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Letter dated 1 June 2017 from the Panel of Experts on Libya established pursuant to resolution 1973 (2011) addressed to the President of the Security Council

The Panel of Experts on Libya established pursuant to Security Council resolution 1973 (2011) has the honour to transmit herewith, in accordance with paragraph 13 of resolution 2278 (2016), the final report on its work.

The report was provided to the Security Council Committee established pursuant to resolution 1970 (2011) concerning Libya on 5 May and was considered by the Committee on 19 May 2017.

I would appreciate it if the present letter and the report were brought to the attention of the members of the Security Council and issued as a document of the Council.

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Final report of the Panel of Experts on Libya established pursuant to resolution 1973 (2011)

Summary

The Panel's monitoring of the political transition in Libya has focused on the incomplete implementation of the Libyan Political Agreement in the absence of its endorsement by the House of Representatives. This has undermined the legitimacy of the Government of National Accord, nominated by the Presidency Council. The rival Prime Ministers, Abdallah al-Thinni and Khalifa al-Ghweil, continue to challenge the leadership of the country by the Chair of the Presidency Council, Fayez al-Serraj. The Presidency Council has also had great difficulty in implementing social and economic policies, further strengthening the armed and unarmed opposition to its authority.

To overcome the political stalemate, the United Nations Support Mission in Libya drafted a new road map in October 2016 to amend the Libyan Political Agreement. This led to a regional dialogue initiative sponsored by Algeria, Egypt and Tunisia. However, regional divisions continue to constitute an obstacle to a political solution in Libya.

The political crisis has been further exacerbated by escalating armed conflict. In spite of the liberation of Sirte and segments of Benghazi from Islamic State in Iraq and the Levant, the overall security situation in Libya has deteriorated. Indicative of the insecurity is the growing competition in Tripoli between Misratah- and Tripoli-affiliated armed groups, which has undermined the authority of the Presidency Council and threatened the safety of the capital's residents.

Military operations by the Libyan National Army, the Benghazi Defence Brigades and Misratan armed groups in the south and the oil crescent have exposed local populations to increasing violence, including through air strikes. Further threats to security documented by the Panel have included the recruitment of foreign mercenaries by armed groups and the persistent activity of extremist movements.

Armed groups, some of which have received a mandate or at least recognition from the House of Representatives or the Presidency Council, have not been subject to any meaningful judicial control. This has further increased their involvement in violations of human rights, including kidnappings, arbitrary detentions and summary executions. Cases investigated by the Panel include abuses against Libyan residents of Tripoli and Benghazi, prisoners of war and migrants.

The Panel documented several instances in which armed groups were involved in actual or potential violations of the arms embargo. These groups' continuing access to military equipment and related material is also reflected in the escalation of armed conflicts, notably through air strikes. In that respect, the Panel has documented how armed groups from eastern Libya and Misratah have multiplied their air force capacity through transfers of materiel, the refurbishment of previously unserviceable aircraft and the expansion of military airbases. The foreign support for both factions is also highlighted.

Furthermore, the Panel found evidence of several deliveries, in violation of the arms embargo, of what is often described as non-lethal materiel. The deployment and use of such materiel in the Libyan context has significantly increased insecurity and has undoubtedly led to additional casualties. This is notably the case for (armoured) vehicles and electronic interception equipment.

In the absence of arms and ammunition management capacity, the risk of diversion remains a major concern, justifying the need for a robust arms embargo. Libyan armed groups engage in arms trafficking both within the country and across its borders, and Libya remains an important hub for illicit arms flows to neighbouring countries. The Panel has documented arms seizures in the Niger and Tunisia, while the lack of access to seizures in other countries remains a problem.

The Panel finds that the key financial and economic institutions of Libya remain divided and suffer from a lack of oversight and cases of misappropriation. The Presidency Council has been divided over the organization of and appointments in several institutions, and its decisions have been challenged. As a consequence, the loyalty of staff is still divided between the competing authorities, which have each tried to make their own appointments. The divisions continue to threaten the stability of Libya, as shown by the controversy over Central Bank of Libya policies in Tripoli and several unilateral actions taken by its eastern branch.

The Panel has identified rival managements and their political backers, who continue to attempt to strengthen their position through various strategies, including legal action and support from armed groups. In Tripoli, the interference of armed groups with the management and finances of institutions such as the Libyan Investment Authority and the Libyan Post, Telecommunication and Information Technology Company is worrying and untenable.

In contrast to these negative developments, the country's oil sector has stabilized. The warring parties in the oil crescent have largely refrained from damaging oil installations, and they have consistently given authority over the terminals to the National Oil Corporation management, even though control over the region has changed hands repeatedly. Unfortunately, and despite significant efforts by both their managements, the implementation of an agreement to reunite the eastern and western National Oil Corporations failed. Nevertheless, the efforts have resulted in increased oil production.

The continuing division of the National Oil Corporation will likely lead to renewed attempts to illicitly export crude oil. Sanctions under resolution [2146 \(2014\)](#) were successfully implemented on one occasion. Meanwhile, the eastern National Oil Corporation has made a first attempt to smuggle a shipment of oil derivatives out of Libya.

Armed groups and criminal networks continue to exploit different sources of financing, such as the smuggling of migrants and fuel. The Panel has identified networks along the western coastline, which are active in both.

Several investigations on the asset freeze show the complexity of the finances available to some listed individuals, the beneficiary ownership of which is hidden behind numerous front men and front companies. They also show that transactions in favour of listed individuals are sometimes handled through large sums of cash. In addition, the Panel investigated stolen Libyan assets that were under the control of a listed individual, or at risk of misappropriation, or both. The identification and possible recovery of all these funds will require significant resources and a dedicated effort. This will require the empowerment of Libyan investigators through an indisputable mandate from an uncontested authority.

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* The annexes are being circulated in the language of submission only and without formal editing. Owing to the word limits on reports of monitoring mechanisms, the Panel has provided further details relating to a number of investigations in the annexes. The table of abbreviations and acronyms can be found in annex 1.

I. Background

1. The present report contains the findings of the Panel of Experts on Libya until April 2017. An overview of the evolution of the Libya sanctions regime can be found in annex 2.

A. Mandate and appointment

2. Details on the mandate and appointment of the Panel can be found in annex 3.

B. Methodology

3. The Panel is determined to ensure compliance with the standards recommended by the Informal Working Group of the Security Council on General Issues of Sanctions in its report (S/2006/997, annex). Those standards call for reliance on verified, genuine documents and concrete evidence and on-site observations by the experts, including taking photographs, wherever possible. When physical inspection is not possible, the Panel will seek to corroborate information using multiple, independent sources to appropriately meet the highest achievable standard, placing a higher value on statements by principal actors and first-hand witnesses to events. While the Panel wishes to be as transparent as possible, in situations in which identifying sources would expose them or others to unacceptable safety risks, the Panel will withhold identifying information and place the relevant evidence in secure United Nations archives.

4. The Panel is committed to impartiality in investigating incidents of non-compliance by any party.

5. The Panel is equally committed to the highest degree of fairness and will endeavour to make available to parties, where appropriate and possible, any information available in the report for which those parties may be cited in relation to incidents of violations or non-compliance, for their review, comment and response within a specified deadline. To further uphold the opportunity to reply and in the interest of accuracy, the Panel will consider annexing to its reports any rebuttals, with an assessment of their credibility.

6. The Panel safeguards the independence of its work against any efforts to undermine its impartiality and any attempts to create a perception of bias.

C. Cooperation with stakeholders and organizations

7. A list of institutions, organizations and individuals consulted can be found in annex 4. A list of outgoing correspondence can be found in annex 5, with the level of responsiveness reflected in annex 6.

1. Member States

8. Since the submission of its previous final report (S/2016/209) in March 2016, the Panel has undertaken formal visits to meet with national authorities and other relevant stakeholders in Austria, Chad, Egypt, Germany, Libya, Malta, the Niger, Qatar, the Sudan, Sweden, Tunisia, Turkey, the United Arab Emirates, the United Kingdom of Great Britain and Northern Ireland and the United States of America.

9. In addition, the Panel was able to travel to and hold meetings with interlocutors, including from the Libyan diaspora, in Brussels, N'Djamena, Cairo,

Paris, Rome, Amman, Beirut, Tripoli, Rabat, Johannesburg, South Africa, Geneva, Tunis, Istanbul, Turkey, and London and in Misratah and Tubruq.

10. During the reporting period, the Panel visited all of the neighbouring countries of Libya, except for Algeria. For the fourth consecutive year, Panel requests to visit Algeria have remained unanswered. Furthermore, while holding meetings with Libyan interlocutors in Skhirat, in accordance with its mandate, the Panel was requested by the Permanent Mission of Morocco to the United Nations in New York to stop all movement and leave the country, which the Panel did. The Panel discussed the event with the Permanent Mission to avoid the recurrence of such an incident.

2. Libya

11. The Panel has visited Libya four times since its reappointment in May 2016. Regular flights operated by the United Nations Support Mission in Libya (UNSMIL) into Libya and strong support from and flexibility on the part of UNSMIL have increased the Panel's access. As the security situation remains fragile, United Nations delegations continue to be subject to travel restrictions. Therefore, the Panel's visits were limited to one-day missions, which limits its ability to investigate leads and follow up with contacts within Libya. In addition to travel to Libya, the Panel held interviews with interlocutors in Libya remotely.

12. On 16 June 2016, the Panel visited Tripoli and discussed its work with members of the Presidency Council and the Temporary Security Committee. The meetings were held at Mitiga airport and the Abu Sittah naval base. On 20 July, the Panel travelled to Misratah, where it met with commanders involved in the military operations against Islamic State in Iraq and the Levant (ISIL) in Sirte. On 15 November, the Panel met with a delegation from the House of Representatives in Tubruq. The Panel visited the naval base in Tripoli for the second time on 19 January 2017 to hold meetings with representatives of the Central Bank of Libya and the Minister of Defence, appointed by the Presidency Council. Three additional visits to Libya were cancelled for various reasons, such as the unavailability of the plane, security incidents at the destination and the unavailability of Libyan interlocutors. Although important information was obtained, the one-day missions did not result in the physical inspection of seized materiel or visits to arms and ammunition storage facilities.

13. It remains difficult to identify appropriate Libyan interlocutors who can speak from a position of authority and provide official documentation. The Presidency Council has weak operational capacity, and its control over the administration is very limited. Furthermore, other power centres remain active and receive support from both the population and armed groups.

3. United Nations entities

14. The Panel interacts frequently with UNSMIL. The Panel met with the Special Representative of the Secretary-General, Martin Kobler, on several occasions and had repeated exchanges with key sections of UNSMIL, including the Joint Mission Analysis Centre, the Panel's focal point. In addition, the Panel's work has benefited from an increase in information sharing by the Mission, and UNSMIL support in terms of both logistics and information sharing has proved critical to the Panel's effective execution of its mandate. The Panel would benefit further from more frequent sharing of documents.

15. The Panel exchanged views with the Analytical Support and Sanctions Monitoring Team established pursuant to resolution [1526 \(2004\)](#), the Panel of Experts on the Democratic People's Republic of Korea, the Panel of Experts on the

Sudan, the Panel of Experts on South Sudan, the United Nations Office on Drugs and Crime, the United Nations Interregional Crime and Justice Research Institute and the Mine Action Service of the Department of Peacekeeping Operations.

16. The Panel assisted in the preparation of the report of the Secretary-General on the threat posed to Libya and neighbouring countries, including off the coast of Libya, by foreign terrorist fighters recruited by or joining Islamic State in Iraq and the Levant (Da'esh), Al-Qaida and associated individuals, groups, undertakings and entities (S/2016/627), requested by the Security Council in resolution 2292 (2016).

4. Other organizations

17. Following the adoption of resolution 2292 (2016), the Panel met with European Union Naval Force Mediterranean (EUNAVFOR MED) Operation Sophia delegations in Brussels and Rome. The Panel remains in contact with the Operation.

18. In November 2016, the Panel was briefed in N'Djamena by Operation Barkhane, a counter-terrorism operation led by France in collaboration with five Sahel countries. One of the Operation's aims is to prevent illicit flows of weapons and related materiel that would benefit extremist groups. The Panel looks forward to continuing to receive relevant information on weapon seizures or suspicious movements.

19. The Panel also exchanged views with representatives of the International Criminal Court and non-governmental organizations.

D. Administrative support and reporting schedule

20. The dedicated support staff at the Secretariat has significantly reduced time spent by the Panel on administrative and logistical issues. The Panel is grateful for the extension of its mandate from 12 months to 15 months and recommends retaining this mandate duration. These crucial changes to the previous reporting period allowed the Panel to concentrate more effectively on its investigations and organize all the necessary visits to Libya and its neighbours, as reflected in its travel schedule.

21. While the processing time for the Panel's travel has improved, the limitations of current administrative rules and procedures continue to impede the Panel's efficiency. The most pressing problem is that tickets are booked at the fare for the "most economical, most direct route", within certain travel time-related parameters, and only with regard to the start and end dates of meetings, rather than to the most sensible flight and connection times. As a consequence, the average duration of travel has increased significantly, leading to less time spent in the field.

22. Despite the Panel's frequent travel to high-risk environments in which it conducts sensitive investigations under a mandate from the Security Council, its members continue to lack access to appropriate insurance for conflict zones. The mandate requires travelling to some countries where regular health and travel insurance does not provide cover for treatment or evacuation. While experts are covered under the United Nations malicious acts insurance, no cover exists for injury suffered as a result of a non-malicious accident or for sudden illness occurring while in certain high-risk countries (see recommendation 16).

II. Political developments and related criteria

23. Since its arrival in Tripoli on 30 March 2016, the Presidency Council, under the leadership of Fayez al-Serraj, has not managed to exercise full authority in accordance with the Libyan Political Agreement.

24. So far, the Presidency Council has not been able to convince the House of Representatives to confirm a Government of National Accord or to launch significant social and economic policies. In Tripoli, the Council's continued conflict with hard-line armed groups led by Khalifa al-Ghweil, and its reliance on Tripoli-based armed groups,¹ could weaken the support of powerful allies in Misratah, such as the Misratah Municipal Council.² In an effort to contain the political challenges from both the House of Representatives and Al-Ghweil, Al-Serraj promotes a political dialogue with his opponents under the Council's auspices.³

A. Divisions in the Presidency Council

25. The Presidency Council is faced with persistent internal divisions. Members such as Musa al-Koni and Ammar al-Aswad expressed to the Panel their scepticism over the Council's composition and functioning (see annex 7). The divisions were further exposed when Al-Koni resigned in January 2017, while also acknowledging his own responsibility in the Council's "failure".

26. The Panel understands that Al-Serraj's authority is constantly questioned by all his Deputy Chairs. Eastern Presidency Council members Ali Faraj al-Qatrani and Fathi al-Mejbari have opposed several of Al-Serraj's political initiatives to constrain his political space. The alleged links between the Council-nominated Minister of Defence, Mahdi al-Barghathi, and the Benghazi Defence Brigades seem to have further fragmented the Council into irreconcilable positions.

27. In discussions with the Panel, representatives of southern tribes and former regime constituencies denounced the limited representativeness of the Presidency Council.

B. Two additional Governments

28. The Prime Minister of the National Salvation Government, Khalifa Al-Ghweil, continues to undermine the Libyan Political Agreement. He has been attempting to re-establish the pre-Agreement state of affairs through a series of attacks on ministries and the High State Council's headquarters at Rixos Hotel, over which the National Salvation Government had lost control after the arrival of the Presidency Council.⁴ Al-Ghweil's return obliged the Council to increase its dependence on Tripoli-based armed groups to defend the institutions. The National Salvation

¹ To guarantee its own security and assist with the "policing" of Tripoli, the Presidency Council has to rely on local "security forces" composed of armed groups such as the Rada Force, the Tripoli Revolutionaries Brigade and the Ghnewa Brigade.

² "Misrata says relations with PC frozen; road to Tripoli is blockaded", *Libya Herald*, 18 March 2017. Available from www.libyaherald.com/2017/03/18/misratans-say-relations-with-pc-frozen-gate-into-city-from-tripoli-is-blockaded/.

³ "Al-Serraj: 'I will submit a new government to the Libyan Parliament. We welcome Haftar'", *Al Arabiya*, 28 September 2016. Available from www.alarabiya.net/ar/north-africa/libya/2016/09/28/بِحفتن-ونرحب-الليبي-للبرلمان-جديدة-حكومة-سأقدم-السراج/2016/09/28.

⁴ "Armed groups led by Khalifa al-Ghweil control the Ministries of Defence and Justice in Libya", *Al Weeam*, 12 January 2017. Available from www.alweeam.com.sa/444293/مسلحة-مجموعات-تسيطر-على-الوزارات-والعدل-بقيادة-الغوييل-خليفة-بقيادة.

Government was weakened in March 2017, following its ousting from Tripoli and the reported injury of Al-Ghweil.

29. Al-Ghweil challenged the Presidency Council's attempts to constitute a Presidential Guard by creating the National Guard,⁵ composed of "anti-Government of National Accord" armed groups from Misratah and Tripoli. The creation of this unit led to a series of armed clashes in Tripoli. Armed groups supporting Al-Ghweil, such as the National Guard, the Al-Marsa al-Kubra Brigade and groups supported by the former Libyan Islamic Fighting Group, clashed with groups from Tripoli, such as the Special Deterrence Force, the Abu Salim Brigade and the Tripoli Revolutionaries Brigade (see para. 55). The latter groups have shown opportunism in their support of the Council, guaranteeing its security in exchange for recognition and financial support (see recommendation 1).

30. On 13 February 2017, the reopening ceremony of Tripoli International Airport, presided over by Al-Ghweil and Salah Badi, was organized as a show of force. Meanwhile, Al-Ghweil and his eastern counterpart, Abdallah al-Thinni, the Prime Minister of the Interim Government, organized political negotiations challenging the PC.⁶

31. In Bayda', Al-Thinni remains firmly opposed to the Presidency Council, including by trying to stay in control of the diplomatic missions of Libya.⁷

32. Both Al-Thinni and Al-Ghweil have repeatedly criticized the Presidency Council for "allowing Libya to be ruled by foreign powers". In January 2017, Al-Thinni released a communiqué stating that the "Government of National Accord was under the protection of thousands of troops from Italy" (see annex 8). Moreover, according to Al-Thinni, military operations by the Libyan National Army were the only way to resolve the Libyan crisis.⁸

C. Insistence of the House of Representatives on amending the Libyan Political Agreement

33. The President of the House of Representatives, Aguila Saleh, is a strong opponent of the current Presidency Council and its executive functions. In September 2016, Saleh called upon the members of the House to stop collaborating with the ministries responding to the Council.⁹

34. In response to Al-Serraj's calls for a renewal of the political dialogue, Saleh insisted on direct negotiations with the High State Council. The House of Representatives designated a 15-member committee to negotiate an amendment to the Libyan Political Agreement, in accordance with the Cairo declaration.¹⁰ Saleh's

⁵ "Clashes between GNA and NSG forces in Tripoli", Afrigatenews, 8 February 2017. Available from www.afrigatenews.net/content/طرابلس-في-الوفاق-الإنقاذ-قوات-بين-معارك.

⁶ See www.youtube.com/watch?v=I29vZHAf0Zs&feature=youtu.be.

⁷ "Al-Thinni meets the Consul General of the Sudan in Libya", Libya al-Mostakbal, 26 December 2016. Available from www.libya-al-mostakbal.org/10/12543/الثنى-يلتقي-القنصل-العام-السودان-اللى-ليبيا.html.

⁸ Hadi Fornaji, "Thinni spurns calls for political dialogue, says 'military solution' is only answer to Libya crisis", *Libya Herald*, 8 April 2017. Available from www.libyaherald.com/2017/04/08/thinni-spurns-calls-for-political-dialogue-says-military-solution-is-only-answer-to-libya-crisis/.

⁹ "Saleh calls for [stakeholders] to refrain from cooperating with the ministers of the GNA and continue cooperating with the interim Government", Al-Marsad, 26 September 2016. Available from <http://almarsad.co/2016/09/26/ال-حكومة-وزراء-مع-التعامل-لعدم-يدعو-صالح/>.

¹⁰ "Full details of the Haftar-Al-Serraj agreement in Cairo", Al-Arabiya, 15 February 2017. Available from www.alarabiya.net/ar/north-africa/2017/02/15/حقت-الاتفاق-الكاملة-التفاصيل.html.

main concern is the organization of the armed forces, in particular the appointment and scope of authority granted to the Supreme Commander (art. 8 of the Libyan Political Agreement). It appears that Saleh wants to maximize the power of the Libyan National Army (LNA) and Khalifa Haftar.

35. The House of Representatives is divided, and a significant group opposes the uncompromising positions taken by Saleh. The attack on the oil crescent by the Benghazi Defence Brigades in March 2017 and the subsequent decision of the House to stop any further dialogue with the western side exacerbated these divisions.

36. The Panel met with the House of Representatives in November 2016. Some of the members asserted that the Presidency Council had no constitutional basis and that its members were neither elected nor endorsed by the House. In addition, it was “dominated by participants in Fajr Libya”, allegedly promoting an Islamist agenda. The House also suggested changes to the Libya sanctions regime, including the lifting of the arms embargo for LNA (see annex 9).

D. Military rule of the Libyan National Army

37. A key political development in eastern Libya was the appointment by the House of Representatives of a Military Governor of the Darnah-Bin Jawwad region, leading to the replacement of civil mayors with military staff. Decisions taken by the Military Governor, Abd al-Razzak al-Nadhuri, who is also the Chief of Staff of LNA, included significant restrictions on public liberties in eastern Libya. For instance, he issued a decision to ban the holding of demonstrations in Benghazi without his written permission.

38. LNA detained or intimidated dozens of activists, members of the House of Representatives and justice and security personnel in the region stretching from Tubruq to Bin Jawwad in order to silence political opposition.

39. On 16 February 2017, Abd al-Razzak al-Nadhuri issued a decision to ban unaccompanied women under the age of 60 from travelling.¹¹ In 2013, a similar fatwa was issued by Mufti Al-Gharyani. In addition, an obligation to obtain security clearance from the General Investigations Apparatus (referred to as the Internal Security) before travel was imposed on all Libyans (see annex 10).

40. The rise of Salafi influence and LNA military rule mutually reinforce control over society. In January 2017, the seizure of a shipment of books by the Criminal Investigation Department in Marj was sanctioned by the Committee for Islamic Endowments (*awqaf*), undermining the authority of the Ministry of Information and Culture. This event showed the influence of Madkhali¹² clerics in eastern Libya over State institutions.¹³ The head of the Committee, Mas’oud al-Nadhuri, was selected by Saudi Sheikh Usama al-Utaibi in 2014 to teach the Salafi-Madkhali creed (see annex 11). This selection was validated by Rabi’ al-Madkhali, a prominent Saudi Salafi scholar.¹⁴

¹¹ “Al-Nadhuri: ban on Libyan women’s travel without a guardian was decided by national security considerations”, Al-Wasat, 20 February 2017. Available from <http://alwasat.ly/ar/news/libya/133492/>.

¹² Strict version of quietist apolitical Salafism, referring to Saudi scholar Rabi’ al-Madkhali; it calls for absolute obedience to rulers.

¹³ “The true facts about the books seized in Marj”, Al-Wasat, 22 January 2017. Available from <http://alwasat.ly/ar/news/culture/130772/>.

¹⁴ “A compendium of sheikhs’ endorsements of certain religious students in the eastern region — Marj”, Bayenah Salaf, 16 September 2014. Available from <http://bayenahsalaf.com/vb/showthread.php?t=22097>.

III. Security developments and related criteria

A. Aftermath of events in Sirte and status of Islamic State in Iraq and the Levant

41. The final stages of Operation Bunyan Marsus in Sirte was not without challenges. According to military contacts in Misratah, the operations were interrupted from 28 October to 2 November 2016 because of a shortage of ammunition. The Operation pressured the Presidency Council to provide it with 30 million Libyan dinars, which the Operation used to purchase ammunition on the black market in Sabha.

1. Acting for or on behalf of or at the direction of a listed individual or entity

42. ISIL had established a structured administration in Sirte. The Panel collected evidence of propaganda and documents showing its organization of collective banking, arms management and family life (see annex 12). The Panel also obtained a document from Sirte mentioning the purchase by ISIL of ammunition from Usama Jadhraan, Ibrahim Jadhraan's brother. The Panel is investigating whether the ammunition originated from the Petroleum Facilities Guard-Central Region (see para. 76 and annex 22).

2. Acts that threaten peace

Status of ISIL

43. The defeat of ISIL in Sirte enabled Misratah to challenge Haftar's portrayal of LNA as the sole Libyan force combating terrorism. It reinforced the international legitimacy of the Presidency Council, as several foreign Governments congratulated Al-Serraj for removing the threat from the Mediterranean shore.¹⁵

44. ISIL still poses a threat to security in the wider region. The presence of ISIL cells at the outskirts of Sirte, such as Jizh, Ghuraybat, Wadi Zamzam, Suq al-Khamis, Uwaynat and Idrir, is apparent from small incursions of "technicals" equipped with 14.5-mm guns.¹⁶ Operation Bunyan Marsus designated a counter-terrorist force to arrest suspected terrorists and refer them to an ad hoc military court.¹⁷

Tensions within Operation Bunyan Marsus forces

45. Strong tensions exist among the different components of Operation Bunyan Marsus in charge of securing Sirte and assisting in demining operations. This poses a threat to the stability of Sirte.

46. One brigade affiliated with the Operation, composed mainly of Misratan fighters, guards Sirte's main entrances (see annex 13).¹⁸ Another unit, the Salafi "604" battalion, oversees the town centre. Most of the "604" troops hail from Sirte and are leaning towards the Madkhali creed. They have been trained and equipped

¹⁵ "Britain's Foreign Office congratulates the Chair on liberating Sirte from the grip of the organization", Ean Libya, 15 December 2016. Available from www.eanlibya.com/archives/104584.

¹⁶ "Monitoring the movements of Da'esh operatives in Zamzam, Wadi Tininay, Urban and Suq al-Khamis", Al-Wasat, 8 January 2017. Available from <http://alwasat.ly/ar/news/libya/129438/>.

¹⁷ "Al Ghasri: personnel from Operation Bunyan Marsus will join counter-terrorism force", Libya al-Mostakbal, 5 January 2017. Available from www.libya-al-mostakbal.org/88/13121/الغصري-العصرى-الإرهاب-مكافحة-لجهاز-سينضمون-المرصوص-البنيان-من-عناصر.html.

¹⁸ "Proposal: military force to be tasked with securing Sirte main entrances", *Libya Observer*, 17 December 2016. Available from www.libyaobserver.ly/news/proposal-military-force-be-tasked-securing-sirte-main-entrances.

by the Tripoli-based Special Deterrence Force of Abd al-Raouf Kara. However, they are also in close contact with the LNA General Command through their emir, Abd al-Hamid Ibrahim bin Rajeb al-Ferjani, from Haftar's Ferjan tribe. Representatives of the "604" battalion were reported to have travelled from Tripoli to Bayda' on several occasions.

47. On 16 January 2017, the "604" battalion warned the Muslim Brotherhood and the armed groups affiliated with the former Libyan Islamic Fighting Group against any attempt to open a second front against "forces of the east".¹⁹

B. Fighting in Benghazi

48. Despite the LNA attritional war in Benghazi, extremist armed groups such as Ansar al Charia Benghazi (QDe.146) and the Benghazi Revolutionaries Shura Council have shown resilience. LNA has achieved relative military victories in the areas of Suq al-Hut, Busnayb and Sabri. By March 2017, LNA had succeeded in controlling most of Benghazi, including Qawarshah and Qanfudah. LNA killed one of the last senior Shura Council leaders, Jalal Makhzoum, whose mutilated corpse was dragged through the streets of Benghazi.²⁰

49. LNA operations depend heavily on arms supplies from abroad, as recognized by Saqr al-Jarushi, the air force commander. Al-Jarushi stated that Haftar's son, Saddam Haftar, and LNA envoy Ayoub al-Ferjani were sent on missions abroad to maintain the arms supply.²¹ The supply is closely managed by Haftar's inner circle. Sources from the front explained to the Panel that their continued supply of ammunition was conditional on full commitment to the national ambitions of LNA.

50. There have been repeated accusations against LNA of allowing the escape of ISIL combatants from Benghazi to Bani Walid. In an interview, a high-ranking LNA official did not deny these allegations.²²

51. Recruitment by the Benghazi Revolutionaries Shura Council from Misratah continued until at least January 2017. The Libyan Iron and Steel Company plant is a gathering point for the fighters (see annex 14). Here, they receive their first salary (2,000 dinars) and a weapon. A Misratan businessman, Ashraf ben Ismail, has supervised the medical transport and care of Benghazi fighters, including members of Ansar al Charia Benghazi (QDe.146). In December 2016, the Misratah Municipal Council issued an order to disrupt any military support to the Shura Council. As a response, alternative "supply chains" of fighters were sought, including from the southern Mahamid tribe.

52. In late November 2016, EUNAVFOR MED Operation Sophia inspected a Libyan trawler named *Luffy*, sailing from Benghazi to Misratah. The Operation told the Panel that the *Luffy* had been chartered by "forces controlled by the Government of National Accord" for humanitarian purposes and that the vessel enjoyed sovereign immunity. Therefore, it had not been approached under resolution 2292 (2016). Still, upon invitation, the Operation boarded the vessel on several occasions. Each time, wounded fighters and arms were observed. The captain had informed the Operation that the arms were for self-defence purposes. According to local sources, the *Luffy* is owned by a coastguard officer and member of the Misratah Military

¹⁹ "604 Infantry": Muslim Brothers and Libyan Islamic Fighting Group seek to open a front against eastern Libyan forces", Al-Wasat, 16 January 2017. Available from <http://alwasat.ly/ar/news/libya/130172/>.

²⁰ See <https://youtu.be/2FpGAPW8iLw>.

²¹ See <https://youtu.be/WFqD010pwuI>.

²² See www.youtube.com/watch?feature=youtu.be&v=TywCfngz.

Council. They added that the trawler was regularly transporting wounded fighters and wrapped arms (mortars, anti-tank weapons) (see recommendations 1 and 3).

C. Events in Tripoli and western Libya

1. Acts that threaten peace

Competition between Misratah- and Tripoli-affiliated brigades

53. Clashes between Misratah- and Tripoli-affiliated armed groups continue to undermine the authority of the Presidency Council and security in the Libyan capital, causing many civilian casualties. These clashes have several drivers.

54. First, racketeering and kidnappings by groups affiliated with Misratah fuelled tensions. In March 2017, for example, Qurji, Ghawt al-Sha'al and Hay al-Andalus residents blocked roads and attacked buildings protected by Misratah- and Jadu-affiliated brigades. The protests evolved into an armed confrontation between the Tripoli Revolutionaries Brigade and the Abu Salim Brigade on one side and Misratan brigades loyal to Al-Ghweil on the other (see annex 15). The latter were ousted from the Qusur, Fallah and Qarqarish areas.

55. Second, there is an ongoing power struggle over institutions. An example is the takeover by the Tripoli Revolutionaries Brigade of the General Intelligence branch in Hay al-Andalus (where it seized important archives) in August 2016,²³ and the subsequent reaction of Misratah, from where a force led by Salah Badi was sent to recover the positions lost. According to an Operation Bunyan Marsus commander, "Sirte was a trap to weaken us in Tripoli. We lost many men and vehicles during that war. We are trying to address the situation."

56. In the absence of Presidency Council control and authority, this competition is likely to lead to new clashes, notwithstanding the Tripoli Agreement, signed on 15 March 2017 (see annex 16).

High-profile assassinations

57. The assassination of Nader al-Omrani, a prominent Libyan scholar with the Dar al-Ifta', further exacerbated tensions. Several media reports alleged the involvement of Abd al-Hakim Meqdash, a former affiliate of Abd al-Raouf Kara, in the assassination. Such attacks reinforce the division of Tripoli into zones of control under opposing armed groups, limiting the freedom of movement, including of high-profile personalities.

Links with criminal networks

58. Along the coastline between Tripoli and the Tunisian border, many armed groups are involved in trafficking in persons and fuel smuggling, which have allowed them to obtain substantial wealth (see para. 251). Over the past year, these criminal networks clashed repeatedly, directly or through proxies (see annex 17). In Zawiyah, dozens of casualties were reported in 2016 and 2017. Armed groups involved in criminal activities also challenge local authorities, such as the Sabratabh Municipal Council, thereby threatening peace (see annex 18).

59. On 17 August 2016, a speedboat attacked a Médecins sans frontières vessel off the Libyan coast. Two coastguard officers from the Dallah coastguard were involved

²³ "Forces loyal to the Government of National Accord take control of a General Intelligence position in Tripoli", Libya Channel, 14 August 2017. Available from www.libyaschannel.com/2016/08/14/مق-على-تسيطر-الوفاق-لحكومة-مواالية-قوات/.

in the attack. The two identified attackers are loyal to Abd al-Rahman Milad (alias Bija), head of the Zawiyah coastguard and involved in smuggling activities.

2. Attacks against any port in Libya or against a State institution or installation

60. On 14 October 2016, a coalition of armed groups helped return Khalifa al-Ghweil to the High State Council seat in the Rixos Hotel in Tripoli.²⁴ On 12 January 2017, the National Salvation Government took control of several ministries, including the Ministries of Defence and Justice. Al-Ghweil made use of the opposition to the Presidency Council of some Tripoli-based armed groups and the ambivalence of other armed groups (including the former Libyan Islamic Fighting Group) towards the Libyan Political Agreement. At the time, the Tripoli Revolutionaries Brigade and the Abu Salim Brigade, supposedly allied with the Presidency Council, refused to oppose Al-Ghweil's return to Tripoli, motivated by financial reward.

61. On 18 March 2017, members of the Buni brigade, in charge of protecting Mitiga airport, attacked the Presidency Council headquarters in Abu Sittah, attempting to evict the Council from Tripoli. The group's leadership is close to Mustafa Nuh and Abd al-Hakim Belhaj.

62. On 10 April 2017, a force of 10 "technicals" attacked the residence of the Central Bank of Libya Governor in Tripoli. According to Central Bank sources, the attack was conducted by the Tripoli Revolutionaries Brigade and the Abu Salim Brigade, with the involvement of Hashim Bishr. Armed groups frequently seek to interfere in the business of financial institutions to promote their political or financial interests, including through intimidation (see paras. 191 ff).

63. On 10 October 2016, an armed group close to Al-Ghweil attacked the Civil Registry Authority and killed the Authority's Director, Sadiq al-Nuhaysi. Armed groups repeatedly attacked the Authority's branches to manipulate its data and be able to produce illegally issued passports.

64. The attack against the Misratah Municipal Council on 13 April 2017 highlights increasing tensions as irreconcilable political trends in the city are turning against each other. Positions diverge with regard to the Libyan Political Agreement, dialogue with eastern constituencies, links with radical movements and the situation in the south of Libya.

3. Acting for or on behalf of or at the direction of a listed individual or entity

65. All Libyan parties, including Ansar al Charia Benghazi (QDe.146) and Ansar al-Shari'ah Sirte, competed to control the Civil Registry Authority and passport administrations. This allowed them to illegally issue passports, including to foreign fighters who subsequently travelled abroad. The Panel has reviewed copies of illegally issued passports and was able to confirm the identity of one Sudanese national, who obtained such a passport in Misratah and travelled to Turkey in May 2015 (see annex 19). In August 2015, Turkish authorities imposed visas on Libyan nationals travelling to Turkey in order to limit security risks posed by the political developments in Libya.²⁵

66. Foreign recruits of Ansar al Charia Benghazi (QDe.146) and Ansar al-Shari'ah Sirte were hosted in several locations, including Tripoli. They have participated in

²⁴ "Khalifa Al-Ghweil, head of the 'revolutionary' Salvation Government", Al Jazeera, 29 October 2017. Available from www.aljazeera.net/encyclopedia/icons/2016/10/27/رئيس-الغويل-خليفة-الثائرة-الليبية-الإنقاذ-حكومة.

²⁵ "Turkey imposes visa requirements on Libyans", TRT Arabic, 27 August 2015. Available from www.trtarabic.tv/الليبيين-على-الدخول-تأشيرة-تفرض-تركيا/.

destabilizing operations, such as the attack on the High State Council in Tripoli in October 2016. Foreign fighters were present in Ghabat al-Nasr and Hadabah areas in October 2016, which are controlled, respectively, by Tareq al-Gadban and Khaled al-Sharif, both figures in the former Libyan Islamic Fighting Group.

67. Despite its previous links with local elements from ISIL, the Anas al-Dabbashi Brigade in Sabratalah actively fought against ISIL in 2016 and handed over a senior ISIL commander to the Special Deterrence Force in Tripoli. It is unclear whether any links with United Nations-listed entities have persisted since.

D. Conflict in the south

68. The unprecedented escalation in violence in southern Libya starting in April 2017, including air strikes from rival air forces, is another indication of the ongoing power struggles. The visible involvement of the Presidency Council and its nominated Minister of Defence in ordering an attack against LNA forces moving on Tamanhint has deepened the political divide (see annex 20).

69. Tamanhint is Misratah's last military position in the south. The involvement of the Benghazi Defence Brigades and the South Shield Brigade prevented LNA commander Mohammad ben Nayel from taking Tamanhint during the most recent round of fighting, but the fighting is expected to flare up again. The fact that elements within the Benghazi Defence Brigades and the South Shield Brigade have links with Ansar al Charia Benghazi (QDe.146) and Al-Qaida (QDe.004), respectively, is expected to lead to further destabilization and will direct more international attention on southern Libya (see annex 21).

70. The Tebu community, disappointed by the lack of support from LNA, is increasingly divided. For example, Hassan Mussa and Ali Sidi, influential military commanders from Kufrah, fought on different sides (the Benghazi Defence Brigades and LNA, respectively) in March 2017. Divisions are also deepening among the Awlad Sulayman, which fought alongside both warring parties during the Tamanhint clashes.

71. The situation in Kufrah remains very tense: 10,000 Tebu, most of whom are civilians, are still under siege by Zway brigades.

72. In Awbari, in spite of the ceasefire signed in Doha in November 2015,²⁶ discussions with Tebu and Tuareg leaders revealed persistent tensions, spurred by the national division and the lack of engagement on the part of the Presidency Council in the south.

73. Armed groups that were previously paid and acting as regular forces are at present increasingly involved in illicit activities in order to finance their military presence in southern Libya.

E. Conflict in the oil crescent

1. Threats to peace

74. The struggle to control the oil crescent has reached its most violent stage over the past few months, increasingly taking the shape of a conflict between eastern and western forces. The Benghazi Defence Brigades, which are supported by the Presidency Council-nominated Al-Barghathi, have been joined by fighters from

²⁶ "Ban praises Qatar's role in the agreement among Libyan tribes", Al Jazeera, 11 November 2015. Available from www.aljazeera.net/news/arabic/2015/11/25/ليبيا-قبائل-اتفاق-في-قطر-بدور-يشيد-بان.

Tripoli, Misratah, Khums, Zliten and the South Shield Brigade. This is a critical threat to the stability and territorial integrity of Libya.

75. The series of events in the oil crescent between September 2016 and March 2017 have exposed the local population's vulnerability when confronted with armed groups that are well equipped and financed. The recruitment and mobilization of local populations is leading to further fragmentation, as witnessed during the most recent attack by the Benghazi Defence Brigades against oil terminals in March 2017, when dozens of members of the Magharba tribe, recruited by each of the opposing sides, were first arrested by the Benghazi Defence Brigades and later by LNA. Exposed to the arbitrary behaviour of these groups, local populations risk becoming more receptive to the influence of extremist armed groups.

2. Acting for or on behalf of or at the direction of a listed individual or entity

76. The presence in the oil crescent of organizations linked to Al-Qaida predates 2011, notably in the area of Nawfaliyah. It has grown with the creation of Ansar al-Shari'ah branches in Sirte and Ajdabiya, where they benefited from State resources provided by Khaled al-Sharif and Ibrahim Jadhnan, respectively.²⁷ An ISIL document obtained by the Panel reveals business links between Usama Jadhnan and ISIL commander Abu Usama al-Tunsi. Al-Tunsi was killed in October 2016 by Operation Bunyan Marsus, and his name appears on another ISIL document seized by the Operation (see annex 22).

77. ISIL cells have spread across the oil crescent, notably to the Bani Walid and Nawfaliyah regions, according to sources from the Ministry of Defence in Tripoli. The presence in Nawfaliyah of Ahmad al-Hasnawi (linked to Al-Qaida) during the most recent attack by the Benghazi Defence Brigades in March 2017 raises a number of questions concerning Al-Qaida links with ISIL cells. Opposition between ISIL and Al-Qaida is less pronounced in Libya, which could facilitate the absorption of ISIL elements fleeing Sirte by groups linked to Al-Qaida (see annex 21).

78. The Panel received reports of movements of extremist armed groups in the mountainous region stretching from Lut to Abu Nujaym, at the southern edge of the oil crescent.

3. Attacks against any port in Libya or against a State institution or installation

79. Foreign armed groups from Chad and the Sudan have been involved in looting cars owned by oil companies, which were then sold on the Sudanese market, in the city of Tinah.

80. The current state of insecurity, in addition to the closure of oil terminals by the Petroleum Facilities Guard of Ibrahim Jadhnan for over two years, until LNA took control in September 2016, have led to a general deterioration of the infrastructure due to a lack of maintenance.

IV. Regional political and security developments

81. To overcome the political stalemate, in October 2016 UNSMIL submitted a new road map, which inspired the tripartite initiative spearheaded by Algeria, Egypt and Tunisia. The subsequent Cairo declaration adopted in February 2017 did not

²⁷ Members of Ansar al-Shari'ah Sirte received salaries as members of brigades affiliated with the Ministry of Defence, such as the Faruq brigade from Misratah.

produce immediate progress.²⁸ While the countries in the region that the Panel visited expressed the view that the Libyan crisis was a priority for them and that they unanimously supported the Libyan Political Agreement, there are significant differences in views and opinions. Some countries in the region have also provided support to alternative political processes.²⁹

82. Regional divisions constitute an obstacle to a political solution in Libya. Two regional alliances have coalesced around Libya. Chad, Egypt and the United Arab Emirates have broadly aligned positions, as do Qatar, the Sudan and Turkey.

A. Involvement of mercenaries

83. Foreign interference in Libya has taken a more direct form with the increasing involvement of Chadian and Sudanese mercenaries. Their actions in the oil crescent are a direct threat to the security and economic stability of Libya (see annex 23). The mercenaries are involved in criminal activities, including trafficking in persons and drugs. In addition, repeated attacks against individuals and property by foreign armed groups in the south of Libya have increased communities' sense of vulnerability and distrust towards LNA and the Misratah Third Force.

84. Former commanders of the Sudan Liberation Army/Minni Minawi confirmed to the Panel that Arab intermediaries and former regime operatives had assisted in, and cash transfers had facilitated, the rapprochement between major Darfuri commanders and the LNA General Command. The Panel also received reports that commanders of the Sudan Liberation Army/Minni Minawi were received in Marj in mid-October 2016.

85. Chadian groups were also hosted in Misratah-controlled bases in Ahjar al-Sawda' and in Sabha. They founded the armed group Front pour l'alternance et la concorde au Tchad in April 2016, after they received important financial and military support in exchange for their mobilization in Libya.³⁰ According to sources from that group, the movement participated in anti-ISIL operations only. The sources added that all parties, including LNA, offered to recruit them. However, the Panel's investigations revealed that the group participated in an attack led by the Benghazi Defence Brigades in March 2017, when it lost one of its main commanders.

B. Regional impact of mercenary armed groups

86. The Sudan expressed its concern to the Panel that Sudanese armed groups involved in Libya would undermine peace efforts in Darfur. The Chadian authorities, in a meeting with the Panel, minimized the impact of Chadian rebels in Libya. However, on 6 January 2017, Chad announced the closure of its borders with Libya to prevent the infiltration of Chadian rebel fighters, after the LNA air force had struck the positions of the Front pour l'alternance et la concorde au Tchad in Jufrah in December 2016. On 19 January 2017, the French authorities imposed financial sanctions on Mahamat Nuri and Mahdi Ali Mahamat, the founders of the

²⁸ "Full details of the Haftar-Al-Serraj agreement in Cairo", Al-Arabiya, 15 February 2017. Available from [www.alarabiya.net/ar/north-africa/2017/02/15/حفتر-لاتفاق-الكاملة-التفاصيل.html](http://www.alarabiya.net/ar/north-africa/2017/02/15/حفتر-لاتفاق-الكاملة-التفاصيل).

²⁹ "Tunisian National Salvation Front asks for financial and media support from the United Arab Emirates", Al Arabi 21, 19 January 2017. Available from <http://m.arabi21.com/story/979349/الإمارات-من-وإعلاميا-ماليا-دعما-تطلب-التونسية-الإنقاذ>.

³⁰ "Le 'FACT', nouvelle rébellion créée dans le nord du Tchad", *Journal du Tchad*, 12 April 2016. Available from www.journaldutchad.com/article.php?aid=9047.

group, for a six-month period. France has not clarified to the Panel whether this is related to their mercenary activities in Libya (see annex 23).

C. Military advisers in Tripoli

87. The Panel confirmed the presence of Palestinian military experts in Tripoli. Interviewed by the Panel, a Palestinian official denied any activity in Libya. However, he confirmed that eight members of his faction, who were members of the Palestinian diaspora in Libya, had been arrested in Tripoli in the course of 2016. The Panel is still investigating the case.

V. Acts that violate applicable international human rights law or international humanitarian law or acts that constitute human rights abuses

88. The Panel continues to receive frequent reports of serious human rights violations. The absence of the rule of law and institutional control over armed groups, some of which continue to operate under official mandates, have led to a deterioration of the human rights situation (see recommendation 13).

A. Kidnappings, arbitrary detention and torture

89. Detention conditions continue to be inhumane throughout Libya, and formal and informal detention centres are under the control of armed groups. Arrests and detentions by armed groups do not respect due process. The Panel received numerous reports of kidnappings and arbitrary detentions used by armed groups for political or material benefit. Politicians, activists, bank employees and journalists are frequent targets.

1. Eastern Libya

90. The Panel received testimonies indicating the existence of “a secret section of the Qarnadah prison” in Shahhat. Victims said that they had been kidnapped by a local armed group headed by Ahmad al-Gharour (killed in Ajdabiya in March 2017). They were later handed over to LNA and imprisoned in a secret section in Qarnadah. Denial of access to sanitation, psychological torture and the “savagely beating of some prisoners” were reported. According to testimonies, Munir Belaz and Rabi al-Sharif (from the Salafi al-Tawhid brigade) supervise the secret section. Belaz was officially mandated by the LNA Chief of Staff, Abd al-Razzak al-Nadhuri, to guard the perimeter of the prison. Secret LNA detention centres also exist in the rural areas of Benghazi and are run by Salah al-Huweidi and Mahmud al-Warfalli. In many cases, no prisoners’ lists were made available to human rights organizations and families of detainees.

91. The Panel also documented cases of torture and a case of sexual assault in the Internal Security Apparatus section in Kuwayfiah, under the command of Colonel Mohammad Idriss al-Seaiti (see annex 24).

2. Western Libya

92. The Panel received evidence of mistreatment, torture and denial of access to medical care in the Hadbah prison in Tripoli. Khaled al-Sharif, in charge of the prison, used the detention of key former regime figures in Hadbah to obtain political leverage over former regime constituencies during the national reconciliation talks

held in Doha in April 2016. Several individuals in charge of the prison are directly involved in human rights abuses (see annex 25).

Armed groups affiliated with the National Salvation Government

93. Armed groups affiliated with the National Salvation Government were involved in several cases of kidnapping and torture. The Presidential Security, headed by Mohammad Salem Dimona, used detention centres in the Felah area (the detention centre of the Department for Combating Illegal Migration) and in the Rixos Hotel area (see annex 26). Dimona, who moved to Tripoli International Airport in March 2017, was directly responsible for the kidnapping of several individuals, including high-profile figures.

Armed groups affiliated with the Presidency Council

94. The Panel received testimonies of kidnappings, arbitrary detention and torture of journalists and activists involving Haytham al-Tajuri, the commander of the Tripoli Revolutionaries Brigade, currently known as the First Security Division of the Central General Security Administration after it received an official mandate from the National Salvation Government and, later, the Government of National Accord (see annexes 27 and 28 and recommendation 1).

95. The Special Deterrence Force, headed by Abd al-Raouf Kara, runs a detention centre in Mitiga, where, in a separate section, 300 to 500 individuals are held because of suspected affiliation with “terrorist organizations”. The list of those prisoners was not made available to human rights organizations, which could not visit the separate “political” section. The Panel received reports of torture and mistreatment but could not verify these allegations.

96. In Warshafanah, kidnappings for ransom continue to be widespread. In early 2016, the head of a Warshafanah brigade, Nasr al-Din Bu Omayed, executed a Libyan official detained in his informal detention centres. Kidnappings by the Warshafanah were also motivated by vengeance or to organize an exchange for “their” people who were kidnapped by armed groups in Tripoli.

B. Mass killings

97. On 22 July and 28 October 2016, 14 and 10 bodies, respectively, were found in Benghazi. They showed bullet wounds and signs of torture, indicating that the victims had been executed. The Panel understands that at least 10 victims were identified and that some of them had previously gone missing in areas under LNA control. LNA officials interviewed by the Panel stated that the investigation fell under the authority of the Military Governor of the Darnah-Bin Jawwad region.

98. On 11 June 2016, the bodies of 11 former regime loyalists were found in Tripoli. They had previously been held at the Ruwaymi detention centre, and a Tripoli court had ordered their release on 8 June 2016. It was reported that the prison administration had deliberately delayed their release and handed them over to an armed group, which executed them. On 8 June 2016, the Dar al-Ifta’ had rejected the release of former regime prisoners, ruling that it violated Islamic law.³¹

³¹ “At the outset of the blessed month of Ramadan, 12 truths to remember and learn from”, Ifta.Ly, 5 June 2016. Available from <https://ifta.ly/web/index.php/2013-04-23-10-53-45/3352-12factsinramadan>.

C. Summary executions of prisoners

99. In Sirte and Benghazi, armed groups conducted summary executions of prisoners of war, in clear violation of the Geneva Conventions.³²

100. Two videos posted on social networks reveal the summary execution of four Benghazi Revolutionaries Shura Council prisoners by LNA personnel, including Colonel Mahmud al-Warfalli. LNA said to the Panel that Al-Warfalli had been placed under arrest. However, as at 9 April 2017, Al-Warfalli appeared to still operate as the front-line commander of the LNA special forces. In June 2016, the Panel had already received reports that Al-Warfalli conducted summary executions (see annex 29). LNA Salafi commanders have publicly called for the execution of “apostates”.³³

101. Operation Bunyan Marsus brigades also conducted summary executions in Sirte. There have been dozens, according to a field commander of the Operation. The Panel is still investigating those cases.

D. Indiscriminate attacks

102. ISIL and the Benghazi Revolutionaries Shura Council repeatedly shelled the civilian neighbourhoods of Benghazi under the control of LNA. They also frequently used improvised explosive devices in residential areas, causing the death and injury of many civilians.³⁴

103. In parallel, the LNA leadership showed disregard for civilians trapped in the areas of Qanfudah and Darnah, causing several civilian deaths. Negotiations to allow for a safe evacuation of civilians trapped in Qanfudah were unsuccessful, owing to the lack of real commitment on the part of LNA and the Benghazi Revolutionaries Shura Council.

E. Human rights violations against migrants

104. Abuses against migrants were widely reported, including executions, torture and deprivation of food, water and access to sanitation. The International Organization for Migration (IOM) also reported enslavement of sub-Saharan migrants.³⁵ Smugglers, as well as the Department to Counter Illegal Migration and the coastguard, are directly involved in such grave human rights violations (see also para. 245).

105. Abd al-Rahman Milad (alias Bija), and other coastguard members, are directly involved in the sinking of migrant boats using firearms. In Zawiyah, Mohammad Koshlaf opened a rudimentary detention centre for migrants in the Zawiyah refinery. The Panel collected information on abuses against migrants by several individuals (see annex 30). In addition, the Panel collected reports of poor conditions in migrant detention centres in Khums, Misratah and Tripoli (see para. 93 and annex 31).

³² Geneva Conventions of 12 August 1949, art. 3, and Additional Protocol II of 8 June 1977, art. 4 (2) (a).

³³ See www.youtube.com/watch?v=wfQJxu2W6Zc.

³⁴ “Three children die in Gwarsha explosion: update”, *Libya Herald*, 2 May 2016. Available from www.libyaherald.com/2016/05/02/four-children-die-in-gwarsha-explosion.

³⁵ IOM, “IOM learns of ‘slave market’ conditions endangering migrants in North Africa”, 11 April 2017. Available from www.iom.int/news/iom-learns-slave-market-conditions-endangering-migrants-north-africa.

VI. Implementation of the arms embargo

A. Overview

106. Arms have continued to be illicitly transferred to and from Libya on a regular basis. While outflows have continued to be moderate, consisting mainly of small arms and light weapons, materiel entering Libya has been of an increasingly sophisticated nature. External assistance to armed groups in terms of direct support, training and technical assistance has also increased. At least two of the armed groups operating in Libya have expanding air forces, which have been used in attacks against other armed groups and each other. The Panel has reviewed commercial satellite imagery of relevant Libyan airports and airfields in order to investigate the development of air capabilities.

107. The political process that the exceptions to the arms embargo were designed to support has not developed in the manner anticipated, as the relationship between armed groups and political entities remains transactional and transitional. The Government of National Accord has not provided information on the structures of security forces under its control, nor has there been any demonstration of such control.

108. Such issues highlight the need for the continuance of the arms embargo with a clear identification of those armed and security forces that can legitimately benefit from exceptions and exemption requests.

B. Transfers of materiel to Libya during the revolution (February-September 2011)

109. The Panel has continued to investigate deliveries of weapons and ammunition made during the revolution.

1. Tunisia

110. Insurgents on the western front depended on transfers from Benghazi over the sea route to Tunisia and onward to the Nafusa Mountains.³⁶ After a meeting between the late General Abd al-Fattah Younis and foreign representatives in mid-April 2011, it was decided to organize a major delivery to the western front.³⁷

111. The Panel has collected over eight accounts of a delivery by sea, paid for by Qatar, of about 40 tons of military equipment to Zarzis, allegedly escorted by the Tunisian armed forces to the Dhehiba-Wazin border post with Libya.³⁸ The Panel found that one maritime delivery had been made to the port of Zarzis by the end of April 2011. Furthermore, in an interview with the television channel Al-Arabiya, the former Prime Minister of the transitional Government of Tunisia, Beji Caïd Essebsi, confirmed that Qatar had received permission to transfer military equipment to

³⁶ Matt Robinson, "Qatari weapons reaching rebels in Libyan mountains", Reuters, 31 May 2011, available from www.reuters.com/article/us-libya-weapons-idUSTRE74U3C520110531; Elizabeth Dickinson, "The gun smuggler's lament", Foreign Policy, 2 November 2015, available from <http://foreignpolicy.com/2015/10/02/the-gun-smugglers-lament-libya-zawiya-osama-kubbar-qatar-weapons-arms-proxy/>.

³⁷ "Libya conflict: France airdropped arms to rebels", BBC News, 29 June 2011. Available from www.bbc.com/news/world-africa-13955751.

³⁸ Wolfram Lacher and Ahmed Labnouj, "Factionalism resurgent: the war in the Jabal Nafusa", in *The Libyan Revolution and its Aftermath*, Peter Cole and Brian McQuinn, eds. (Oxford University Press, 2015), pp. 257 ff.

Libya through Tunisia using the Remada military airbase³⁹ around 52 km from the Dhehiba-Wazin border post.⁴⁰

112. Between May and June 2011, the dirt airstrip south of Zintan was graded to allow military cargo planes such as the C-17 to land safely. Since then, most transfers to the western front have been conducted by air, bypassing Tunisia (see S/2012/163, para. 94, and S/2013/99, paras. 70-91).

2. Turi

113. The Panel previously reported on Marc Turi and the Turi Defense Group (see S/2016/209, para. 112 and annex 23), concerning attempts to export weapons to Libya during 2011.

114. A United States Department of Justice prosecution of Turi was due to have commenced on 8 November 2016 in Phoenix, Arizona. The case was dropped in October 2016, with prosecutors quoted as saying that “‘discovery rulings’ from [the] U.S. District Court Judge ... contributed to the decision to drop the case”.⁴¹ The joint motion to dismiss is shown in annex 32. The Panel notes that the document states, “While the parties disagree on the facts of this case and the defendants deny any criminal conduct, the defendants acknowledge that the charges obtained in this case were based in fact”, indicating the existence of networks whose purpose was the import of weapons into Libya.

115. Panel enquiries with the United States requesting further information on the case have not elicited any additional details, and attempts to contact Turi’s legal representatives have not received a response.

3. Italian network

116. Italian police arrested three Italian nationals in January 2017. They are accused of smuggling helicopters and weapons, including surface-to-air missiles, assault rifles and anti-tank missiles, to Libya (and the Islamic Republic of Iran) between 2011 and 2015.⁴²

117. The case is still the subject of an ongoing legal process in Italy, and the Panel continues to investigate.

118. The Panel previously reported on arms transfers from Italy in 2011 (see S/2015/128, annex 17). Potentially related to the alleged transfer of arms from the island of Santo Stefano to Benghazi, the Panel confirmed with a former revolutionary that he had received an arms delivery from Italy “that had originated from the Balkans”.

³⁹ The Remada military airbase has the code DTTD. See <http://ourairports.com/airports/DTTD/>.

⁴⁰ See www.youtube.com/watch?v=y9O4VMEFFhM; the same point was made by two key figures in the procurement of military equipment during the revolution, Abd al-Hakim Belhaj and Ali Muhammad al-Sallabi, see www.youtube.com/watch?v=02vhWVAII6Y and www.youtube.com/watch?v=ea-e4KtYs0M.

⁴¹ Kenneth Vogel and Josh Gerstein, “Obama DOJ drops charges against alleged broker of Libyan weapons”, Politico, 5 October 2016. Available from www.politico.com/story/2016/10/marc-turi-libyan-rebels-hillary-clinton-229115.

⁴² “Italy police arrest four for smuggling arms to Iran, Libya”, Malta Today, 31 January 2017. Available from www.maltatoday.com.mt/news/world/73976/italy_police_arrest_four_for_smuggling_arms_to_iran_libya#.WOD3TBLyvgE.

C. Transfers of materiel after the revolution (September 2011-August 2014)

119. The Panel previously expressed its concern about the impact of transfers of military equipment in the absence of transparent and traceable procurement practices. Several deals concluded with end-user certificates being signed by the then Deputy Minister of Defence, Khaled al-Sharif, including such that were notified to the Committee, have been discussed in a previous report (S/2015/128, paras. 112-117 and 134). At present, such materiel continues to be diverted (see annex 33).

120. In this vein, the Panel is currently investigating the alleged purchase of military equipment by two private Libyan companies for the Benghazi Joint Security Room, which was created in 2013, bringing together the special forces of Benghazi, Libya Shield and several extremist armed groups. The deal was brokered by a Jordanian company, and the transport was facilitated through a Libyan subsidiary of a company registered in the United States. No exemption notification was made to the Committee for the military equipment that had been ordered. The Panel continues its investigation. Additional information is provided to the Committee separately.

D. Transfers or potential transfers of materiel, provision of training and technical assistance to Libya since the strengthening of the arms embargo in August 2014

121. Arms and ammunition continue to be transferred to various parties in Libya with the involvement of Member States and brokers. There has also been an increase in direct support from Member States and foreign armed actors, including in the establishment of military facilities.

1. Development of LNA air force

Mi-24p helicopters

122. The Panel received information that attack helicopters had been delivered to LNA in April 2015. It also received related pictures showing an Mi-24p with tail No. 785 and serial No. 21785 on a military base in eastern Libya. The Panel traced the origin of the helicopter to Belarus. Belarus has confirmed to the Panel that an Mi-24p helicopter with such markings had been transferred to the United Arab Emirates in 2014 as part of a delivery of four Mi-24p. Belarus had issued an end-user certificate and registered the transfer in the United Nations Register of Conventional Arms of 2015 (A/70/168, p. 6).

123. The Committee did not receive an exemption request for the transfer of this helicopter, nor has Belarus received any request by the United Arab Emirates for authorization of re-export of helicopters. The Panel has sent a letter to the United Arab Emirates asking for detailed information on the transfer of the attack helicopter to Libya but has not received a response.

Figure 1
Photograph of Mi-24p tail No. 785 with Libyan marking



Source: Confidential.

Figure 2
Close-up of serial No. 21785



Source: Confidential.

Khadim airbase

124. The imagery below shows the development of Khadim airbase in eastern Libya since 2014, with a corresponding increase in air assets.

Figure 3
Satellite imagery of Khadim airbase, July 2014 (left) and March 2017 (right)



Source: DigitalGlobe, WorldView-1, 2 July 2014, and WorldView-2, 3 March 2017.

Figure 4
Satellite imagery of Khadim, main apron, July 2014: no airframes or infrastructure at the airbase and a single apron



Source: DigitalGlobe, WorldView-1, 2 July 2014.

Figure 5
Satellite imagery of Khadim, main apron, June 2016: build-up of infrastructure and presence of Wing Loong unmanned aerial vehicles (see annex 34), AT-802 ground attack aircraft (see paras. 126 ff) and UH-60 helicopters



Source: DigitalGlobe, WorldView-1, 24 June 2016.

Figure 6
Satellite imagery of Khadim, main apron, October 2016: increased number of AT-802 visible; hangars have been built, probably preventing visibility of further air assets



Source: DigitalGlobe, WorldView-3, 16 October 2016.

Note: Reporting by IHS Jane's showed six AT-802s present at Khadim in July 2016 (see also below).⁴³

⁴³ Jeremy Binnie, "UAE's forward operating base in Libya revealed", *IHS Jane's Defence Weekly*, 28 October 2016. Available from www.janes.com/article/64980/uae-s-forward-operating-base-in-libya-revealed.

Figure 7
Satellite imagery of Khadim, main apron, December 2016: UH-60s and a single AT-802 still visible; hangar capacity has been significantly increased



Source: DigitalGlobe, WorldView-3, 30 December 2016.

Figure 8
Satellite imagery of Khadim, main apron, March 2017: further hangar capacity
developed; all airframes are out of sight



Source: DigitalGlobe, WorldView-2, 3 March 2017.

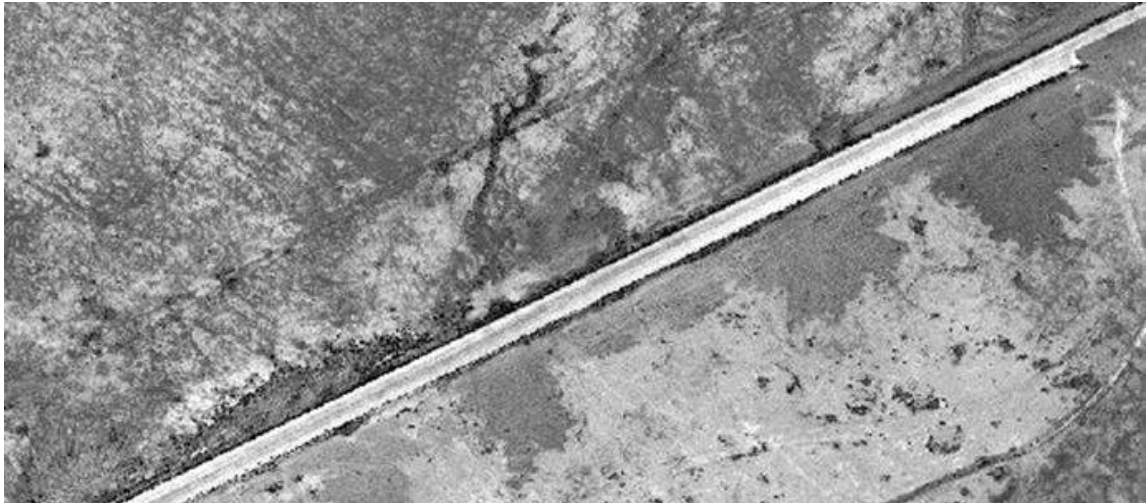
Figure 9
Satellite imagery of Khadim, southern apron area, July 2014 (left) and March 2017 (right): significant engineering work has been carried out to develop a southern apron and increase hangars, suggesting that further air assets are intended to operate from the airbase



Source: DigitalGlobe, WorldView-1, 2 July 2014, and WorldView-2, 3 March 2017.

Barracks and entrance

Figure 10
Satellite imagery of Khadim, entrance area, July 2014



Source: DigitalGlobe, WorldView-1, 2 July 2014.

Figure 11
Satellite imagery of Khadim, entrance area, buildings above road, March 2017



Source: DigitalGlobe, WorldView-2, 3 March 2017.

Figure 12
Satellite imagery of Khadim, entrance area, security structure on road, March 2017



Source: DigitalGlobe, WorldView-2, 3 March 2017.

125. The imagery above shows buildings constructed to support increased activity at the airbase and substantive security works that have been carried out at the entrance for control of access.

AT-802i fixed-wing aircraft

126. The Panel has received photographic evidence of an AT-802i fixed-wing aircraft based in LNA in eastern Libya. Iomax USA Inc. has developed and modified a commercial agricultural/fire aircraft for counter-insurgency and border protection, purposed and currently marketed under the brand “Archangel”. The Panel could confirm that until February 2017 the only client of Iomax was the United Arab Emirates, for which it had produced and sold 48 units.

127. The first generation of Archangels was based on the AT-802i, a single-engine aircraft built by the United States company Air Tractor. The plane shown in the photograph below was part of a delivery to the United Arab Emirates in March 2011.

Figure 13

Photograph of AT-802i with tail No. 2282

Source: Military Edge (http://militaryedge.org/wp-content/uploads/2014/07/AT-802_UAE.jpg).

128. The first AT-802i sighted in Libya, with tail No. 2287,⁴⁴ was part of the same delivery to the United Arab Emirates in March 2011. The aircraft in Libya shows six underwing hardpoints and a forward-looking infrared systems designator turret mounted on an Iomax flexible pod system.

⁴⁴ See www.airport-data.com/aircraft/2287.html.

Figure 14
Photograph of AT-802i sighted in Libya with tail No. 2287 (right) and erased flag



Source: Arnaud Delalande.

129. Information on transport aircraft sighted at Khadim can be found in annex 35. The aircraft are believed to be connected to reports that several airlines registered in the Republic of Moldova have been transporting officers and commanders of armed groups allied to Haftar's LNA (see recommendation 5).

130. Details of developments at Al-Abraq airbase can be found in annex 36, and developments at Zintan airbase in annex 37.

Additional attempts

131. The Panel is concerned about retransfers used to conceal LNA as the real end user. The Panel is investigating an ongoing case involving Mi-24v attack helicopters that have been offered to the air force of Haftar's LNA without the submission of an exemption request to the Committee (see annex 38).

International support for LNA

United Arab Emirates

132. The United Arab Emirates have been providing both material support (see paras. 122 ff) and direct support to LNA (see paras. 124 ff), which have significantly increased the air support available to LNA. The Panel has received no response from the United Arab Emirates to its enquiries.

France

133. The presence of French military personnel in Libya was publicly acknowledged by the Ministry of Defence of France,⁴⁵ following the deaths of three

⁴⁵ "French Government acknowledges 'secret war' in Libya as three soldiers killed fighting ISIL militants", *The Telegraph*, 20 July 2016. Available from www.telegraph.co.uk/news/2016/07/20/three-french-soldiers-killed-in-libya-as-government-acknowledges/.

operatives in an LNA helicopter crash near the city of Benghazi. The three soldiers were reported to have been on an intelligence-gathering mission in the east of Libya. France has stated to the Panel that its military activities in Libya conform to international law.

Other support

134. The recent air strikes against targets in the oil crescent to support the recapture by LNA of a number of oil terminals demonstrated a capability for night bombing missions that are believed to be outside the capabilities of the integral air force of LNA. Confidential sources suggest that a regional State was responsible. The Panel's investigations are ongoing.

2. Development of the Misratah air force

Investigations relating to aviation capability and mercenaries

135. Aerial attacks from the Misratah airbase have continued since 2016. Two Mirage F1 fighter jets were operational and were flown by at least three foreign pilots acting as mercenaries. They reportedly flew from March until the third week of July 2016. One of them died after his plane crashed on 2 June 2016, having carried out a raid against ISIL in Sirte. Since the crash, only one Mirage F1 in Misratah has remained operational.

136. While the Panel was able to identify the deceased pilot as a national of Portugal and a permanent resident of Germany, the latter State has not provided information that could have helped to disclose relevant leads on the entities that had contracted him and had paid for his services in Libya.

137. A team of engineers from Ecuador has been in charge of the maintenance of the Mirage F1. When contacted by the Panel, Ecuador stated that it had no knowledge of such activities. While a bank account related to the payment of the engineers has been identified, Ecuador has not responded to a Panel request for further details.

138. The company that recruited the engineers is "Gateway to MENA for Logistics Services", registered in Jordan (see annex 39). The representative of the company in the contract is a Moldovan citizen, Sergiu Banari. The Republic of Moldova confirmed that Banari had a connection with the arms broker Rami Ghanem, who holds both United States and Jordanian citizenship. Ghanem had also been involved in the recruitment of the Ecuadorian crews. Ghanem was arrested in Greece⁴⁶ on 8 December 2015, after he allegedly tried to ship weapons illegally to Hizbullah.

139. The company has admitted to having "provided some services to the Government of National Accord" and has mentioned that it had an altercation with "a former employee" who was mentioned in the Panel's final report for 2016 and identified as one of the pilots flying the Mirage F1 from Misratah (see S/2016/209, para. 169).

140. Regular money transfers from the Latvijas Pasta Bank (Latvia) were carried out by companies registered in the United Kingdom of Great Britain and Northern Ireland (annex 39, para. 4) to the benefit of several Ecuadorian citizens who had been members of the Ecuadorian Air Force. Regular payments to these individuals were detected between June and December 2015. Engineers received almost \$10,000 per month, while pilots received \$20,000. The Panel requested further bank

⁴⁶ TO VIMA, "Police arrest 49-year-old man for arms smuggling", 9 December 2015. Available from www.tovima.gr/en/article/?aid=760510.

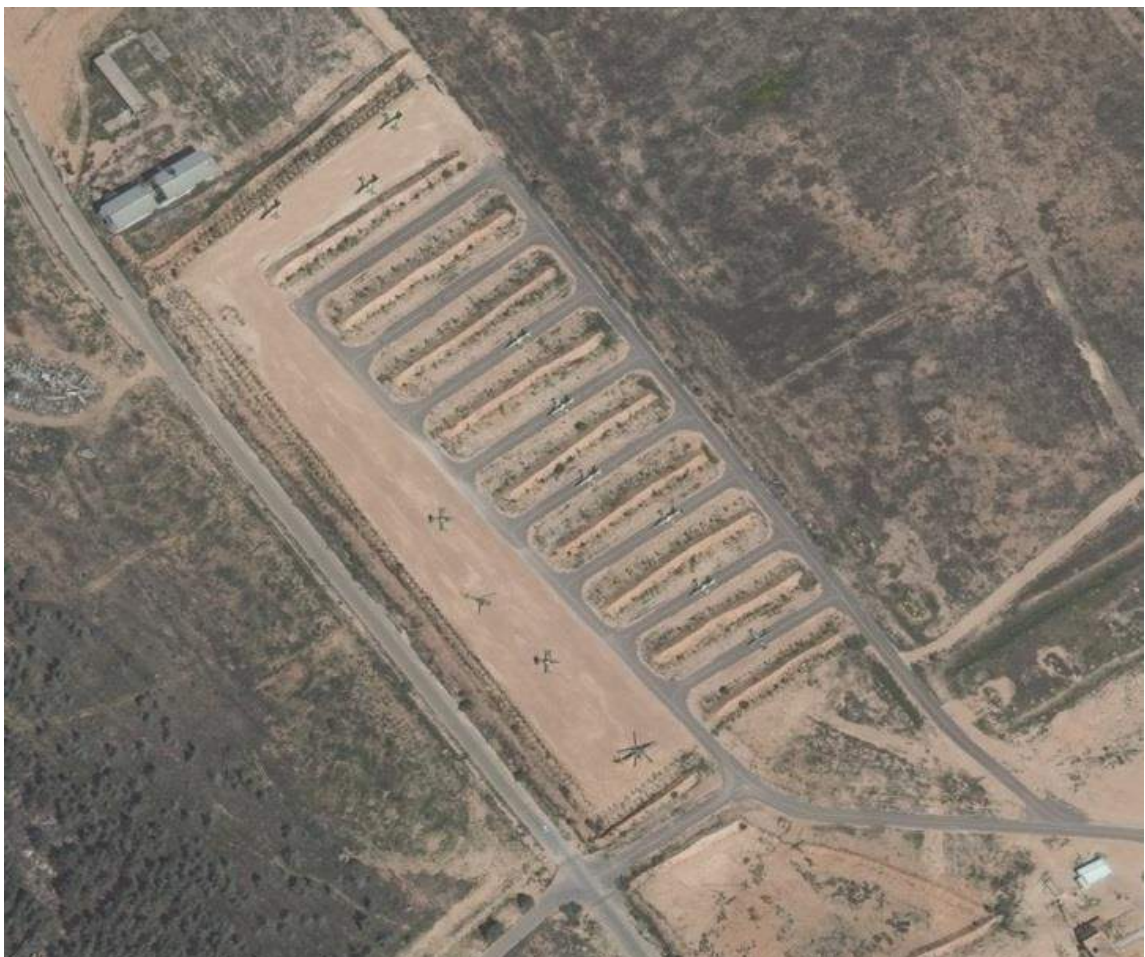
details from Ecuador and the United Kingdom but has not received the requested information.

141. The Panel has learned that after the arrest of Ghanem, individuals from Misratah have contracted the Ecuadorian team directly. Some individuals involved have been identified (annex 39, para. 7). Several sources have confirmed that Abdul Salam Fakroum, a well-known Misratan businessman, has also been involved on the logistical side of hosting some crew members outside the airbase in the city of Misratah. He has also been providing the pilots of the Mirage F1 with the coordinates of the targets to be attacked, at least until the operations against ISIL in Sirte started.

Misratah airbase

142. The Misratah airbase has seen an increase in infrastructure and a concentration of air assets since 2014. The images in figure 15 below show the development that has taken place to the north of the main aircraft apron of the airfield since 2014.

Figure 15
Satellite imagery of Misratah airbase, area to the north of main apron, February 2014 (top)
and March 2017 (bottom)



Source: DigitalGlobe, GeoEye-1, 15 February 2014, and WorldView-3, 4 March 2017.

143. With the new hardened taxiways and bermed parking locations, the Misratans have concentrated G2-Galeb and L-39 fixed-wing aircraft in this location. An Mi-24/Mi-35 attack helicopter and two Mi-2 helicopters can also be seen. The Panel has not been able to confirm whether the build-up of aircraft is related to transfers within Libya. It is the Panel's assessment that incoming transfers of new aircraft are unlikely to have occurred; it is more likely that previously unserviceable aircraft have been restored. This is an indicator of the transfer of spare parts and provision of technical assistance.

Figure 16

Satellite imagery of Misratah airbase, main apron, February 2014 (top) and March 2017 (bottom)



Source: DigitalGlobe, GeoEye-1, 15 February 2014, and WorldView-3, 4 March 2017.

144. The images of the main apron (see figure 16) also show increased use by military aircraft since 2014, including Mi-24/35 and probable Mi-8 helicopters. A MiG-25 fighter aircraft has also been moved to the main apron (bottom right corner).

Figure 17
Satellite imagery of Misratah airbase, southern apron, February 2014 (top) and
March 2017 (bottom)



Source: DigitalGlobe, GeoEye-1, 15 February 2014, and WorldView-3, 4 March 2017.

145. While the aircraft parked along the north-eastern edge of the southern apron (see figure 17) are probably unserviceable, the two MiG-23 parked more centrally (one with retracted wings) are assessed to be functioning. A new concrete hard standing can be seen on the upper left side.

International support for Operation Bunyan Marsus

Air strikes

146. At the conclusion of Operation Odyssey Lightning, the United States military stated on 20 December 2016⁴⁷ that it had conducted 495 air strikes in Libya as part of the Operation, which began on 1 August 2016. These air strikes were reported to have targeted ISIL command and control assets, fighting positions, vehicle-borne improvised explosive devices, engineering equipment, tanks, heavy weapons and vehicles. The large majority of the air strikes conducted as part of the Operation were conducted in the area of Sirte. The United States repeatedly stated that its air strikes had been conducted “at the request of, and in coordination with, the Government of National Accord”.⁴⁸

Special forces

147. The Panel has received consistent reports of Italian, United Kingdom and United States special forces personnel operating in support of the operations of Operation Bunyan Marsus, providing both technical assistance and direct support. None of the countries involved have commented on Panel inquiries into the presence of their special forces within Libya.⁴⁹

E. International support for Libya

148. Paragraph 10 of resolution [2095 \(2013\)](#) provides an exception to the arms embargo for “supplies of non-lethal military equipment, and the provision of any technical assistance, training or financial assistance, when intended solely for security or disarmament assistance to the Libyan Government”. This is further clarified in the twelfth preambular paragraph of resolution [2292 \(2016\)](#) which specifies: “when intended solely for security or disarmament assistance to the Government of National Accord and the national security forces under its control”. Resolution [2292 \(2016\)](#) also reiterates the Council’s request for a focal point in the Government of National Accord to “provide information relevant to the Committee’s work on the structure of the security forces under its control”, in accordance with paragraph 6 of resolution [2278 \(2016\)](#). At the time of writing, no such information had been provided.

149. The resolutions provide no other mechanism for identifying national security forces under the control of the Government of National Accord. Given the issues concerning the political process and the transactional and transitional nature of the allegiances of armed groups, including those currently providing support to the Presidency Council, the Panel does not view any grouping as benefiting from this

⁴⁷ United States Africa Command, “AFRICOM concludes Operation Odyssey Lightning”, press release, 20 December 2016. Available from www.africom.mil/media-room/pressrelease/28564/africom-concludes-operation-odyssey-lightning.

⁴⁸ United States Africa Command, “US air strikes in support of GNA”, 4, 7, 8 and 17 August 2016. Available from www.africom.mil/media-room/pressrelease/.

⁴⁹ “Libyans say Italian soldiers are fighting alongside them against Islamic State”, *La Repubblica*, 10 August 2017, available from www.repubblica.it/esteri/2016/08/10/news/soldati_italiani_in_libia_sirte-145702675/; Anthony Loyd, “British special forces destroy suicide truck”, *The Times*, 26 May 2016, available from www.thetimes.co.uk/article/british-special-forces-destroy-suicide-truck-8dpx3r3qt; Hayder al-Khoei, Ellie Geranmayeh and Mattia Toaldo, *After ISIS: How to Win the Peace in Iraq and Libya* (London, European Council on Foreign Relations, 2017), available from www.ecfr.eu/publications/summary/after_isis_how_to_win_the_peace_in_iraq_and_libya_7212; Nick Paton Walsh, “US special forces take the fight to ISIS in Libya”, CNN, 26 May 2016, available from <http://edition.cnn.com/2016/05/18/middleeast/libya-isis-us-special-forces/>.

exception at this time. In view of this, the Panel believes that any supplies of non-lethal military equipment, technical assistance, training or financial assistance to an armed group, without the approval of the Committee, contravenes the arms embargo.

1. Training activities

Coastguard

150. EUNAVFOR MED delivered an initial training package, beginning in October 2016, reportedly for 78 Libyans on board two EUNAVFOR MED vessels. The initial training package was stated⁵⁰ to have included basic seamanship and more advanced specialist skills. It was stated in the same document that training was being delivered to both the Libyan coastguard and the Libyan navy. A subsequent statement indicated that 89 individuals had received training in the first training package.⁵¹

151. A second package of training was started on 30 January 2017 for 20 Libyan coastguard and navy trainees.⁵² The statement released by the European Union providing these details again stated that only 78 individuals had been trained in the first package. It also states that the original memorandum of understanding had been signed with the “Libyan navy coastguard” rather than with the navy and the coastguard as separate entities, as the European Union refers to them elsewhere in the same statement and in its other public announcements. In the eighteenth preambular paragraph of resolution 2312 (2016), the Council took note of the decision of the Council of the European Union to expand the EUNAVFOR MED mandate to the training of the Libyan coastguard and navy in law enforcement at sea. However, the anticipated briefing by EUNAVFOR MED to the Committee regarding their activities, as highlighted in the Chair’s report of 6 December 2016 (see S/PV.7827), had not taken place.

152. Neither the coastguard nor the navy has been notified to the Committee as part of the security forces under the control of the Government of National Accord, and the issue of control is further highlighted by multiple reports of criminal activities involving the coastguard (see para. 104), most notably by UNSMIL: “Migrants, as well as representatives of international non-governmental organizations that carry out search and rescue operations, have also recounted dangerous, life-threatening interceptions by armed men believed to be from the Libyan coastguard. After interception, migrants are often beaten, robbed and taken to detention centres or

⁵⁰ Union External Action, “EUNAVFOR MED Operation Sophia starts training of Libyan coastguard and Libyan navy”, 27 October 2016. Available from https://eeas.europa.eu/headquarters/headquarters-homepage/13195/eunavfor-med-operation-sophia-starts-training-of-libyan-navy-coast-guard-and-libyan-navy_en.

⁵¹ European Union External Action, “EUNAVFOR MED Operation Sophia: HRVP Mogherini attends graduation ceremony of first training package of Libyan navy coastguard and Libyan navy”, 7 February 2017. Available from https://eeas.europa.eu/headquarters/headquarters-homepage/20095/eunavfor-med-operation-sophia-hrvp-mogherini-attends-graduation-ceremony-first-training_en.

⁵² European Union External Action “Operation Sophia: package 2 of the Libyan navy coastguard and Libyan navy training launched today”, 30 January 2017. Available from https://eeas.europa.eu/headquarters/headquarters-homepage/19518/operation-sophia-package-2-libyan-navy-coast-guard-and-libyan-navy-training-launched-today_en.

private houses and farms, where they are subjected to forced labour, rape and other sexual violence”.⁵³

153. These reports highlight further concerns raised with the Panel over the level of vetting to which trainees have been subject.

Presidential Guard

154. Close protection training has been delivered by France to a unit of the Presidential Guard in Tripoli. The Panel understands that the training is being delivered in batches, with a total of approximately 80 personnel to be trained by mid-2017.

Conclusion

155. The European Union and France have indicated to the Panel that the training was undertaken upon the request of the Presidency Council and Al-Serraj, respectively. Both used paragraph 10 of resolution 2095 (2013) as the authority for their training, without reference to the later resolutions. In the Panel’s opinion, it remains unclear as to who can benefit from the exception, with diverging interpretations of the resolutions (see recommendations 1, 2, 3 and 15).

2. Italian military personnel

156. The deployment of an Italian military hospital to Misratah airport came with a simultaneous reported deployment of at least 100 armed military personnel.⁵⁴ The presence of armed military personnel as a protective measure for the hospital was confirmed in official communications with the Panel. No exemption request or notification was submitted to the Committee.

F. Further transfers of materiel into Libya

1. Guided artillery munitions

157. The photograph of the artillery projectile below was taken by the Benghazi Revolutionaries Shura Council and released on 30 October 2016 through social media. The Shura Council initially reported the projectile as a United States-made rocket. The image was subsequently analysed and reported on by IHS Jane’s.⁵⁵ The projectile was identified as a Krasnopol made by the KBP Instrument Design Bureau. No exemption request or notification was submitted to the Committee.

⁵³ United Nations Support Mission in Libya and Office of the United Nations High Commissioner for Human Rights, “Detained and dehumanized: report on human rights abuses against migrants in Libya”, 13 December 2016. Available from <http://unsmil.unmissions.org/Portals/unsmil/Documents/Migrants%20report-EN.pdf>.

⁵⁴ Hayder al-Khoei, Ellie Geranmayeh and Mattia Toaldo, *After ISIS: How to Win the Peace in Iraq and Libya* (London, European Council on Foreign Relations, 2017), available from www.ecfr.eu/publications/summary/after_isis_how_to_win_the_peace_in_iraq_and_libya_7212; “Libya: Pinotti says Italian hospital is operational in Misrata”, ANSA Med, 24 October 2016, available from www.ansamed.info/ansamed/it/notizie/rubriche/cronaca/2016/10/20/libia-pinotti-operativo-ospedale-italiano-a-misurata_fafbc21c-49b4-48b8-8907-d3e9960893ee.html.

⁵⁵ Jeremy Binnie and Neil Gibson, “Evidence of guided artillery usage seen in Libya”, *IHS Jane’s Defence Weekly*, 31 October 2016. Available from www.janes.com/article/65066/evidence-of-guided-artillery-usage-seen-in-libya.

Figure 18
Photograph of guided artillery munition recovered in Benghazi



Source: IHS Jane's, 31 October 2016.

Markings on the projectile:

1/121 (indicating lot number)

2014 (year of manufacture)

A-IX-I (indicating explosive fill)

158. In response to Panel enquiries, the Russian Federation indicated that Krasnopol guided artillery projectiles were designed by AO Shipunov KBP Instrument Design Bureau in Tula and manufactured by AO Kalashnikov Concern in Izhevsk. However, in 2014 AO Kalashnikov Concern did not manufacture Krasnopol projectiles or export them to foreign customers. The Russian Federation also indicated that the explosive fill shown was not the one used in that type of projectile and that AO Kalashnikov Concern as the manufacturer did not use markings like the lot number shown.

159. The Panel has also investigated the potential for the projectile to be a GP-1 or a GP-6, manufactured by China North Industries Corporation, which have the same external features as the Krasnopol; however, no response has been received from China. Investigations continue.

2. Deliveries of armoured personnel carriers and other vehicles

160. The Panel has confirmed new reports⁵⁶ of deliveries of armoured vehicles to LNA in Tubruq on 17 April 2016. According to the bill of lading, the delivery consisted of 93 armoured personnel carriers and 549 armoured and non-armoured vehicles. The 93 carriers likely included 75 Panther T6, produced by Minerva Special Purpose Vehicles, and 18 Tygra models, produced by Mezcal (a spin-off from the former), both based in the United Arab Emirates.

161. The armoured personnel carriers were part of the same contracts on which the Panel reported previously (S/2016/209, annexes 29 and 30) and that were brokered by the United Arab Emirates-based company Ard el Theqa General Trading⁵⁷ and designating the Ministry of the Interior of Libya as the end user. A representative of

⁵⁶ Abdulkader Assad, "A huge number of vehicles and ammunition for Haftar's militias arrive in Tobruk", *Libya Observer*, 24 April 2016. Available from www.libyaobserver.ly/news/huge-number-vehicles-and-ammunition-haftar%E2%80%99s-militias-arrive-tobruk.

⁵⁷ The same company name has been used by another broker, Mohammed Tag, working on behalf of LNA.

Mezcal confirmed to the Panel in 2015 that it had previously shipped 10 Tygras to Tubruq.

162. The Panel's investigations indicated that the vessel *Bahri Abha* (IMO 9620944) had shipped the vehicles from the United Arab Emirates. The *Bahri Abha* is registered in Saudi Arabia and belongs to a Saudi State-owned shipping line. The Panel contacted the Saudi authorities, which confirmed the shipment and shared the bills of lading (see annex 40). The ship left Jebel Ali port (United Arab Emirates) on 24 March 2016 and docked in Tubruq on 17 April 2016.

163. Of the 549 vehicles, 195 Toyota Land Cruiser pickup trucks were loaded in Jeddah Islamic Port, Saudi Arabia. The pictures below show the delivery of the armoured personnel carriers, as well as workshops where weapons are fitted to the vehicles.

Figure 19
Photograph of Panthera T6 delivery in Tubruq



Source: www.elbalad.news/2159540?bar=1.

164. For armed groups in Libya, Toyota pickup trucks (primarily single-cabin HZJ 79) seem to be even more important than armoured vehicles, because of the ease in mounting various infantry support weapons, notably 12.7-mm and 14.5-mm machine guns and 106-mm recoilless rifles. The Panel's assessment is that when such vehicles have armed and security units as end users, they should be viewed as military materiel (see recommendation 2).

165. Furthermore, the Panel has received Member State reports indicating that Libyan armed groups also use pickup trucks as barter items in exchange for weapons and ammunition and as payment to mercenaries.

166. During the reporting period, the Panel received information on large deliveries of Toyota pickup trucks and armoured 4x4 cars to Tubruq on 16 January and 4 April 2017 (see annex 41).

Figure 20
Photograph of Toyotas delivered to Tubruq on 16 January 2017



Source: Social media.

Figure 21
Photograph of Toyotas delivered to Tubruq on 17 April 2016



Source: Social media.

Figure 22
Photograph of workshop in Tubruq fitting weaponry to civilian vehicles;
similar workshops exist elsewhere in the country, including in Misratah



Source: LNA operations Facebook page (www.facebook.com/armylibya1/photos).

Figure 23
Photograph of LNA workshop in which 12.7-mm and 14.5-mm machine guns
with shields are being mounted



Source: <https://libertedecire.wordpress.com/2017/03/07/daily-reports-of-the-oil-crescent-war-in-libya/#jp-carousel-3856>.

Figure 24

Photograph of a Toyota — still with the white protection film on the hood and fitted with a 14.5-mm anti-air machine gun — that belongs to an LNA allied brigade on its way to the oil crescent on 7 March 2017



Source: Ibid.

Figure 25

Photograph of a gathering of the Abu Salim Brigade displaying brand new pickup trucks in March 2017



Source: “Deterrent force refuses military ruling”, *Libya Prospect*, 17 March 2017. Available from <http://libyaprospect.com/index.php/2017/03/17/deterrent-force-refuses-military-ruling/>.

Figure 26
Photograph of the self-proclaimed Libyan National Guard parading new vehicles in Tripoli



Source: “Libyan national guard parade in Tripoli”, *Libya Observer*, 9 February 2017. Available from www.libyaobserver.ly/videos/libyan-national-guard-parade-tripoli.

Figure 27
Photograph of the Benghazi Defence Brigades with new pickup trucks in the oil crescent region



Source: “Benghazi defence brigades quit Jufra as PC defence minister orders action against LNA”, *Libya Herald*, 9 April 2017, available from www.libyaherald.com/2017/04/09/benghazi-defence-brigade-quit-jufra-as-pc-defence-minister-orders-action-against-lna/; “Defense brigades announces controlling Al-Magroun”, *Libya Prospect*, 15 July 2017, available from <http://libyaprospect.com/index.php/2016/07/15/defense-brigades-announces-controlling-al-magroun/>.

167. Additional information on a potential shipment of pickup trucks to a western armed group is being separately submitted to the Committee.

3. Interception equipment

168. The Panel received confirmation of reports that deliveries of interception and jamming equipment had been made to Tripoli since the adoption of resolution 2174 (2014) in August 2014. The Panel obtained a letter of complaint from the Libyan Post, Telecommunication and Information Technology Company to one of the suppliers of the materiel (see annex 42). The Panel also interviewed a Libyan buyer who travelled to Marbella, Spain, on multiple occasions to procure such equipment.

169. This equipment was deployed in several areas of Tripoli, under the control of different armed groups, including the National Mobile Force, the Special Deterrence Force, the National Guard and the Abu Salim Brigade. These groups have been

involved in serious human rights violations and criminal activities. The capability to listen into mobile phone conversations and read private messages increases their operational effectiveness and provides a significant tactical advantage over rival armed groups. More importantly, in a city where bank robberies, abductions and killings frequently occur, the ease of access to materiel capable of tracking the movements of civilians is a significant threat to peace and security. The Panel has received information that such equipment has been used for blackmailing and to plan kidnappings (see recommendation 4).

4. Private security companies

170. The Panel is currently looking into reports on the presence of private security companies in Libya, notably the precise details of the contracting of the Russian company RSB Group for the demining of the facilities of the Libyan Cement Company in Benghazi (see annex 43).

G. Transfers of materiel from Libya

1. Tunisia

171. On 7 March 2016, ISIL elements launched a major attack on police and national guard stations, as well as a military camp, in the southern Tunisian town of Ben Gardane, located 20 km from the Libyan border. The Tunisian security forces seized a considerable number of weapons and, as a result of the ensuing investigations, located over six arms caches in the wider region of Ben Gardane near the Libyan border. The Security Council condemned “in the strongest terms the 7 March terrorist attack ..., which resulted in the deaths of 12 members of Tunisia’s security forces and 7 civilians, as well as over 17 injured”.⁵⁸ In April 2017, the Tunisian authorities closed the investigations and indicted 77 people.

172. The Tunisian Armed Forces have granted the Panel access to materiel seized by the security forces in March and April 2016 in the wider Ben Gardane area, following the attack (see annex 44).

Torun shotguns

173. With the support of the Tunisian authorities, the Panel identified a series of over-under shotguns produced by Torun Silah Sanayi and seized in March 2016 from an arms cache discovered after the attack in Ben Gardane and smuggled into the country from Libya.

174. Following the Panel’s enquiry with Turkish authorities, Torun Silah Sanayi claims to have sold the shotguns to the “Yassine Middle East Company”, a shotgun reseller in Beirut. According to the Turkish authorities, the customs declaration states that these shotguns were loaded onto the vessel *Haddad I*, which was intercepted by the Hellenic coastguard in September 2015. The materiel on board the *Haddad I* was seized by Greece (see also S/2016/209, para. 153).

175. However, the serial numbers documented by the Panel in Tunisia do not seem to match the packing lists provided by Torun Silah Sanayi through the Turkish authorities. The Panel also found inconsistencies between the preliminary investigations of the Greek police and the documentation previously provided by the Turkish authorities (see S/2016/209, annex 34). It seems unlikely that the shotguns were transferred to Libya after they had been seized by Greece on board the *Haddad I*.

⁵⁸ Security Council press statement on terrorist attack in Tunisia (SC/12273-AMR/3340), 8 March 2016. Available from www.un.org/press/en/2016/sc12273.doc.htm.

The Panel has requested clarifications from both the Turkish and the Greek authorities.

Figure 28

Photograph of Tunisian seizure of Torun “new 2015” over-under shotguns



Source: Panel of Experts, January 2015.

Figure 29

Photograph of Tunisian seizure of Torun “new 2015” over-under shotguns



Source: Panel of Experts, January 2017.

176. Another item of interest recovered was a Night Owl model NONB2FF night vision device, serial No. 50003063, which is marked as having been manufactured in Belarus.

177. Research by the Panel indicates that Night Owl Optics operates from a company address in Texas, United States. The United States has not responded to the Panel’s request for information.

178. Further examples of items recovered are shown in annex 44.

Figure 30
Photograph of Night Owl Optics night vision equipment



Source: Panel of Experts, January 2017.

2. Egypt

179. Egyptian authorities provided a list of weapons, sorted by type and quantity, that were seized in the course of being smuggled from Libya to Egypt between 1 January and 11 November 2016. The most significant number of weapons recovered was 1,395 shotguns. No further details were provided, and the Panel continues to engage with the Egyptian authorities in order to gain further details so as to establish the original supplier of these weapons. The full list is shown in annex 45.

3. Niger

180. Officials of the Niger reported a reduction in the scale of weapons trafficking from Libya in 2017; however, they raised issues such as migrants being used as “mules” to transport weapons and the Tebu community providing links between ISIL in Libya and Boko Haram. Details of transfers to the Niger are shown in annex 46.

4. Mali

181. From within the Tuareg community, the Panel received repeated reports regarding arms transfers from Ansar el Haqq, headed by Mohammed Ingtallah and based in Awbari, to Ansar Eddine (QDe.135) in Mali. The deliveries are allegedly composed of light weapons, such as Zastava M80 assault rifles, anti-tank weapons and explosives. The operations are supposedly coordinated by Ingtallah’s son.

5. Algeria

182. The Panel reviewed reports of seizures by Algerian authorities but could not physically inspect the materiel (see annex 47).

VII. Prevention of illicit crude oil exports under resolution 2146 (2014)

183. On 27 April 2016,⁵⁹ the vessel *Distya Ameya* (IMO 9077343) became the first vessel to be added to the sanctions list, for violating the measures relating to attempts to illicitly export crude oil from Libya, pursuant to paragraph 10 of resolution 2146 (2014). Following its designation, the tanker returned to Libya to

⁵⁹ The western National Oil Corporation informed the Presidency Council about this case on 21 April 2016. See National Oil Corporation, “NOC acts to block illicit export of oil from Libya by parallel administration”, statement, 22 April 2016. Available from <http://noc.ly/index.php/en/new-4/1452-noc-acts-to-block-illicit-export-of-oil-from-libya-by-parallel-administration>.

offload its cargo in Zawiyah, completing the operation on 6 May 2016. Upon a request by the flag State, India, and an indication of no objection by Libya, the Committee delisted the vessel on 16 May 2016 (see annex 48).

184. It is noteworthy that, at the time of the export attempt, the Presidency Council had not yet appointed its focal point pursuant to resolution 2146 (2014). Instead, the case was presented to the Committee by the Permanent Representative of Libya to the United Nations.

185. On 4 November 2016, the Committee, through the Permanent Mission of Libya, received a communication from Abdallah Ateiga, who presented himself as the focal point appointed by the Presidency Council, without providing contact details, and warned about a possible attempt to illegally sell crude oil. The Committee requested his contact details; however, the Permanent Mission of Libya informed the Panel that no relevant information had been received from Tripoli (see annex 49).

186. The shipment that Ateiga had warned about was acknowledged by the eastern National Oil Corporation. It explained to the Panel that it had given the order to the Arabian Gulf Oil Company, a subsidiary of the National Oil Corporation, to prepare the amount of 2 million barrels to be shipped to Egypt on 11 November 2016. The Panel had access to some documents regarding the vessel that was to load the shipment, but its name and IMO number had been redacted in the documents (see annex 49).

187. Sources from within the eastern National Oil Corporation stated that the shipment had been “proposed by Egypt” in accordance with a memorandum of understanding signed on 29 December 2015, one day before the endorsement of the Libyan Political Agreement. Egypt denied that such a shipment had been agreed upon, but acknowledged the existence of this memorandum. However, it had not taken any action to implement it or any other contract.

188. The name of a vessel was not disclosed by Ateiga to the Committee, and to the Panel’s knowledge the shipment was never carried out.

189. Another attempt by the eastern National Oil Corporation to export crude oil is related to a contract that it signed with the company Europa Shipping SA. It states that a shipment of crude oil from Marsa al-Hariqah was due to be carried out between 25 and 30 November 2016 (see annex 50). The amount of crude oil to be exported, as mentioned in the agreement, was 3 million barrels of the Sarir/Mesla blend. The export has not taken place to date.

190. The western National Oil Corporation is aware of these attempts and sent a public warning to the companies that are trying to gain access to the Libyan oil trade.⁶⁰ The eastern authorities issued a counterstatement on 27 March 2017 (see annex 51).

VIII. Unity of State institutions and misappropriation of State funds

191. The Panel finds that the key financial institutions of Libya remain more divided than ever. With the possible exception of the National Oil Corporation, control over their infrastructure, assets and personnel has further fragmented. This has reduced the possibility for oversight and increased the risk of misappropriation.

⁶⁰ National Oil Corporation, “National Oil Corporation warns oil market against illegal contracts”, statement, 26 March 2017. Available from <http://noc.ly/index.php/en/new-4/2148-national-oil-corporation-warns-oil-market-against-illegal-contracts>.

192. The Presidency Council has been divided over the organization of and appointments in key institutions. For example, Fathi al-Mejbari has tried to replace Mustafa Sanallah at the helm of the National Oil Corporation, and Ahmed Maetig has repeatedly advocated removing Faisal Gergab from the Libyan Post, Telecommunication and Information Technology Company. In addition, in those cases where the Presidency Council did reach a decision, the decision has been further contested externally and the Council mandate questioned.

193. As a consequence, the loyalty of some staff is still divided between the competing authorities, which have each tried to make their own appointments. Rival managements and their political backers continue to attempt to strengthen their position through various strategies, including legal action and support from armed groups, often with a destabilizing impact (see recommendation 14).

194. Sources consulted by the Panel are in agreement that the interference of armed groups in Tripoli has increased. Rival managements of institutions sometimes actively seek the services of armed groups to strengthen their claims. Sometimes, armed groups make themselves indispensable. In some cases, armed group affiliates are included in the staff or management of institutions.

195. Important concerns over the budgetary implications of the persistent division have been voiced by the Audit Bureau of Libya. The Bureau pointed out to the Panel that State expenditure was still too high, especially in terms of the exaggerated number of employees on government payroll. In addition, the Al-Ghweil and Al-Thinni Governments continue to enter into contracts in the name of the Libyan State. The Presidency Council itself is also responsible for misspending, as shown by its transfer of \$42 million to Ibrahim Jadhran in mid-2016. Other concerns raised included the weakened position of Libyan institutions in numerous multimillion-dollar court cases, often initiated with the assistance of Libyan nationals seeking to make a profit out of them. Finally, frequent attempts are made to sell assets of Libyan institutions and companies to obtain liquidity. Without unity and stability, these issues cannot be addressed.

196. The Panel received many allegations of misappropriation of State funds from dozens of interviewees, many of whom were insiders. Given the complexity of these cases, the limited access to Libya and the resources available to the Panel, it cannot possibly investigate all of these allegations conclusively and in detail.

A. National Oil Corporation

1. The institution

197. Attempts to unify the National Oil Corporation under the Presidency Council's "patronage" made some progress, although tangible results remained scant after an initial agreement was signed in Vienna on 16 May 2016. Eventually, the eastern National Oil Corporation withdrew from the agreement on 13 March 2017.

198. The political agreement between the two rival institutions signed in Vienna⁶¹ (see annex 52) and the subsequent technical agreement signed in Istanbul⁶² represented a significant achievement for a divided Libya. However, the agreement received insufficient support. First, there was a lack of clear commitment on the part of the House of Representatives (see para. 202). Second, internal disputes within the

⁶¹ Libby George and Ahmad Ghaddar, "Libya to resume oil shipments from Hariga after talks", Reuters, 16 May 2016. Available from www.reuters.com/article/libya-oil-exports-idUSL5N18D46D.

⁶² Patrick Markey, "In sign of progress, Libya's rival NOC companies agree to merge", Reuters, 3 July 2016. Available from www.reuters.com/article/us-libya-security-energy-idUSKCN0ZJ0H7.

Presidency Council hindered the allocation of financial resources required by the National Oil Corporation⁶³ to meet the running costs of oil production. Disagreement between the National Oil Corporation and the Council featured throughout the entire reporting period.⁶⁴

199. Sources within the rival boards of directors confirmed to the Panel that contacts between the two competing Chairs, Mustafa Sanallah and Naji al-Maghrebi, had commenced before the Presidency Council was established in Tripoli. There were several setbacks during the negotiations, most notably when the tanker *Distya Ameya* entered the port of Marsa al-Hariqah to load crude oil under a contract signed with the eastern National Oil Corporation. The loaded tanker left on 26 April 2016, only 20 days before the signing of the Vienna agreement and after negotiations between the Chairs had already been held in Malta, Tunisia and Turkey. Until May 2016, the eastern National Oil Corporation would continue attempts to strike similar deals,⁶⁵ while the western National Oil Corporation tried to prevent oil companies from negotiating with its eastern counterpart (see annex 53).

200. As a reaction to the listing of the *Distya Ameya*, eastern authorities retaliated by preventing the tanker *Seachance* from loading crude oil in Marsa al-Hariqah on 3 May 2016 under a contract signed by the western National Oil Corporation.⁶⁶

201. According to the eastern National Oil Corporation, the *Distya Ameya* incident had not been intended to derail the negotiations; it was an ongoing development that had been initiated months before. It might also indicate a lack of communication within the eastern National Oil Corporation or unilateral action by members of the eastern board of directors (see para. 250).

202. When the Vienna agreement was presented to the Energy Committee of the House of Representatives by the eastern National Oil Corporation, it was poorly received. The Committee showed concern on two issues: the sharing of revenues and the fact that Al-Maghrebi would be the only representative of the eastern National Oil Corporation on the unified board of directors. The House continued to make several negative statements on the agreement (see annex 54). Both Sanallah and Al-Maghrebi were under great pressure from different stakeholders throughout the process.

203. The frustration of the eastern National Oil Corporation over the reluctance of its western counterpart to move the headquarters to Benghazi, and the lack of progress regarding the implementation of other aspects of the Vienna agreement, led to a “suspension” of the unification in late 2016. On 13 March 2017, the eastern National Oil Corporation issued a statement announcing its withdrawal from the agreement (see annex 55). Moreover, on 27 March 2017, the Deputy Prime Minister of the Al-Thinni Government issued a statement to oil industry stakeholders, claiming that the National Oil Corporation based in Benghazi was the only institution in Libya entitled to strike oil deals (see annex 51). The previous day, the

⁶³ Ahmad Ghaddar and Libby George, “Libya needs big spend to boost vital oil revenue-NOC boss”, Reuters, 13 August 2016. Available from <http://af.reuters.com/article/investingNews/idAFKCN1000AR>.

⁶⁴ “NOC given no money to pay salaries, let alone invest: Mustafa Sanalla”, *Libya Herald*, 22 March 2017. Available from www.libyaherald.com/2017/03/22/noc-given-no-money-to-pay-salaries-let-alone-invest-mustafa-sanalla.

⁶⁵ Laura Hurst and Hatem Mohareb, “National Oil in west Libya warns about illicit sales from east”, Bloomberg, 7 February 2016. Available from www.bloomberg.com/news/articles/2016-02-07/national-oil-in-west-libya-warns-about-illicit-sales-from-east.

⁶⁶ “Eastern NOC blocks Tobruk tanker loading”, *Libya Herald*, 3 May 2016. Available from www.libyaherald.com/2016/05/03/eastern-noc-blocks-tobruk-tanker-loading/.

western National Oil Corporation had sent the opposite message to companies willing to deal with its eastern counterpart.⁶⁷

204. In October 2016, the eastern National Oil Corporation had already restarted parallel activities, and the Committee was warned of a new attempt to ship oil (see paras. 185 ff).

205. Although both boards of directors still exist, the western National Oil Corporation seems to play the leading role, both institutionally and technically. Despite the signature of the Vienna agreement and a short rapprochement between both institutions, a good opportunity to set an example for other relevant duplicated Libyan institutions was lost. In addition, the fact that both institutions continue to operate increases the likelihood of illicit deals.

2. Installations

206. After LNA took control of the terminals and oil wells in the central region in September 2016 (see para. 80), control over the facilities was “given” to the (by then) unified National Oil Corporation, which restarted the export of crude oil. After the offensive of the Benghazi Defence Brigades in early March 2017, the control of the terminals remained with the unified National Oil Corporation.⁶⁸ After LNA regained control over the terminals on 14 March 2017, the Sidrah oil port resumed activity under the western National Oil Corporation.⁶⁹

207. It is remarkable that, on all three occasions, warring camps transferred the control of the oil installations to the National Oil Corporation led by Sanallah, including after the cancellation of the Vienna agreement by the eastern National Oil Corporation.

208. Oil production was irregular during the reporting period but has increased in the past months, mainly because the Rayayinah valve was reopened on 20 December 2016, after long negotiations, allowing the oil fields of Shararah and Fil to resume production and to send crude oil to the refinery in Zawiyah and to the Mellitah complex, respectively.⁷⁰ However, this situation is not stable, and further interruptions are to be expected.⁷¹

B. Central Bank of Libya

209. The division of the Central Bank of Libya has continued since the issuance of the Panel’s previous final report (see S/2016/209, paras. 217-226). Two individuals continue to claim the position of Central Bank Governor. The Bank’s duties are exercised mainly from Tripoli, where Sadiq al-Kebir heads the organization. In

⁶⁷ National Oil Corporation, “National Oil Corporation warns oil market against illegal contracts”, statement, 26 March 2017. Available from <http://noc.ly/index.php/en/new-4/2148-national-oil-corporation-warns-oil-market-against-illegal-contracts>.

⁶⁸ Fadi Fornaji, “NOC lifts force majeure at eastern oil terminals”, *Libya Herald*, 15 September 2016. Available from www.libyaherald.com/2016/09/15/noc-lifts-force-majeure-at-eastern-oil-terminals.

⁶⁹ Abdulkader Assad, “Essidra oil port resumes exports after end of clashes”, *Libya Observer*, 26 March 2017. Available from www.libyaobserver.ly/inbrief/essidra-oil-port-resumes-exports-after-end-clashes.

⁷⁰ National Oil Corporation, “NOC confirms re-opening of Sharara and El Feel fields”, statement, 20 December 2016. Available from <http://noc.ly/index.php/en/new-4/1919-noc-confirms-re-opening-of-sharara-and-el-feel-fields>.

⁷¹ Moutaz Ali, “Oil output plunges a third with closure of El-Fil and Sharara pipeline”, *Libya Herald*, 28 March 2017. Available from www.libyaherald.com/2017/03/28/oil-input-plunges-a-third-with-closure-of-el-fil-and-sharara-pipeline.

Bayda', Ali al-Hibri heads the Bank's eastern branch while also maintaining a claim to the governorship.

210. Al-Kebir, who manages the Bank's accounts and the majority of its staff, de facto controls the financing of the Presidency Council. His support to the Council has been slow and limited, leading to a series of public accusations by Al-Serraj, including a claim that Al-Kebir was a spoiler.⁷² Al-Kebir and Central Bank Board member Tarik Yousef al-Magariaf told the Panel that, in their view, the Council itself was responsible for the delays in financing. They stated that they could accept payment orders only from the Ministry of Finance and not directly from Council members. They added that the emergency budget prepared by the Council was of poor quality and lacked the necessary detail.

211. The Presidency Council and the western Central Bank of Libya have argued over other issues as well, most notably on the devaluation of the Libyan dinar.⁷³ Whereas the Council has insisted on devaluation, making it a central issue during talks in Rome and London, the western Central Bank has refused. Al-Magariaf explained to the Panel that the Central Bank was, in principle, in favour but that the Council needed to have a number of reinforcing policies in place first.

212. Al-Hibri is considered the Governor of the Central Bank by the Al-Thinni Government and the House of Representatives. Although he has control over neither the Central Bank's seat in Tripoli nor its income from oil exports, he has a significant impact on public finances, highlighting the division of the institution.

213. First, following persistent complaints of insufficient cash deliveries from Tripoli (see S/2016/209, para. 219), the eastern Central Bank had its own money printed. The notes were printed by a separate company, different from the usual Central Bank provider. Although a clear effort was made to produce nearly identical notes, important differences remain (see annex 56). Because it was facing its own cash shortage in the capital, the Presidency Council approved its circulation and, thereby, the eastern Central Bank's initiative.⁷⁴ However, the western Central Bank has blocked its distribution in the capital.

214. Second, eastern administrators claimed to the Panel that a significant percentage of salaries in the east had not been paid by the western Central Bank. They stated that, by the end of 2016, Al-Hibri had disbursed over 3 billion dinars from commercial loans to resolve the problem. These loans increase the State debt and will need to be repaid by a future unified Government.

215. Attempts to unify the two competing branches made some progress throughout 2016 but ultimately failed. Al-Kebir and Al-Hibri met twice in Tunisia midyear, but a third meeting in Libya was cancelled. A solution in the short term is unlikely. On the one hand, the eastern Central Bank insists on a number of considerable concessions: an agreement on the distribution of cash (both prints); an increase in Central Bank approval of letters of credit for the east, which it reports to be currently limited to 17 per cent of the nationwide total; the restoration of eastern access to the Central Bank's information technology system; and full Central Bank coverage of certain eastern expenses. On the other hand, reunification and

⁷² Sami Zaptia, "Serraj blames Hafter, Saleh, Elkaber and Ghariani for Libya's problems, *Libya Herald*, 2 November 2016. Available from www.libyaherald.com/2016/11/02/serraj-blames-hafter-salah-elkaber-and-ghariani-for-libyas-problems.

⁷³ The black market value of the dinar was well below 3 dinars to the United States dollar in early April 2016, right after the arrival of the Presidency Council in Tripoli. However, it had almost doubled to more than 5 dinars by late July 2016 and further increased to 7 dinars in March 2017.

⁷⁴ Ajnadin Mustafa and Moutaz Ali, "PC decides it will now accept the east's new 'Russian' banknotes", *Libya Herald*, 26 May 2016. Available from www.libyaherald.com/2016/05/26/pc-decides-it-will-now-accept-the-east-s-new-russian-banknotes/.

compromise do not appear to be a priority at the western Central Bank, which is clearly in a stronger position.

C. Libyan Investment Authority

216. Authority over the Libyan Investment Authority has remained contested since the arrival of the Presidency Council in Tripoli, and the contestation has involved the use of force on several occasions.

217. Initially, the Presidency Council maintained lines of communication with the two rival Chief Executive Officers: Hassan Bouhadi, operating from the Authority's office in Malta, and Abdulmagid Breish, in Tripoli.

218. In a first incident, the Al-Thinni Government forced Bouhadi to approve the appointment of a new Chief Executive Officer, Ali Shamekh. On 25 July 2016, Bouhadi was arrested by the Benghazi Criminal Investigation Department, intimidated and prevented from travelling until he organized a board meeting that voted in Shamekh (see annex 57). Reportedly, the Al-Thinni Government dispatched the "envoy" and armed group leader Abd al-Majid Mlektah to add pressure. It appears that the sidelining of Bouhadi was related to his outreach to the Presidency Council. Eastern resistance against a possible integration of the Authority under the Council was publicly spearheaded by boycotting Council member and House of Representative member Al-Qatrani (see annex 58).

219. Following these events, the Presidency Council appointed a new "Interim Steering Committee" that would serve as both Chief Executive Officer and board of directors until it managed to transfer the governance structure of the Authority to Tripoli through the correct formal procedure. The Steering Committee was headed by Ali Mahmoud, a former member of the Authority's board of directors.

220. The appointment of the Steering Committee led to subsequent incidents: Mahmoud was refused access to the Authority's offices in Tripoli, where Breish was not ready to step down. In a letter to the Panel, Breish asserted that the decision of the Presidency Council to appoint the Steering Committee was invalid because it was not compliant with Libyan law. He took his case to the Tripoli Administrative Court.

221. The Steering Committee forced Breish out of the Authority's offices with assistance from personnel whom it identified as belonging to the "Office for the Security and Safety of the Tripoli Tower" and who are generally armed. The wider area around the Tripoli Tower was at that time under the control of Kara's Special Deterrence Force.

222. On 5 February 2017, Breish regained control over the Authority's offices after a ruling by the Tripoli Administrative Court rejecting the appointment by the Presidency Council of the Steering Committee. He was assisted in his return by a small group of men who also appeared to respond to Kara. The Steering Committee and the Council declared that the men were armed, a report that was denied by Breish. In any case, it is clear to the Panel that the security personnel in control of the Tripoli Tower has the final say as to who occupies the Authority's head office, a situation that is not tenable.

223. Following the Tripoli Administrative Court ruling, the Presidency Council replaced the "Interim Steering Committee" with an "Interim Management Committee", in an exact replication of the previous decree. The Council reached out to all high-ranking civil servants and, referring to Breish, stated that "all dealings with persons or bodies that do not have lawful and legitimate capacity are prohibited, in accordance with the relevant decisions of the Presidency Council" (see annex 62).

224. Meanwhile, the Management Committee moved out of the Tripoli Tower into an area under the protection of an armed group commanded by Abd al-Gadir Rweyati.

225. The continuing division of the Libyan Investment Authority led to increasing uncertainty among its staff facing pressure from all sides. This resulted in a strike at the Tripoli offices on 8 February.⁷⁵ The division of the Authority is one of the main inhibiting factors to tackling persistent reports of (attempted) cases of misappropriation.

226. Meanwhile, all of the Authority's direct assets held outside Libya prior to 16 September 2011 remain frozen under relevant Security Council resolutions. Both Bouhadi and Breish confirmed to the Panel that the frozen status of the assets caused banks and fund managers to ignore the Authority's directives, an attitude that appears to be further reinforced by the uncertainty as to who legitimately represents the sovereign wealth fund.

227. The Panel has previously reported on the rigidity of the current sanctions regime and how the Authority's assets lose value after investments have matured because they cannot be reinvested (see S/2016/209, paras. 252 ff). This situation remains unchanged, to the frustration of the Authority's managers. However, it will be difficult to modify the sanctions regime and resolve such management issues while the fund remains divided. The freezing of the assets was not contested by any of the parties involved.

D. Libyan Post, Telecommunication and Information Technology Company

228. The Libyan Post, Telecommunication and Information Technology Company is another key strategic Libyan institution at risk of duplication and misappropriation of funds. It represents a total value of over \$20 billion, \$7 billion of which constitute cash assets in banks in Tripoli. In 2015 and 2016, the entity's revenue represented over 10 per cent of the Libyan budget. It is also a major employer paying over 17,000 salaries.

229. The control over the Company lies mainly with its 2013 management, which has operated from Bayda' and Malta since August 2014. That management, headed by the Chair, Faisal Gergab, is also recognized by the Presidency Council (see annex 59) and can travel relatively freely throughout the country, including Tripoli. Nevertheless, its authority has been challenged in both the east and the west, and not all subsidiaries respond to it. Furthermore, it has no access to the head office in Tripoli.

230. The strongest challenge to the authority of the 2013 management originates from individuals affiliated with the National Salvation Government. In October 2014, the National Salvation Government appointed a temporary "Steering Committee" led by Majdi al-Shibani in an attempt to replace the Company's traditional governance structure. Both Al-Shibani and his replacement, Adel Markows, respond to the former Minister of Telecommunication of the National Salvation Government, Sami al-Fantazi, who is a commander of an armed group, the National Mobile Force (see para. 169). Al-Fantazi remains in charge of the Ministry of Telecommunication, and his forces control the Company's head office on Zawiyah Street.

⁷⁵ Sami Zaptia, "Mass staff walkout at LIA's Tripoli Tower HQ in protest at continued disputed chairmanship", *Libya Herald*, 9 February 2017. Available from www.libyaherald.com/2017/02/09/mass-staff-walkout-at-lias-tripoli-tower-hq-in-protest-at-continued-disputed-chairmanship.

231. The Panel has received information that Al-Fantazi and the “Steering Committee” have been funnelling Company assets to the National Salvation Government since 2014. The Panel is investigating documentation and the allegation that they provided direct financial assistance to the National Salvation Government on at least two separate occasions (see annex 60).

232. The Al-Thinni Government has also attempted to strengthen its control over the corporate governance structure of the Company, similar to its actions regarding the Libyan Investment Authority. It appears, however, that these attempts were unsuccessful.

E. Libya Africa Investment Portfolio

233. The Libya Africa Investment Portfolio is a subsidiary of the Libyan Investment Authority and separately listed on the sanctions list. It is an investment fund valued at over \$3 billion. Because of its institutional link with the Authority, it has been affected by the same divisions, albeit to a lesser extent.

234. During Operation Fajr, in 2014, the Managing Director of the incumbent management, Ahmed Kashadah, moved to the fund’s office in Malta. The National Salvation Government appointed an alternative management, leading to parallel institutions. Although control over the Investment Portfolio appears to be mostly concentrated with Kashadah, it has repeatedly been challenged, and at times some subsidiaries appear to have taken instructions from the rival management. Furthermore, Kashadah is also refused access to the head office in Tripoli Tower by the Special Deterrence Force, under the command of Kara.

235. In contrast to the Steering Committee of the Libyan Investment Authority, Kashadah has won a court case against his rivals in Tripoli. However, this has so far not helped him to gain access to the Tripoli Tower.

236. The situation of the Investment Portfolio is indicative of armed group actions and interests. There have been several episodes of reported interference by armed groups. Similar to the Libyan Post, Telecommunication and Information Technology Company, the Portfolio and its subsidiaries have access to significant cash and resources within Libya. This has allowed them, for example, to “facilitate” the travel and working expenses of the Presidency Council. However, this also makes them an obvious target for armed groups and politicians looking for funding themselves. An overview of incidents, including supporting documentation, is provided in annex 61.

F. Libyan Foreign Investment Company

237. The Libyan Foreign Investment Company, operating under the acronym LAFICO, is the largest subsidiary of the Libyan Investment Authority in terms of number of entities. However, it does not have many assets within Libya itself and has only limited liquid assets in general. This makes it a less obvious candidate for attempts of misappropriation. Indeed, the Investment Company continues to operate from Tripoli Tower in relatively stable circumstances. The position of the Chief Executive Officer, Khaled Algonsel, is uncontested.

238. While the acronym LAFICO is not currently listed on the sanctions list, the company’s full name is included as an alias of the Libyan Investment Authority (LYe.001), together with the acronym LFIC.⁷⁶ Its listing as an alias is incorrect. As

⁷⁶ The company appears not to be operating under that acronym but continues to use LAFICO.

previously reported (see S/2013/99, para. 225), it is actually a subsidiary of, and predecessor to, the Authority. The potential confusion arising from this has not affected its operations. Apart from a few of its subsidiaries in the United Kingdom (Baroque Investments Limited and Ashton Global Investments Limited), whose assets were frozen under a separate European Union listing, the Investment Company has full access to its assets. However, several Member States have sought clarification from the Committee on its subsidiaries (see recommendation 7).

IX. Financing of armed groups

239. A variety of sources of funding are available to armed groups, most of which have been highlighted in previous Panel reports. During the reporting period, the Panel specifically investigated four important sources of funding: fuel smuggling, trafficking in persons, interference with institutions and the local arms trade. Previous findings on income from other criminal activities and State financing remain relevant.

A. Fuel smuggling

1. By sea

240. The National Oil Corporation decided to work actively against fuel smuggling. Brega Petroleum, a subsidiary of the Corporation, established an “Oil and Oil Derivatives Oversight Committee” to investigate the problem. Its findings led the Corporation to take action against some companies and individuals⁷⁷ in early 2017. In fact, the Corporation has accused the Petroleum Facilities Guard in the refinery in Zawiyah of participating in fuel smuggling operations (see recommendation 11).⁷⁸

241. The Panel continues to observe vessels showing suspicious navigational patterns in the vicinity of the coastal town of Zuwarah. Individuals and companies mentioned in previous reports are still operational (see S/2016/209, paras. 205-206). In 2016, the Libyan coastguard impounded several ships in the same area in incidents related to fuel smuggling (see annex 63):

<i>Name</i>	<i>IMO No.</i>	<i>Flag</i>	<i>Impounded on</i>	<i>Annex 63 section</i>
<i>Captain Khayyam</i>	8927814	Sierra Leone	13 February 2016	A
<i>San Gwann</i>	8987515	Togo	10 May 2016	B
<i>Temeteron</i>	8917170	Belize	28 June 2016	C

⁷⁷ Abdulkader Assad, “Attorney General’s office issues arrest warrants, travel bans against several government officials”, *Libya Observer*, 26 January 2017. Available from www.libyaobserver.ly/economy/attorney-general%E2%80%99s-office-issues-arrest-warrants-travel-bans-against-several-government.

⁷⁸ Abdulkader Assad, “PFG relinquishes Al-Zawiya refinery, NOC moves to secure it”, *Libya Observer*, 7 January 2017. Available from www.libyaobserver.ly/news/pfg-relinquishes-al-zawiya-refinery-noc-moves-secure-it.

242. Criminal networks tip off the coastguard to prevent rival gangs from carrying out successful smuggling operations. The coastguard in Zawiyah is also involved in the smuggling business.⁷⁹

243. Other vessels of interest during the reporting period are:

<i>Name</i>	<i>IMO No.</i>	<i>Flag</i>	<i>Annex 64 section</i>
<i>Sukran C</i>	9280196	Turkey	A
<i>Selay</i>	8870865	Turkey	B
<i>Haci Telli</i>	9353163	Turkey	C
<i>Hulin</i>	9447043	Malta	D
<i>Transnav Hazel</i>	9452268	Unknown	E
<i>Aqasia</i>	9556753	Malta	F
<i>Bukhara</i>	9015345	Palau	G
<i>Sichem Singapore</i>	9322061	Malta	H

244. The Economy, Trade and Investment Committee of the House of Representatives⁸⁰ issued a statement on 17 July 2016, addressed to the Maltese authorities, recalling that subsidized products are not eligible for export (see annex 65). On 25 October 2016, the western National Oil Corporation addressed a letter to the Ministry of Foreign Affairs requesting it to send reminders to neighbouring countries that the Corporation is the sole entity authorized by law to import or export crude oil and its derivatives (see annex 66).

245. As mentioned in paragraph 240, the leader of the Petroleum Facilities Guard in Zawiyah, Mohamed Koshlaf, also known as Kasib or Gsab (see paras. 105 and 258), is involved in the procurement of fuel for smugglers. He also commands the so-called militia Nasr.⁸¹ His brother, Walid Koshlaf, also known as Walid al-Hadi al-Arbi Koshlaf, runs the financial side of the business. The head of the coastguard in Zawiyah, Abd al-Rahman Milad (alias Bija) (see also paras. 59, 105 and 258), is an important collaborator of Koshlaf in the fuel business.

246. Another significant smuggler operating from Zawiyah is Ibrahim Hneish, who leads his own armed group.⁸²

247. On the other side of the fuel business, brokering companies reach out to vessel owners through established channels to buy fuel from Libya (see annex 67). The western National Oil Corporation, when made aware of those offers, contacted the companies involved to remind them of the illegal nature of the proposed deals.

⁷⁹ Tom Kington, "EU navies find training Libyan coastguard no easy task", *Defense News*, 20 March 2017. Available from www.defensenews.com/articles/eu-navies-find-training-libyan-coast-guard-no-easy-task.

⁸⁰ This committee is chaired by Ali Faraj al-Qatrani, member of the Presidency Council.

⁸¹ Sami Zaptia, "PFG western division Nasr brigade withdraws from Zawia refinery after Sanalla public accusation of fuel smuggling collusion", *Libya Herald*, 5 January 2017. Available from www.libyaherald.com/2017/01/06/pfg-western-division-nasr-brigade-withdraws-from-zawia-refinery-after-sanalla-public-accusation-of-fuel-smuggling-collusion.

⁸² Moutaz Ali, "Zawia elders attempt new ceasefire as clashes erupt again", *Libya Herald*, 9 November 2016. Available from www.libyaherald.com/2016/11/09/zawia-elders-attempt-new-ceasefire-as-clashes-erupt-again.

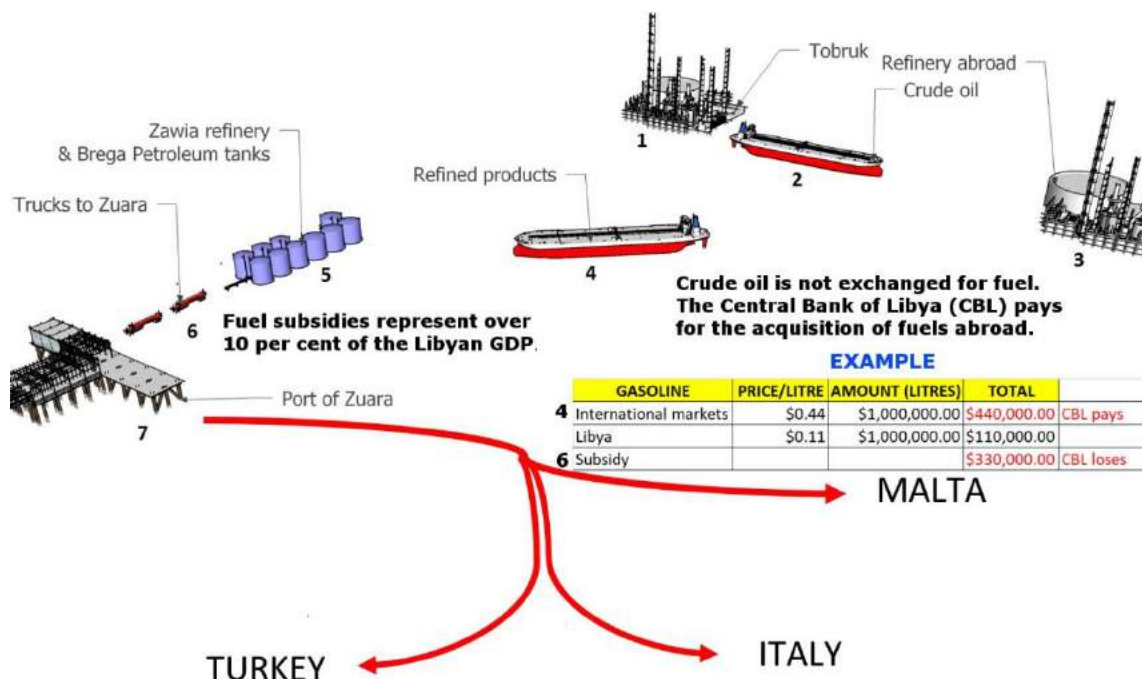
248. Fuel smugglers provide the captains of the vessels with official-looking documents. Some of them, when contacted after the impounding of one of their vessels, refer to such documents to claim the legality of the shipment.

249. The case of the *Sichem Singapore* (see annex 64, sect. H) constitutes the first attempt known to the Panel to sell a product extracted and refined within Libya (into heavy oil). It is also the first attempt known to the Panel that was made from the eastern shoreline. It shows that fuel smuggling can quickly expand when no credible deterrence exists (see recommendation 10).

250. The eastern National Oil Corporation has denied its involvement in the case, although at least one member of its board seems to have been involved. It might indicate internal divisions within the board, resulting in unilateral actions being taken by some of its members (see para. 201).

251. Figure 31 attempts to explain how fuel smuggling damages the wealth of Libya, affecting both crude oil production and the fuel subsidy system.

Figure 31
Libyan oil cycle



Source: Panel of Experts.

2. By land

252. Fuel is transported from Zawiyah to Zuwarah, Ujaylat, Riqdalin and Jumayl and then smuggled by land onward to Tunisia.

253. The "Oil and Oil Derivatives Oversight Committee" carried out a field visit to Ras Ajdir and Zuwarah in July 2016. Its report was delivered to the Presidency Council through the National Oil Corporation and addresses smuggling by land and sea (see annex 68). This trade has also become a concern for the Tunisian authorities.

254. Recently, it was reported that measures had been taken to reduce illegal flows.⁸³

B. Migrant smuggling and trafficking in persons

255. Migrant smuggling and trafficking in persons is integrated with other smuggling activities, such as smuggling of arms, drugs and gold. Armed groups actively participate in the smuggling or take a cut of the profits. Smuggling occurs virtually uncontested because of the lack of reliable security forces.

1. Western Libya

256. Arriving from Agadez in the Niger, migrants are gathered in warehouses located in Qatrun, Awbari, Sabha and Murzuq, where several groups make a profit from facilitation. Tebu and Tuareg smugglers “facilitate” migrant crossings of the southern border. Tebu leaders, such as Adamu Tchéké and Abu Bakr al-Suqi, collect tolls in cash for travel from the border to Sabha. Tuareg leaders, such as Cherif Aberdine,⁸⁴ control the route to Murzuq.

257. In Sabha, members of the Awlad Suleiman tribe are reportedly organizing the smuggling. From Ghadamis to Bani Walid and Nalut, the Zintanis Mohamed Maatoug and Ali Salek are frequently mentioned as major transporters of migrants (and cannabis).

258. On the coast, the main facilitators are based in Zawiyah, Zuwarah and Sabratah. They include the armed group commanders Mohamed Koshlaf and Ahmed Dabbashi (alias Amu). Coastguard commander Abd al-Rahman Milad (alias Bija) collaborates with Koshlaf (see paras. 59, 105 and 245).⁸⁵ The main departure site appears to be Talil Beach, in the resort complex in Sabratah.

2. Eastern Libya

259. The eastern route is managed by “fixers” from Eritrea, Ethiopia and Somalia, who identify candidates for departure and handle the finances. Libyans organize transportation within their territory. Migrants who have taken this route systematically report that uniformed men were overseeing their movements.

260. The coordination in the border region of Kufrah is supposedly organized among the Tebus, Zways and elements of the Rapid Support Forces in the Sudan deployed along the border with the Sudan.⁸⁶

261. Up until 2016, most of the migrants were taken from Kufrah to Ajdabiya, where they were kept under the authority of the commander of the Petroleum Facilities Guard, Ibrahim Jadhnan. One Eritrean, detained for a year in Ajdabiya, told the Panel that migrants were used by the Petroleum Facilities Guard for

⁸³ Abdulkader Assad, “Fuel and gas crisis committee confirms success of anti-fuel-smuggling campaign”, *Libya Observer*, 1 April 2017. Available from www.libyaobserver.ly/news/fuel-and-gas-crisis-committee-confirms-success-anti-fuel-smuggling-campaign.

⁸⁴ A potential alias; the smuggler might have used the name of the late Niger presidential adviser and notorious smuggler, Cherif Abidine, who died in February 2016.

⁸⁵ Nancy Porsia, “The kingpin of Libya’s human trafficking mafia”, TRT World, 22 February 2017. Available from www.trtworld.com/magazine/the-kingpin-of-libyas-human-trafficking-mafia-301505.

⁸⁶ Suliman Baldo, “Border control from hell: how the EU’s migration partnership legitimizes Sudan’s ‘militia State’” (The Enough Project, April 2017). Available from www.enoughproject.org/files/BorderControl_April2017_Enough_Finals.pdf.

demining operations without any military training or protective gear. The Petroleum Facilities Guard finally transferred him to another armed group in Sabratah.

262. The Panel is investigating a number of bank transfers from relatives of migrants located in Sweden. These deposits are being made to Swedish bank accounts of the migrant smugglers for onward transfers through hawala systems located in the Sudan and in Dubai, United Arab Emirates, where the money is laundered.

C. Armed group interference with State institutions

263. The interference of armed groups in State institutions has increased. The Panel's findings related to this topic are covered under section VIII.

D. Financing from the local arms trade

264. The arms trade within Libya is an important source of income for various armed groups. The Panel received reports of active arms trading at markets in Zintan, Misratah, Ajdabiya and Waw. The materiel offered includes heavier and more sophisticated systems. A functioning Milan anti-tank system including four missiles, for example, is available for \$9,000. In some cases, fighters and arms are offered together.

265. Local arms trading is also organized through virtual markets. The Panel continues to observe weapons being offered for sale on Libyan Facebook sites. The Small Arms Survey has recently highlighted their use by armed groups and their members (see annex 33).⁸⁷

266. Finally, armed groups are also involved in the business of modifying non-lethal equipment, such as pickup trucks, blank firing guns or ammunition, for military use (see para. 164 and annex 46).

X. Implementation of the asset freeze

A. Frozen assets

1. Mutassim Qadhafi

267. The Panel is analysing the bank accounts of three suspected, interlinked, front companies for the late Mutassim Qadhafi (LYi.014), based in Malta. The first, Mezen International Limited, was no longer active upon the imposition of the asset freeze on Qadhafi, and its relevance lies solely in the fact that it shows pre-existing relations and linkages. When its main account was closed in June 2010, the remaining balance of over €55 million was transferred to a second company, Capital Resources Limited. The company's accounts in Malta were frozen under the sanctions.

268. However, the main source of funding for the Mezen account in 2010 was a third company, Moncada International Limited, which transferred over €40 million that year in three instalments. In addition, Moncada received €3 million from Mezen two weeks before the latter closed its account. The Maltese authorities explained to the Panel that Moncada was struck off the companies register in September 2013.

⁸⁷ N.R. Jenzen-Jones and Ian McCollum, "Web trafficking: analysing the online trade of small arms and light weapons in Libya", Working Paper No. 26 (Small Arms Survey, April 2017).

Nevertheless, company accounts show transfers of significant amounts of money after 26 February 2011, when Qadhafi was listed. Between 26 February and 14 July 2011, €10 million was transferred out of the Moncada account, which was never frozen. The Panel has recently written to Malta to underscore that it is crucial to trace that money and investigate its origin.

269. The Panel has also enquired with Italy about the status of an expensive flat allegedly owned by Mutassim Qadhafi. The €5.5 million flat appears to have been bought by a front company, Diamond VIP Service SRL. One of the partners of that company, Saleh R. KH. Drah, was a director at Moncada International Limited. The title deed is in the name of Ali Ahmed Beinen, another partner in Diamond VIP. Beinen is suspected by Libyan litigators of having been a close associate of Qadhafi. In the month running up to the purchase of the flat, Beinen also received €91,000 worth of consultancy fees from Moncada. The temporary tenant of the flat, Vanessa Hessler, has publicly declared having had a relationship with Qadhafi. She also initiated a case at a court in Rome against Beinen, claiming that she received the flat as a gift from Qadhafi, who was the real owner (see annex 69). Italy replied to the Panel that there were currently no grounds to connect the property to Qadhafi and that it could therefore not be frozen.

2. Saadi Qadhafi

270. The Panel continues its investigation into the sources of an account in the name of the Ugandan company Aurelius Holdings, where funds were held on behalf of Saadi Qadhafi (see S/2016/209, paras. 268-270) with the intention to move him from the Niger to Uganda. The account held over \$1 million, the large majority of which originated from four sources: three bank transfers and one cash deposit. All transfers to this account constituted violations of the asset freeze.

271. The depositor of the cash transfer was identified as Ugandan Paul Nkangi, personal assistant to Habib Kagimu, who was co-director of Aurelius and one of the two signatories of its bank account. There are conflicting statements on how this cash was obtained, none of which the Panel could confirm. The Panel is aware that Qadhafi had access to funds of at least \$2 million while residing in the Niger (see annex 70), including large amounts of cash.

272. The Panel has identified a company that made one of the transfers to Aurelius, Al-Firdaws International Trading Company, based in Tunisia. The Tunisian authorities confirmed the involvement of Al-Firdaws to the Panel and reported that the company accounts were frozen on suspicion of money-laundering. Importantly, Al-Firdaws received a cash deposit of \$600,000 on the same day it transferred \$400,000 to Aurelius.

273. The Panel also identified a second company that made a transfer to Aurelius, Adena Way General Trading. Adena Way is a company based in the United Arab Emirates, where it is managed by a Libyan national, Adel Abdalla Omar Deyab. Its company accounts in the United Arab Emirates did not show any transfer to Aurelius and were closed in August 2014. However, it also holds an account in Tunisia, and it is from this account that the transfer to Aurelius was made under the pretext of paying for a shipment of tea. The United Arab Emirates accounts show systematic incoming and outgoing transfers of large and relatively round sums, typical for money-laundering operations. They also show a connection with the Tunisian account for Adena Way. The payment from the Tunisian account of Adena Way to Aurelius was preceded by a payment from a Libyan company to Adena Way. The Panel is investigating this transfer.

274. The origin of the third transfer could not be verified. The Panel has twice requested the assistance of Uganda in providing copies of all relevant banking

documents and setting up a meeting with Nkangi and Kagimu. These requests have remained unanswered.

275. The variety of sources feeding into the Aurelius account opened in support of Saadi Qadhafi's potential move to Uganda show the complexity of the organization of the finances of former regime members. It also shows that many of these transactions are handled in large sums of cash. The tracing of these funds will require significant resources and a dedicated effort. In the Panel's view, this is impossible until stability in Libya is restored and Libyan investigators are empowered by an indisputable mandate from an uncontested authority (see recommendations 8 and 9).

3. Hannibal Qadhafi

276. Information received by the Panel shows that Hannibal Qadhafi received large and systematic payments from a group of at least four companies for years before the revolution in 2011: Mariner for Maritime Transport, Golden Delta Mariner Shipping, Diamond Delta Mariner Shipping and Um al Houqol. These four companies are closely connected in terms of their shareholders, management and location.

277. In the case of Mariner for Maritime Transport, documentation is available (see annex 71) that shows that Qadhafi was recognized as a board member of the company. However, Libyan sources suspect that he was in fact the owner of the company.

278. The income of Mariner appears to have originated mainly from the oil and gas sector of Libya: the National Oil Corporation, Mabruk Oil Operations, Zawiyah oil and gas refinery, the Brega Marketing Company and several others. Monthly payments of over several hundred thousands of euros and United States dollars were further transferred from these company accounts to various destinations. Some of these transactions were identified as direct payments into a personal bank account of Hannibal Qadhafi, mentioning unlikely descriptions such as "personal loan". It is not clear to the Panel which services, if any, Mariner would have provided to the above-mentioned companies to justify these payments.

279. After 26 February 2011, the transfers of funds into the various Mariner accounts stopped.⁸⁸ However, the business executives continued to be involved in numerous international companies with accounts or activities abroad, including in Cyprus, Italy and Tunisia. The real activities of these companies, many of which have similar names, are not clear. Nevertheless, very large amounts of money — millions in hard currency — continued to move through these accounts during the years following the revolution. Some of these movements appear suspicious, including large payments of dividends or transfers from a company that was dissolved on 21 October 2009.

280. The suspicious movements described above indicate that the entities involved could be, or have been, front companies. Taking into account the established previous relationship between the business executives, their companies and Hannibal Qadhafi, this raises the possibility that these individuals continue to manage funds for the listed individual, which would be a violation of the asset freeze. The Panel is pursuing its investigations with the relevant Member States.

⁸⁸ With the exception of one transfer from the Mellitah gas and oil refinery of €1,137,000 in April 2011.

4. United Kingdom

281. The Panel has made enquiries with the United Kingdom regarding an ongoing investigation into the assets of individuals close to the former regime, but no response has so far been received.

B. Stolen assets

282. The Panel is investigating several reported cases of stolen Libyan assets that are under the control of a listed individual (or entity), or at risk of misappropriation, or both. The presence of such assets has been reported in several countries on the African continent. In cases where those funds are under the control of a listed individual, they need to be frozen. In cases where one of the competing political factions in Libya is attempting to obtain them, it needs to be ensured that they are not misappropriated or used to fund any actions that threaten the country's peace and security. Either way, full transparency on the alleged cases is required (see recommendation 6).

283. The urgent need to identify and secure such assets was an important driver of the reinstatement of a Stolen Assets Recovery Unit within the Central Bank in August 2016. The Unit reports directly to the Central Bank Governor in Tripoli and is also reliant on cooperation with the Litigation Department of the Ministry of Justice of Libya and the Attorney General's office. The Panel is not convinced that all three parties involved are fully committed to the Unit's efforts. The Unit has actively reached out to various stakeholders. It does not appear that the Presidency Council has been involved in creating or directing the Unit (see recommendation 8).

284. The Panel's investigations into stolen assets, all of which are also being considered by the new Stolen Assets Recovery Unit in Libya, are detailed in annex 72.

XI. Implementation of the travel ban

285. The Panel made the following observations regarding the current location and movements of listed individuals.

286. Safia Farkash Al-Barassi (LYi.019) confirmed that she is currently residing in Egypt, while requesting an exemption for travel to Oman for humanitarian reasons. The Committee approved this request.

287. The Panel confirmed the presence of Hannibal Qadhafi (LYi.010) in Lebanon. Lebanon provided information that Qadhafi had been residing "in [the Syrian Arab Republic] as a political refugee", after which he was "abducted by an armed group and was brought into Lebanon illegally on 6 December 2015". After being released by his kidnappers, Qadhafi was detained by the Intelligence Branch of the Directorate General of the Lebanese Internal Security Forces.

288. Other sources confirmed that Hannibal Qadhafi had previously spent time in the Syrian Arab Republic, in Damascus. The latter State has not replied to the Panel's request for clarification. According to Lebanon, and as supported by other sources, the travel of Qadhafi to Lebanon took place without its knowledge or permission, and is therefore not a violation but an instance of non-compliance.

289. From the available information, it appears that the travel to the Syrian Arab Republic of Hannibal Qadhafi constituted a violation of the travel ban.

XII. Recommendations

290. The Panel recommends:

Arms embargo

To the Security Council

- Recommendation 1. To clarify, for the benefit of the wider membership, the mechanism to which Member States can refer to identify the national security forces under the control of the Government of National Accord that can benefit from the exception for any technical assistance, training or financial assistance, as outlined in paragraph 10 of resolution [2095 \(2013\)](#). [see paras. 29, 52, 94 and 155]
- Recommendation 2. While maintaining the exception for technical assistance, training or financial assistance, as outlined in paragraph 10 of resolution [2095 \(2013\)](#), to suspend the exception for supplies of non-lethal military equipment, when intended solely for security or disarmament assistance to the Government of Libya, as outlined in the same paragraph, by reverting to the procedure outlined in paragraph 13 (a) of resolution [2009 \(2011\)](#) for non-lethal military equipment. [see paras. 155 and 164]

To the Committee

- Recommendation 3. To make publicly available, following the briefing by the focal point pursuant to paragraph 6 of resolution [2278 \(2016\)](#), the structure of the security forces under the control of the Government of National Accord, in order to assist Member States in the authorization of the delivery of security assistance to Libya. [see paras. 52 and 155]
- Recommendation 4. To consider classifying electronic interception equipment as military equipment under the Libya sanctions regime, and to inform the wider membership accordingly. [see para. 169]

To Member States

- Recommendation 5. To increase regional cooperation on air control so as to provide deterrence against violations of the arms embargo by air and facilitate the identification of such violations, and to report cases of violations to the Committee. [see para. 129]

Asset freeze

To the Security Council

- Recommendation 6. To require Member States to report on the presence of stolen Libyan assets on their territory, prior to their return to the Government of Libya, and on any possible relation to listed individuals and entities. [see para. 282]

To the Committee

- Recommendation 7. To remove the a.k.a. “Libyan Foreign Investment Company (LFIC)” from the entry of the Libyan Investment Authority (LIA) (LYe.001) on the sanctions list; alternatively, to add as an additional a.k.a. “Libyan Foreign Investment Company (LAFICO)” in the entry of the Libyan Investment Authority (LIA) (LYe.001) on the sanctions list. [see para. 238]

To Libya

- Recommendation 8. To provide the necessary access, support and resources to the Stolen Assets Recovery Unit of the Central Bank of Libya. [see para. 275]

To Member States

- Recommendation 9. To provide the necessary access and support to the Stolen Assets Recovery Unit of the Central Bank of Libya. [see paras. 275 and 283]

Measures in relation to attempts to illicitly export crude oil from Libya**To the Security Council**

- Recommendation 10. To extend the measures under resolution [2146 \(2014\)](#) to attempts to illicitly export oil derivatives that were extracted and refined in Libya. [see para. 249]
- Recommendation 11. To extend the measures under resolution [2146 \(2014\)](#) to attempts to illicitly export oil products previously imported to Libya. [see para. 240]

Designation criteria**To the Committee**

- Recommendation 12. To consider the information provided separately by the Panel on individuals meeting designation criteria contained in the relevant Council resolutions.
- Recommendation 13. To contribute to ending the current climate of impunity in Libya by considering those committing serious violations of human rights and international humanitarian law for designation under the Libya sanctions regime. [see para. 88]

To Libya

- Recommendation 14. To consider a matter raised in the Panel’s previous final report (see [S/2016/209](#), recommendation 18), on which the Committee took action by dispatching a letter to the Permanent Mission of Libya to the United Nations, in relation to the Central Bank of Libya, the Libyan Investment Authority and the Libyan Post, Telecommunication and Information Technology Company. In this connection, and in relation to the National Oil Corporation, the Panel suggests

the following potential steps that could promote the reunification of State financial institutions: an expedient move of the National Oil Corporation headquarters to Benghazi; integration of former members of the board of directors of the eastern National Oil Corporation into the unified management structure; restoring the access of the Central Bank's eastern branch to the central information technology system; and initiating negotiations in Tripoli under article 15 of the Libyan Political Agreement, which relates to the above-mentioned institutions. [see para. 193]

General

To the Committee

Recommendation 15. To update the Committee guidelines to reflect the current status of the Libya sanctions regime. [see para. 155]

To Member States

Recommendation 16. To bring to the attention of the Fifth Committee of the General Assembly the need to allocate funds to afford experts serving on sanctions monitoring bodies access to complementary health and medical evacuation insurance when travelling in high-risk countries ("war insurance"). [see para. 22]