

the oil sector is fully open from the perspective of industrial action, although it may continue to experience closures due to pipeline leakages and field maintenance issues.

Pipeline leaks disrupt crude output at Sidra and Sharara

Incident: On 10 February, reports indicated that the volume of crude being exported via Sidra dropped due to a leaking 28-inch pipeline operated by the Waha Oil Company. The reports stated that Waha's production dropped to 160,000 bpd. On 15 February, following urgent repair work, Waha announced that production had returned to normal.

On 13 February, it was reported that leakages at the Sharara oilfield reduced the field’s output by 20,000 bpd. TV218 reported that a leak at the Sharara field’s 186 station led to the loss of some 20,000 bpd out of the oilfield’s usual total outputs of 270,000 bpd.

Comment: Intermittent disruption to production is expected given that none of the NOC subsidiaries have sufficient funding or resources to carry out routine maintenance, with particular issues identified in the Sharara pipeline to the Zawiyya refinery and the Waha pipeline to Sidra. The recent interim 2-month budget recently agreed by the rival governments in Tripoli and Bayda is expected to include substantial funding for the NOC to pay for repair and maintenance; according to reports, the funding for the NOC will be in the region of USD 235 million. Although this is a meaningful amount and will ensure that some preventative maintenance can go ahead, it is unlikely to be sufficient to prevent all major leaks, and it is unclear whether the oil service companies on the ground will have the capacity or resolve actually to do everything that needs to be done.