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Libya: Transition and U.S. Policy

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Summary

Libya's post-conflict transition has been disrupted by armed non-state groups and threatened by the indecision and infighting of interim leaders. To date, the elected General National Congress (GNC) and the interim executive authorities that it has endorsed have failed to address pressing security issues, reshape the country's public finances, or create a viable framework for post-conflict justice and reconciliation. The insecurity that was prevalent in Libya in the wake of the 2011 conflict has deepened, and armed militia groups and locally organized political leaders remain the most powerful arbiters of public affairs.

At present, potentially divisive political, economic, and social issues are being debated by rival groups in the absence of credible state security guarantees. These issues include the proposed decentralization of some national administrative authority, competing fiscal priorities, the provision of local and national security, the proper role for Islam in political and social life, and concerns about the ongoing exploitation of Libyan territory by terrorists, arms traffickers, and criminal networks. The U.S. State Department now describes Libya as a "terrorist safe haven," and U.S. military and intelligence officials have warned about threats to U.S. interests emanating from Libya in recent statements and congressional testimony.

After removing interim Prime Minister Ali Zeidan in a no-confidence vote in March 2014, the GNC endorsed a plan to replace itself with a new elected Council of Representatives (COR) later this year. Meanwhile, selection of a replacement interim Prime Minister has proven challenging and controversial. When an interim Prime Minister-designate is selected, the candidate will be tasked with proposing an interim cabinet for GNC members to endorse. This cabinet (or the current acting cabinet) would presumably administer government affairs until the COR is elected and can approve a new leadership slate.

Libya's transition has proceeded since August 2011 according to an interim constitutional declaration that has been amended and is set to be replaced by the work of a 60-member Constitutional Drafting Assembly (CDA). The nationwide election for the CDA was delayed until February 2014 and marred by low turnout, boycotts, and threats of violence. After a new constitution is drafted, considered and approved, more elections are expected to be held to select legislative and executive representatives. Viewed cumulatively, these recent developments, delays, and remaining requirements suggest that Libya may not complete its planned transition with an agreed constitution and a non-interim leadership until 2015, at the earliest.

For the United States and other supporters of Libya's transition, these conditions and circumstances pose serious challenges and policy questions. Members of Congress continue to conduct oversight of ongoing U.S. transition support and security assistance programs in Libya and are considering FY2015 appropriations requests for Libya programs, amid continuing investigation of the facts and circumstances surrounding the September 2012 attacks on U.S. facilities and personnel in Benghazi (H.Res. 567). For more information on select congressional and executive branch responses to those attacks, see CRS Report R43195, *Securing U.S. Diplomatic Facilities and Personnel Abroad: Legislative and Executive Branch Initiatives*, by Alex Tiersky, and CRS Report R43536, *Select Committee on Benghazi: CRS Experts*, by Alex Tiersky.

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Political Overview

More than three years after the start of the 2011 anti-Qadhafi uprising in Libya and nearly 18 months after the September 2012 attacks on U.S. facilities and personnel in Benghazi, Libya's security situation is dire and the direction of its political transition remains in question. The State Department describes Libya as a "terrorist safe haven,"¹ and Obama Administration officials have recently stated in testimony before Congress that armed Islamist extremist groups are gaining strength in areas of eastern and southwestern Libya and exploiting unsecured weapons flows and weak border controls. These networks appear to be linked to terrorist activities in the region, and support foreign fighter and weapons flows to Syria.² U.S. efforts to empower Libyan security forces remain challenged by the strength of armed non-state groups and discord among the country's interim political leadership. These factors have delayed the completion of the post-Qadhafi transition.

On March 11, 2014, the elected General National Congress (GNC) ousted interim Prime Minister Ali Zeidan in a vote of no confidence, just days after Zeidan returned from a security-focused policy conference with U.S. and other third-country officials in Rome. Zeidan, who was briefly abducted by militiamen in October 2013, had previously survived numerous attempted no confidence votes and had long faced criticism at home and abroad for what some observers viewed as weak leadership. Zeidan has rejected criticism of his tenure and denied corruption allegations, arguing instead that Libya lies "between the hands of militia groups," and warning that the "proliferation of weapons and religious extremism are becoming mutually stronger."³

After just weeks in his interim position, Acting Prime Minister Abdullah al Thinni offered his resignation and declined to appoint a new cabinet in the wake of Zeidan's departure, citing threats to his life and his family by armed groups; his doubts about the GNC's ability to promptly confirm new nominees; and what he reportedly sees as a lack of sufficient decision-making authority granted by the GNC to executive offices. Al Thinni had served as Defense Minister under Zeidan, and militiamen had previously kidnapped his son for four months, releasing him in January 2014.

Gunmen attacked the GNC on April 29 and disrupted a vote on Al Thinni's replacement.⁴ The attack was one of a series of attacks on the GNC since early 2013 that have underscored the increasing political pressure placed on the body and its Members by disgruntled Libyan citizens, competing militias, and rival political factions. A long-running debate over the GNC's tenure culminated on March 30, 2014, when GNC members voted to replace the body with a new 200-member Council of Representatives, to be elected in the following months.⁵ Once elected, the Council of Representatives is to determine a process for identifying new interim executive leaders to manage the government's affairs. However, until that time, the country may be led by one of two interim leaders—Al Thinni or Ahmed Maiteeq, who was nominated as Prime Minister-designate in a disputed GNC vote on May 4.

¹ State Department Bureau of Counterterrorism, Country Reports on Terrorism 2013, Chapter 5: Terrorist Safe Havens, April 2014.

² Country Reports on Terrorism 2013, Chapter 2: Country Reports: Middle East and North Africa, April 2014.

³ U.S. Government Open Source Center Report AFL2014041752530610, "Deposed Libyan Premier Says not Afraid of Death, Intends To Return To Help Find Solution to Crisis," *Jeune Afrique* (Paris) April 14 – 19, 2014, pp. 40-1.

⁴ Ahmed Elumami, "Gunmen storm Libyan parliament, stop lawmakers' vote on next PM," Reuters, April 29, 2014.

⁵ Elections may be held in August or September. Candidate registration and training opened in late April.

Figure I. Select Libyan and U.S. Figures



General National Congress (GNC) President Nouri Abou Sahmain

GNC President Nouri Abou Sahmain took office in mid-2013, after the passage of the Political Isolation Law forced then-GNC President Mohammed Magariaf from office. Abou Sahmain's tenure has been characterized by his assertion of the authority of the GNC relative to the GNC-endorsed executive offices of the Prime Minister and the cabinet. Abou Sahmain is a member of Libya's Amazigh minority community and was elected as an independent member of the GNC. He has engaged in a political partnership with members of the Justice and Construction party, some of whom are Muslim Brotherhood members.



Acting Interim Prime Minister Abdullah al Thinni

Former Defense Minister and current acting Interim Prime Minister Abdullah al Thinni offered his resignation soon after replacing ousted former Prime Minister Ali Zeidan. Al Thinni's family has been targeted by armed groups seeking to influence his official decisions. Al Thinni has expressed a willingness to consider continuing in office in order to avoid a leadership vacuum, but it remains unclear whether the GNC will seek to extend his term of service or endorse a cabinet led by an alternate figure.



Interim Prime Minister-Designate Ahmed Maiteeq

Ahmed Maiteeq is a 43-year old, Libyan and UK-educated businessman who emerged as the leading candidate to replace acting Interim Prime Minister Al Thinni in recent GNC polling, based on the support of a coalition of independent members from Misrata and southern Libya, including several Islamists and members of the Loyalty to the Martyrs bloc. His selection via an extended voice vote is being contested by some GNC members.



Ibrahim Jadhraan

Ibrahim Jadhraan is a 33-year old militia commander and leader of the coalition of eastern regional activists and armed groups that have seized control over several critical energy infrastructure facilities since mid-2013, sending Libya's oil exports and revenues plummeting. Jadhraan has engaged in a series of personal negotiations with various central government leaders and has established a high public profile for himself, drawing both widespread criticism and limited support. Under the terms of a recent agreement, Jadhraan committed to returning several facilities to government control, but implementation of the agreement has stalled.



U.S. Ambassador to Libya Deborah K. Jones

Ambassador Jones leads the U.S. mission in Libya and engages with a wide range of Libyan officials and citizens to support Libya's transition and expand U.S.-Libya commercial, educational, and personal ties. Ambassador Jones collaborates closely with ambassadors from the United Kingdom, Italy, France, and Germany, issuing joint statements and prevailing on the Libyan government and other groups to take necessary steps to secure the country and complete the transition.

Source: Prepared by CRS. Images derived from official Libyan and U.S. government sources.

The revised transitional roadmap currently calls for an elected Constitutional Drafting Assembly (CDA) to produce a draft constitution for consideration by elected legislators and the Libyan public. Forty-eight out of 60 of the Assembly's members were elected in February 2014 amid very low voter turnout; the remaining 12 seats were not filled due to boycotts and security disruptions, but are set to be filled as follow-on elections are held. According to the 2011 interim constitutional declaration, the CDA is scheduled to have four months from its first session to produce a draft constitution for consideration, a timeline which many outside observers viewed as ambitious and potentially problematic even prior to recent events. The CDA held an initial meeting on April 20, in Al Bayda, and is consulting with Libyans and international supporters.

For the United States and other backers of the interim government, Libya's deteriorating security conditions, fragmented political scene, and shifting transition timelines have presented several policy dilemmas. U.S. officials and others working to support Libya's transition and to combat Libya-based transnational threats have had to rely on interim leaders and institutions to make difficult policy, budget, and personnel decisions to identify and support joint priorities. Meanwhile, insecurity and violence have hampered progress in the transition. Infighting and inertia have delayed improvements in the performance of government ministries, while the initiative and vigor shown by various armed non-state actors has undermined the state's limited investments in reconstituting its security forces.

In a reinforcing cycle, indecision and insecurity have eroded the legitimacy of those leaders and institutions tasked with reversing threats to Libya's stability. Outsiders, including the United States, have felt increasingly obliged to help break this negative cycle and to insist on an expedited transition, while recognizing that, in the words of U.S. Deputy Secretary of State William Burns, "no one can make Libyans' choices for them" and outside intervention may inflame problems further.⁶

Until the new Council of Representatives is elected, new executive leaders are identified, and a new constitution is developed, endorsed, and implemented, the Libyan government may lack the political legitimacy, will, and capabilities necessary to take assertive action on difficult security and economic issues. Inaction may have considerable negative consequences, as unchecked threats could become more costly and risky to address over time. If current conditions persist or deteriorate further, the country may continue to fragment as locally organized groups and other non-state actors seek to protect their interests and gain advantage over rivals. Under such circumstances, groups active in Libya that are hostile to U.S. interests may grow stronger.

On the other hand, direct efforts by the Libyan government or other governments to confront armed non-state groups or fundamentally recast transition plans risk igniting localized conflicts. Such conflicts could spread within or beyond Libya's borders and further disrupt Libya's political transition or the security of neighboring states.

In this context, Members of Congress are considering the Administration's appropriations requests for FY2015 foreign assistance programs in Libya (see "U.S. Foreign Assistance and Requests" below) and conducting oversight of U.S. efforts to strengthen Libyan security forces and support Libya's troubled transition.

⁶ OSC Report IML2014042533918510, "U.S. Supports Efforts to Enhance, Reform Security Institutions in Libya," *Libya Herald* (Tripoli), April 24, 2014.

Figure 2. Libya: Map and Select Country Data



LIBYA AT A GLANCE

Land Area: 1.76 million sq. km. (slightly larger than Alaska)
Land Boundaries: 4,348 km (~40% more than U.S.-Mexico border)
Coastline: 1,770 km (more than 30% longer than California coast)
Population: 6,244,174 (July 2014 est.)
GDP (PPP, growth rate): \$73.6 billion, -5.1% (2013 est.); \$77.57 billion, 104.5% (2012 est.)
GDP per capita: \$12,300 (2012 est.)

Budget (spending; balance): \$41.87 billion, deficit 0.5% of GDP (2013 est.)
Literacy: 89.5%
Oil and natural gas reserves: 48.01 billion barrels (2013 est.); 1.547 trillion cubic meters (2013 est.)
External Debt: \$6.32 billion (December 2013 est.)

Sources: Graphic created by CRS. Map borders and cities generated by Hannah Fischer using data from Department of State, 2013; Esri, 2013; and Google Maps, 2013. At-a-glance information from CIA World Factbook.

Select Security Issues

The U.S. Intelligence Community's January 2014 unclassified Worldwide Threat Assessment described the terrorist threat to Western and Libyan government interests in Libya as "acute, especially in the east of the country." Administration officials repeated these views in subsequent congressional testimony and statements. U.S. AFRICOM Commander General David Rodriguez⁷ described Libyan institutions as "very, very weak"⁸ and warned that Al Qaeda adherents and affiliates are gaining strength as "arms, ammunition, explosives from Libya ...continue to move throughout the region in northwest Africa."⁹ U.S. and French officials also have issued warnings about the reported activities in southwestern Libya of Sahel-based terrorists and arms traffickers, including members of Al Qaeda affiliates. When asked to compare threats to U.S. security from Libya and Syria, Defense Department Assistant Secretary Michael Lumpkin recently said, "my sense is that Libya isn't where Syria is today, but again—left unchecked, left without the proper engagement in building the partnership capacity with the nascent Libyan forces—that we could end up in a situation where it's not too dissimilar if no attention is paid to it."¹⁰

United Nations (U.N.) officials confirmed these trends, adding in a late February 2014 report that, since September 2013,

The security environment continued to deteriorate, and there was no significant progress in integrating members of brigades into an effective national army and police force or in the disarming of other armed groups... Security sector governance at the national level remains hampered by lack of clarity about roles and responsibilities and an ill-defined security sector architecture that has failed to undergo significant reform or manage the security crises effectively. As a result, a well-defined government plan to rebuild and reform State security institutions remains elusive.¹¹

Ansar al Sharia and Other Libya-based Extremist Groups

On January 10, 2014, the U.S. State Department announced the designation of Ansar al Sharia in Benghazi and Ansar al Sharia in Darnah as Foreign Terrorist Organizations (FTOs) under Section 219 of the Immigration and Nationality Act and as Specially Designated Global Terrorist entities under Executive Order 13224. According to the State Department, the groups:

have been involved in terrorist attacks against civilian targets, frequent assassinations, and attempted assassinations of security officials and political actors in eastern Libya, and the September 11, 2012 attacks against the U.S. Special Mission and Annex in Benghazi, Libya. Members of both organizations continue to pose a threat to U.S. interests in Libya.

⁷ Testimony of General David Rodriguez, Commander, U.S. Africa Command [AFRICOM], before the House Armed Services Committee, March 5, 2014.

⁸ Press Briefing by Deputy Assistant Secretary of Defense Amanda Dory and Gen. Rodriguez, Washington, DC, April 8, 2014.

⁹ Testimony of General David Rodriguez, Commander, U.S. Africa Command [AFRICOM], before the Senate Armed Services Committee, March 6, 2014.

¹⁰ Testimony of Assistant Secretary of Defense for Special Operations and Low- Intensity Conflict [SOLIC] Michael Lumpkin before the Senate Armed Services Subcommittee on Emerging Threats and Capabilities, March 11, 2014.

¹¹ Report of U.N. Secretary General Ban Ki-moon on the United Nations Support Mission in Libya (UNSMIL), February 2014.

Libyan media and Ansar al Sharia social media accounts suggest that the organization's current operations extend to Benghazi, Sirte, and areas of eastern Libya and include military training, security patrols, outreach and education efforts, and public works projects. The group also has publicized its efforts to deliver relief supplies to civilians in northern Syria and other countries. The U.S. government has not released a detailed unclassified assessment of the size and capabilities of Ansar al Sharia in Libya. Publicly available information suggests the group's membership may be in the high hundreds or low thousands of individuals, some of whom possess truck-mounted anti-aircraft guns, rocket-propelled grenades, military-style uniforms, and assault rifles.

Figure 3. Recent Ansar al Sharia Imagery from Libya and Syria



Source: Ansar al Sharia on Twitter, collected and compiled by CRS in May 2014.

Notes: Clockwise from top left, images purport to show: (1) children engage with AAS-affiliated scholar, (2) AAS security personnel conducting a drill, (3) the before-and-after result of an AAS public works program in Benghazi; and, (4) an AAS campaign delivering relief supplies in Syria. Center: Ansar al Sharia's official logo.

Two other Islamist militia forces and services organizations based in the eastern city of Darnah also pose a challenge to Libyan authorities: the Abu Salim Martyrs Brigade and the Islamic Youth Shura Council of Darnah. The latter group conducted a large display of military weaponry in a convoy near the city in early April 2014, and the former group, named for the victims of a Qadhafi-era prison massacre of predominantly Islamist detainees, has questioned the authority of transitional officials. Constitutional assembly elections were disrupted in Darnah in February 2014. The Youth Shura Council has posted images of its checkpoints and seizures of alcohol and contraband goods, and the Abu Salim Martyrs Brigade routinely posts images of its social services activities. Ansar al Sharia members conducted and publicized similar operations when that group was establishing itself in Benghazi in 2012.

In southwestern Libya, Islamist extremist operatives reportedly are active, and may be using remote areas to serve as safe havens or transit areas for operations in neighboring Niger and Algeria. Some press reports suggest that Mokhtar Belmokhtar, the leader of the group responsible for the January 2013 attack on the natural gas facility at In Amenas, Algeria that killed three Americans, may be in southwestern Libya. U.S. officials have not publicly confirmed those reports, but describe Belmokhtar's group—Al Murabitoun—as active in the area.

Investigations into 2012 Attacks on U.S. Facilities and Personnel in Benghazi

U.S. Ambassador to Libya Christopher Stevens and three other U.S. personnel were killed on September 11, 2012 during an assault by armed terrorists on two U.S. facilities in Benghazi, Libya's second largest city. The Federal Bureau of Investigation (FBI) remains the lead U.S. agency tasked with pursuing the individuals responsible for the attacks. Other government agencies, including the State Department, the Department of Defense (DoD), and elements of the intelligence community (IC) support the FBI's efforts to bring the attackers to justice.

On September 28, 2012, the U.S. intelligence community concluded publicly that the incident was a "deliberate and organized terrorist attack carried out by extremists," and said that, at the time it remained, "unclear if any group or person exercised overall command and control of the attack and if extremist group leaders directed their members to participate. However, we do assess that some of those involved were linked to groups affiliated with, or sympathetic to Al Qaeda."¹² As of May 2014, some progress reportedly has been made identifying suspects, but no arrests have been made. In January 2014, a Senate Select Committee on Intelligence report on the attacks stated that, "Individuals affiliated with terrorist groups, including Al Qaeda in the Islamic Maghreb (AQIM), Ansar al Sharia, Al Qaeda in the Arabian Peninsula [AQAP], and the Mohammad Jamal Network, participated in the September 11, 2012, attacks."¹³ Also in January, the House Permanent Select Committee on Intelligence reported that, "The IC has collected extensive information on many of the Benghazi attackers, but early coordination between IC and the DoD was lacking, many intelligence gaps remain, and the Administration has yet to establish an effective plan to bring known attackers to justice."¹⁴

U.S. military officials have referred to continuing intelligence gaps in Libya in recent unclassified testimony before Congress, and U.S. AFRICOM Commander General David Rodriguez said on April 8 that continuing U.S. efforts against the network responsible for the Benghazi attacks are "made more difficult, obviously, by the security situation."¹⁵ Rodriguez added that U.S. investigators "don't have everybody identified and located," and said that the feasibility of operations to apprehend or otherwise target suspects in Libya "depends ... on the situation and the risk that people want to take." In October 2013, U.S. military forces reportedly were involved in the capture of Nazih al Ruqai'i (aka Abu Anas al Libi) in Tripoli. Ruqai'i is now in U.S. law enforcement custody and is on trial on charges related to the 1998 U.S. Embassy bombings in East Africa.

Administration officials have repeatedly described Libya as a high risk operational environment, even with regard to routine diplomatic operations in Tripoli. Operational risks presumably are higher in denied areas of Libya that are controlled by anti-U.S. forces. On December 12, 2013, the U.S. State Department issued a travel warning for Libya that "strongly advises against all but essential travel to Tripoli and against all travel to areas outside of Tripoli." The warning further states that, "The security situation remains unpredictable and unstable. Many military-grade weapons remain in the hands of private individuals, including antiaircraft weapons that may be used against civilian aviation. ... In addition to the threat of crime, various groups have called for attacks against U.S. citizens and U.S. interests in Libya."

Across Libya, attacks on foreign diplomatic facilities and personnel and on foreign nationals have continued in recent months. Since April 2013, reported attacks have targeted the French and Russian embassies in Tripoli, the Turkish Consul in Benghazi, the Finnish and Swedish consulates in Benghazi, a U.S. national teaching in Benghazi, a Turkish national in Tripoli, oil workers from the United Kingdom and New Zealand, Egyptian Christians in Benghazi, Tunisian Embassy employees and a Libyan employee of the U.S. Embassy in Tripoli, and the Jordanian ambassador to Libya Fawaz al Etan, who was kidnapped on April 15, among others.

¹² Statement, Director of Public Affairs for the Director of National Intelligence Shawn Turner, September 28, 2012.

¹³ Senate Select Committee on Intelligence, Review of the Terrorist Attacks on U.S. Facilities in Benghazi, Libya, September 11-12, 2012, January 15, 2014.

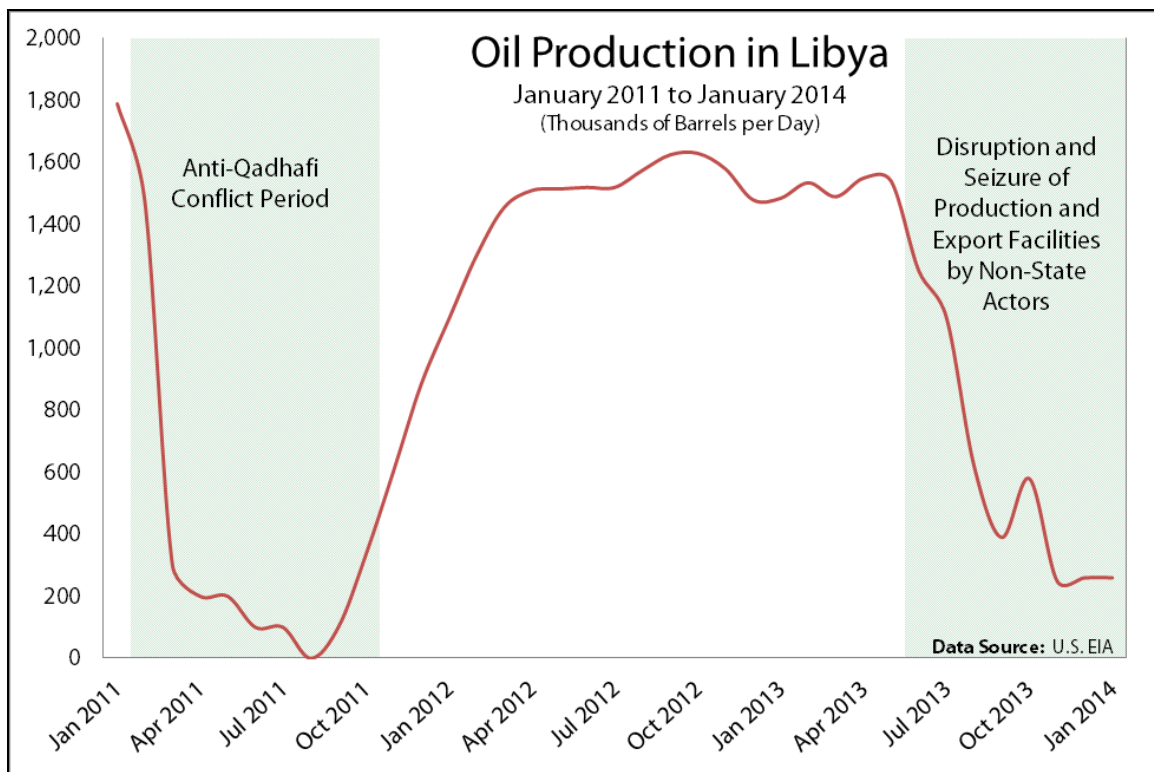
¹⁴ House Permanent Select Committee on Intelligence, Benghazi Investigation Update, January 2014.

¹⁵ Deputy Assistant Secretary Amanda Dory and General David Rodriguez, Press Briefing, April 8, 2014.

Seizure of Oil Facilities Challenges Government Authority, Raises Budget Questions

In April 2014, government negotiators reached a partial agreement with armed groups who have been occupying many of the key oil fields and export terminals in eastern Libya since mid-2013. Led by a militia commander named Ibrahim Jadhran, the forces have demanded payment of salaries to local guards and the implementation of oil revenue sharing arrangements on behalf of the Cyrenaica Political Bureau, which seeks regional autonomy for eastern Libya.¹⁶ Tribal and other local forces in other regions of Libya also have seized oil infrastructure, driving production to lows not seen since the 2011 anti-Qadhafi conflict.

Figure 4. Oil Production in Libya



Source: Created by CRS using U.S. Energy Information Administration data.

Jadhran's attempts to sell oil under his forces' control have been thwarted to date, most notably in March 2014, when U.S. Navy personnel seized and returned to Libya a North Korean-flagged tanker ship carrying oil from the then-rebel held port at Al Hariga (Tobruk). United Nations Security Council Resolution 2146, adopted in March 2014, authorizes Member States to inspect on the high seas vessels designated as carrying oil illegally exported from Libya and,

authorizes Member States to use all measures commensurate to the specific circumstances, in full compliance with international humanitarian law and international human rights law, as may be

¹⁶ Margaret Coker, "Ex-Rebel, With Militia, Lays Claim to Libyan Oil Patch," *Wall Street Journal*, October 3, 2013.

applicable, to carry out such inspections and direct the vessel to take appropriate actions to return the crude oil, with the consent of and in coordination with the Government of Libya, to Libya.

The agreement reached in early April saw export terminals at Al Hariga and Zuwaytina returned to government control. The terminal at Al Hariga is now operational and exports have risen to 220,000 barrels per day (bpd), but remain well short of Libya's 1.6 million bpd capacity. As of early May 2014, major export terminals at Al Sidra and Ras Lanouf remained under the control of Jadhraan-aligned forces and Jadhraan reportedly had refused to engage with Prime Minister-designee Maiteeq citing the dispute over his election.¹⁷ Important oil fields representing one-third of the country's potential oil output also remained under the control of other non-state groups in western Libya. The inability of interim authorities to regain control of vital national infrastructure facilities has undermined public confidence in the government.

The immediate fiscal impact of the oil facilities crisis has been reflected in a severe drop in national government oil export revenue receipts since mid-2013, which in turn has created some challenges in making timely payments of some state salaries and subsidies. Nevertheless, the country's large foreign reserves and investment portfolios provide some limited flexibility for covering recent budget shortfalls. As of April 2014, the World Bank estimated that Libya's reserves had declined "to about \$100 billion in 2014 and are expected to decline further to \$82 billion in 2015 from \$122 billion in 2013 when the government started running budget deficits."¹⁸

Even if oil exports and revenue flows are fully restored, the balance of priorities reflected in Libya's national budget may prove to be a politically divisive and controversial issue. Large components of the annual budgets submitted for GNC approval by Libyan interim authorities to date have been directed toward paying public sector salaries and subsidies, with far less directed toward development, education, health and infrastructure projects. The draft 2014 budget sets more than 37% aside for salaries and subsidies.¹⁹ Reforming subsidies for items such as fuel could provoke protests or disrupt reported smuggling arrangements that shuttle subsidized fuel out of the country. The interim government's responsiveness to demands for the expansion of public sector salaries since 2011 has demonstrated the potential volatility of reductions in the scope or value of state payrolls.

Political Developments and Challenges

The July 2012 election of an interim 200-member General National Congress (GNC) to replace the appointed TNC marked an important step on the planned transition timeline and was Libya's first national election in nearly 50 years. Many Libyans and outside observers expressed hope that the elected interim Congress would appoint a cabinet that would have been able to leverage the body's election-derived democratic legitimacy to act decisively on key issues. However, like their predecessors in the Transitional National Council, the GNC and its cabinet have proven unable to

¹⁷ Maher Chmaytelli, *Libya Rebels Keep Oil-Sharing Condition for Ports Opening*, Bloomberg News, April 8, 2014; and, OSC Report IML2014050778540693, "Head of Libyan Rebel Oil Blockade Group Condemns Appointment of New PM," *Libya TV* (Doha) May 7, 2014.

¹⁸ "Fiscal and current account balances have deteriorated sharply due to the oil blockade that has reduced oil revenue by 80 percent and also to continued expansionary fiscal policy." World Bank, Office of the Chief Economist for the Middle East and North Africa (MENA), *Regional Economic Update*, April 2014, p. 9-10.

¹⁹ On May 7, GNC Finance and Budget Committee chairman Mohammed Abdullah stated that the 85.9 billion dinar budget for 2014 includes more than 18.7 billion dinars for salaries and 13.1 billion dinars for subsidies.

successfully address a number of chronic challenges, some of which have been exacerbated by the consequences of the violent revolution and complicated by the legacies of Qadhafi's patronage- and fear-based rule.

Many expert observers of Libya's domestic politics have emphasized the general weakness and fractured condition of Libya's political landscape after 40 years of idiosyncratic abuse by Qadhafi and his supporters. Qadhafi purposely undermined state institutions, including the military, and manipulated tribal, regional, and political groups to maintain power. The 2011 conflict empowered local groups and weakened the capacity of state security bodies. Transitional authorities have inherited weak national government institutions, and competition among some groups has intensified during the transition. Political support for interim leaders among some Libyans has waned in light of the government's failure to rapidly improve basic services, ensure security, or deliver expected financial support via salaries, subsidies, and relief payments.

Key steps in the transition process, such as the selection of interim legislative and executive leaders and the drafting and consideration of a new constitution are complicated by the wide range of security threats confronting Libyans in different parts of the country. Among the most pressing and potentially divisive political issues still under debate are:

Islam and the State: Most Libyans support a prominent role for Sunni Islamic traditions in public life, but differ in their personal preferences and interpretations of their faith. Libyan social norms are relatively conservative and traditional, and Libyans remain engaged in a long-running public debate about the proper role for Islam in public life. In the past, that debate led to violence between the Qadhafi government and armed Islamist opponents. In the present, the debate has taken on new urgency given the opportunity to define a new constitution. Calls for and against strict interpretations and enforcement of *sharia* have featured regularly in public discourse since the fall of the Qadhafi regime.

Libyans hold a wide array of views on these questions and are now freely sharing them. Armed Salafist groups such as Ansar al Sharia demand that *sharia* be codified and enforced immediately. In eastern Libya, these groups have become more organized and increasingly publicly active over time. Other Libyan figures, including some Muslim Brotherhood leaders, have indicated they "are calling for the establishment of a civilian state but with an Islamic reference."²⁰ In July 2012, the TNC issued a declaration advising the newly elected government and the then-yet-to-be elected constitutional committee to preserve *sharia* as the principal source of legislation under the new constitution and to not submit the matter to a national referendum.²¹ In December 2013, the GNC endorsed a statement that Libyan law must comply with *sharia*, sparking criticism from secular groups and derision from religious conservatives demanding immediate implementation.²²

Federalism and Regional Politics: Discussions about federalism in Libya combine general debates about centralized administration versus decentralization and specific historical claims of inequality among Libya's regions. A widely espoused commitment to national unity and solidarity has defined much of the political rhetoric of the post-Qadhafi transition period. Nevertheless,

²⁰ OSC Report GMP20120305825005, "Libyan Brotherhood Leader Urges Creation of Civil State With Islamic Reference," March 5, 2012.

²¹ TNC Decree Number 7 of 2012, July 5, 2012.

²² OSC Report TRL2013120722786731, "Libya: Al-Rayah Releases Ansar al-Sharia Statement Condemning GNC Statement on Islamic Sharia," December 6, 2013.

some eastern Libyans fear that a consolidation of power at the national level will continue a political pattern under Qadhafi that they believe marginalized the east and neglected its development. As such, procedures for selecting a new constitutional drafting body have been amended twice, each time in an effort to respond to calls from activists in eastern Libya concerned that the constitution would be drafted on the basis of proportional differences in population rather than equal regional representation.

Broader debate focuses on the relative merits of administrative decentralization or regional autonomy in a federal system. Many Libyans have embraced calls for decentralization while expressing concern that the political assertion of regional identity and calls by some easterners for autonomy risk dividing the country and may spark renewed conflict. Similar debates, concerns, and risks featured prominently during Libya's founding as a unified state under United Nations auspices in the early 1950s. Resentment of the centralization of state authority, first under the easterner-dominated monarchy in the 1960s and then under Qadhafi from the 1970s onward, divided Libyans on regional lines. Regional identities remain relatively weak compared with local identities, but national identity and solidarity may prove weaker still.

Security and the Rule of Law: Qadhafi used the security bodies of the state to crush political dissent and interfere in the daily lives of Libyans. As a result, debates among Libyans over the relative powers of security authorities and the rule of law are very sensitive. The dispersion of authority in the hands of armed groups and the existence of what one analyst has called “local monopolies of violence” further complicates matters.²³ In spite of these complications and legacies, security conditions are the immediate and overarching concern for Libyan authorities. Armed non-state groups continue to operate in many areas of the country, government authorities rely on militias to provide security for key cities and facilities, and the country's borders, infrastructure, and military sites are unevenly secured. Threats to elected and appointed leaders have grown, and coercive kidnappings and assassinations are rampant in some areas of the country. Militia forces based in and around Zintan, Tripoli, Misrata, and Benghazi remain the most powerful security actors in the country.

Since late 2011, sporadic outbreaks of violence among rival militia groups, criminals, and armed citizens have shaken Libyans' confidence in transitional leaders and in each other. From one perspective, the number of security disruptions is smaller than might otherwise be expected in a post-conflict environment awash in weapons and dominated by dozens of armed groups with varying relationships to state authority. From another perspective, the level of crime, the continuing independence of local militia, the broad availability of weapons, and the relative limitations of national security bodies suggest that Libya's security remains a function of Libyans' self-restraint rather than the capability of national security authorities.

U.S. Policy and Issues for Congress

The September 2012 Benghazi attacks and ongoing clashes, assassinations, and abductions involving militia groups have challenged U.S. plans to engage in a more comprehensive security assistance and transition support relationship with Libya. Some Libyans' have questioned the interim government's decision to seek foreign support for security reform and transition guidance,

²³ Jacob Mundy, “Militia Politics in Libya's National Elections,” Foreign Policy Magazine – Middle East Channel Blog, July 5, 2012.

while some U.S. observers' have questioned Libya's need for U.S. foreign assistance given its oil resources and relative wealth. To date, the Obama Administration and some in Congress have favored a partnership approach that seeks to build Libyan capacity, coordinate international action, and leverage Libyan financial resources to meet shared objectives. Nevertheless, in some cases where the United States government desires Libyan government action on priority issues, especially in the security sector, U.S. officials weigh choices over whether U.S. assistance can build sufficient Libyan capacity quickly and cheaply enough, whether interim leaders are appropriate or reliable partners for the United States, and whether threats to U.S. interests may require direct U.S. action.

U.S. Foreign Assistance and Requests

U.S. engagement in Libya since the anti-Qadhafi conflict ended has shifted from humanitarian assistance to focus on transition assistance and security sector support. Over \$25 million in USAID-administered programs funded through the Office of Transition Initiatives, regional accounts, and reprogrammed funds were identified to support the activities of Libyan civil society groups and provide technical assistance to Libya's nascent electoral administration bodies from 2011 to 2013. The security-related withdrawal of U.S. personnel from Libya in the wake of the Benghazi attacks temporarily affected the implementation and oversight of U.S.-funded transition assistance programs, and Congress has acted to condition the provision of future U.S. assistance to Libyan government on cooperation in the investigation.

The FY2014 Consolidated Appropriations Act (P.L. 113-76, Sections 7015(f) and 7041(f)) conditions the provision of U.S. foreign assistance to the central government of Libya on a State Department certification that the government is cooperating with U.S. government efforts to investigate and bring to justice those responsible for the September 2012 Benghazi attacks. The act and accompanying explanatory report further require detailed notification of the Appropriations Committees of planned obligations of funds for Libya programs to include vetting procedures for recipients. The Act also prohibits the provision of U.S. assistance to Libya for infrastructure projects "except on a loan basis with terms favorable to the United States."

Administration officials have remained committed to providing transition support to Libyan government entities and civil society groups and have requested new funding to continue current programming in FY2015 (see **Table 1**). The FY2015 State Department foreign assistance budget request for Libya identifies similar strategic goals as the FY2014 request: "1) supporting Libyan government efforts to develop a basic security capability to reduce threats and sustain a successful democratic transition, and 2) maintaining progress on Libya's transition to a permanent, inclusive democracy accountable to the Libyan people."²⁴ In FY2014, the State Department's budget justification also identified "enhancing the Libyan government's capacity to bring to justice those responsible for the Benghazi attacks" as a primary U.S. goal.

²⁴ The request seeks funding to continue U.S. programs aimed at: "accounting for and securing conventional weapons; building military capacities to address specific threats to Libya's sovereignty; strengthening counterterrorism cooperation; enhancing border security; promoting governance reform and capacity building; advancing civil society and democratic governance; providing election support; and, strengthening judicial capacity and rule of law."

Table I. U.S. Assistance to Libya FY2010-FY2015
(thousands of dollars, by account/program and fiscal year of appropriation unless noted)

| Account/Program | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 Estimate | FY2015 Request |
|--|---------------|---------------------|---------------|---------------|-----------------|----------------|
| Complex Crises Fund (CCF-OCO) | | | | 15,000 | - | - |
| Foreign Military Financing (FMF) | 150 | - | 150 | 949 | - | - |
| International Military Education and Training (IMET) | 319 | - | 296 | 142 | 1,500 | 1,500 |
| USAID Transition Initiatives (TI/TI-OCO) | - | 4,000 | 1,500 | 4,825 | - | - |
| Department of Defense Nonlethal Support Drawdown Authority | 25,000 | - | - | - | - | - |
| Global Security Contingency Fund | - | - | 18,400 | - | - | - |
| International Narcotics Control and Law Enforcement | - | - | - | - | 1,500 | 1,000 |
| Middle East Partnership Initiative (MEPI) | 3,530 | 3,145 | NA | NA | TBD | TBD |
| Middle East Response Fund (MERF) | - | 25,615 | - | - | - | - |
| Democracy Fund | - | 600 | - | - | - | - |
| Development Assistance | - | 470 | - | - | - | - |
| Economic Support Fund (ESF) | - | - | - | - | - | - |
| ESF-Overseas Contingency Operations (OCO) | - | - | 3,000 | 5,000 | - | - |
| ESF-USAID Middle East Regional Programs | - | 175 | - | 2,850 | TBD | 9,500 |
| Nonproliferation, Antiterrorism, Demining and Related Programs (NADR) | | | 2,100 | 1,437 | 2,940 | 3,500 |
| Anti-Terrorism Assistance (ATA) | - | - | - | - | - | - |
| Export Control and Related Border Security Assistance (EXBS) | - | 500 | - | - | - | - |
| Counterterrorism Engagement (CTE) | 95 | - | - | - | - | - |
| Conventional Weapons Reduction (CWD) | - | 5,750 | - | - | - | - |
| Global Threat Reduction (CTR) | 500 | - | - | - | - | - |
| Nonproliferation Disarmament Fund (NDF) | - | 34,300 ^a | - | - | - | - |
| Regional Strategic Initiative (RSI) | - | 9 | - | - | - | - |
| Humanitarian Funding | | | | | | |
| Emergency Refugee and Migration Assistance (ERMA) | - | 25,000 | - | - | - | - |
| International Disaster Assistance (OFDA) | - | 13,300 | - | - | - | - |
| International Disaster Assistance (FFP) | - | 15,700 | - | - | - | - |
| Migration and Refugee Assistance (MRA) | - | 35,000 | 8,800 | - | - | - |
| Estimated Total (subject to change) | 29,594 | 163,564 | 34,246 | 25,378 | 5,940 | 15,500 |

Sources: U.S. Department of State communication to CRS, June 2012; State Department congressional budget justification and notification documents. Amounts subject to change. Estimated totals may not reflect all funds.

Note: NA = Not Available, TBD = To Be Determined

a. NDF funds reprogrammed from multiple fiscal years - FY2003, FY2004, FY2009 and FY2010.

Of the funds requested for FY2015, \$1.5 million would support International Military Education and Training (IMET); \$1 million would support International Narcotics Control and Law Enforcement (INCLE) programs; and \$3.5 million would support Nonproliferation, Antiterrorism, Demining and Related Programs (NADR) to expand engagement with Libyan security forces.

In addition, \$9.5 million would support U.S. Agency for International Development (USAID) programs “to help consolidate-democratic reforms” through technical assistance, training, capacity building, electoral process support, including \$3 million requested in part to fund the development of a “public financial management framework.” The Administration is also requesting an additional \$20 million in global FY2015 Transition Initiatives funding over FY2014 levels and intends to use \$10 million of its Complex Crises Fund request “to address emerging needs and opportunities in the Middle East and North Africa (MENA) region.” Some of these funds could support activities in Libya.

To date, the centerpieces of U.S. security assistance efforts have been a \$3.8 million Libyan Security Reform Initiative to provide training to security sector leaders and an \$18.4 million Global Security Contingency Fund (GSCF) initiative to improve border security. The latter program includes the provision of some equipment and training for Libyan special operations forces and support for border security forces in neighboring Algeria, Chad, and Niger.

On January 22, 2014, the Administration notified Congress of its intent to establish a Libyan-government funded military training program in Bulgaria to create a General Purpose Force (GPF) of 6-8,000 Libyan personnel. The U.S. contribution to the GPF training program would complement parallel coordinated training efforts by Turkey, Italy, the United Kingdom, Morocco, and France, which seek to train up to 20,000 personnel for such a force in the near term. Congressional committees of jurisdiction reviewed the proposed \$600 million Foreign Military Sale for the training program earlier this year, and according to U.S. AFRICOM Commander General Rodriguez, “the U.S. right now is waiting on money coming from the Libyan government to begin to fund the training in Bulgaria.”²⁵

As noted above, Libyan leaders have yet to finalize plans to reform state security institutions and Libyan citizens harbor disagreements over the legitimacy of seeking foreign support for security sector reform. Competing political forces also may have divergent views concerning who should be eligible for foreign training and which missions ought to be assigned to foreign trained forces.

Outlook

The attacks in Benghazi, the deaths of U.S. personnel, and the emergence of terrorist threats on Libyan soil have reshaped public and official debates in Washington about U.S. policy toward Libya. Following intense congressional debate over the merits of U.S. and NATO military intervention in Libya, many Members of Congress welcomed the announcement of Libya’s liberation, the formation of the interim TNC government, and the July 2012 national GNC election, while expressing concern about security in the country, the proliferation of weapons, and the prospects for a smooth political transition. To date, the Obama Administration and Congress

²⁵ Press Briefing by Deputy Assistant Secretary of Defense Amanda Dory and Gen. Rodriguez, Washington, DC, April 8, 2014.

have agreed to support a range of security and transition support assistance programs in Libya, some of which respond to specific U.S. security concerns about unsecured weapons and border security. Identifying and bringing those involved in the Benghazi attack to justice has become a decisive issue in the bilateral relationship, as has confronting any Al Qaeda affiliated groups present in Libya. Securing stockpiles of Libyan weapons also remains an issue of broad congressional concern, as does ensuring that transitional authorities act in accordance with international human rights standards in pursuing justice and handling detainees.

U.S. officials must weigh demands for a response to immediate security threats emanating from Libya with longer-term concerns for Libya's stability, the success of its nascent democratic institutions, and the future of U.S.-Libyan relations. Decisions about responding to threats to U.S. security are complicated by the relative weakness of the Libyan state security apparatus and the risk of inflaming public opinion or undermining the image of the elected Libyan government through direct or overt U.S. security responses. These risks may be heightened during the remainder of 2014, when Libyan authorities plan to embark on initiatives to reconstitute their elected interim legislative body and to draft and consider a new constitution.

Appendix. Libyan History, Civil War, and Political Change

The North African territory that now composes Libya has a long history as a center of Phoenician, Carthaginian, Greek, Roman, Berber, and Arab civilizations. Modern Libya is a union of three historically distinct regions—northwestern Tripolitania, northeastern Cyrenaica or Barqa, and the more remote southwestern desert region of Fezzan. In the 19th century, the Ottoman Empire struggled to assert control over Libya's coastal cities and interior. Italy invaded Libya in 1911 on the pretext of liberating the region from Ottoman control. The Italians subsequently became mired in decades of colonial abuses against the Libyan people and faced a persistent anti-colonial insurgency. Libya was an important battleground in the North Africa campaign of the Second World War and emerged from the fighting as a ward of the Allied powers and the United Nations.

On December 24, 1951, the United Kingdom of Libya became one of Africa's first independent states. With U.N. supervision and assistance, a Libyan National Constituent Assembly drafted and agreed to a constitution establishing a federal system of government with central authority vested in King Idris Al Sanussi. Legislative authority was vested in a Prime Minister, a Council of Ministers, and a bicameral legislature. The first parliamentary election was held in February 1952, one month after independence. The king banned political parties shortly after independence, and Libya's first decade was characterized by continuous infighting over taxation, development, and constitutional powers.

In 1963, King Idris replaced the federal system of government with a unitary monarchy that further centralized royal authority, in part to streamline the development of the country's newly discovered oil resources. Prior to the discovery of marketable oil in 1959, the Libyan government was largely dependent on economic aid and technical assistance it received from international institutions and through military basing agreements with the United States and United Kingdom. The U.S.-operated air base at Wheelus field outside of Tripoli served as an important Strategic Air Command base and center for military intelligence operations throughout the 1950s and 1960s. Oil wealth brought rapid economic growth and greater financial independence to Libya in the 1960s, but the weakness of national institutions and Libyan elites' growing identification with the pan-Arab socialist ideology of Egyptian leader Gamal Abdel Nasser contributed to the gradual marginalization of the monarchy. Popular criticism of U.S. and British basing agreements grew, becoming amplified in wake of Israel's defeat of Arab forces in the 1967 Six Day War. King Idris left the country in mid-1969 for medical reasons, setting the stage for a military coup in September, led by a young, devoted Nasserite army captain named Muammar al Qadhafi.

The United States did not actively oppose the coup, as Qadhafi and his co-conspirators initially presented an anti-Soviet and reformist platform. Qadhafi focused intensely on securing the immediate and full withdrawal of British and U.S. forces from military bases in Libya, which was complete by mid-1970. The new government also pressured U.S. and other foreign oil companies to renegotiate oil production contracts and some British and U.S. oil operations eventually were nationalized. In the early 1970s, Qadhafi and his allies gradually reversed their stance on their initially icy relationship with the Soviet Union and extended Libyan support to revolutionary, anti-Western, and anti-Israeli movements across Africa, Europe, Asia, and the Middle East. These policies contributed to a rapid souring of U.S.-Libyan political relations that persisted for decades and was marked by multiple military confrontations, state-sponsored acts of Libyan terrorism

against U.S. nationals, covert U.S. support for Libyan opposition groups, Qadhafi's pursuit of weapons of mass destruction, and U.S. and international sanctions.

Qadhafi's policy reversals on WMD and terrorism led to the lifting of international sanctions in 2003 and 2004, followed by economic liberalization, oil sales, and foreign investment that brought new wealth to some Libyans. After U.S. sanctions were lifted, the U.S. business community gradually reengaged amid continuing U.S.-Libyan tension over terrorism concerns that were finally resolved in 2008. During this period of international reengagement, political change in Libya remained elusive. Government reconciliation with imprisoned Islamist militants and the return of some exiled opposition figures were welcomed by some observers as signs that suppression of political opposition had softened. The Qadhafi government released dozens of former members of the Al Qaeda-affiliated Libyan Islamist Fighting Group (LIFG) and the Muslim Brotherhood from prison in the years prior to the revolution as part of its political reconciliation program. The Bush Administration praised Qadhafi's cooperation with U.S. counterterrorism efforts against Al Qaeda and the LIFG.

Qadhafi's international rehabilitation coincided with new steps by some pragmatic government officials to maneuver within so-called "red lines" and propose minor reforms. However, the shifting course of those red lines increasingly entangled would-be reformers in the run-up to the outbreak of unrest in February 2011. Ultimately, inaction on the part of the government in response to calls for guarantees of basic political rights and for the drafting of a constitution suggested a lack of consensus, if not outright opposition to meaningful change among hardliners. This inaction set the political stage for the revolution that overturned Qadhafi's four decades of rule and led to his grisly demise in October 2011.

Political change in neighboring Tunisia and Egypt helped bring long-simmering Libyan reform debates to the boiling point in January and early February 2011. The 2011 revolution was triggered in mid-February by a chain of events in Benghazi and other eastern cities that quickly spiraled out of Qadhafi's control. The government's loss of control in these cities became apparent, and broader unrest emerged in other regions. A number of military officers, their units, and civilian officials abandoned Qadhafi. Qadhafi and his supporters denounced their opponents as drug-fueled traitors, foreign agents, and Al Qaeda supporters. Until August 2011, Qadhafi and his forces maintained control over the capital, Tripoli, and other western cities. The cumulative effects of attrition by NATO airstrikes against military targets and a coordinated offensive by rebels in Tripoli and from across western Libya then turned the tide, sending Qadhafi and his supporters into retreat and exile. September and early October 2011 were marked by sporadic and often intense fighting in and around Qadhafi's birthplace, Sirte, and the town of Bani Walid and neighboring military districts. NATO air operations continued as rebel fighters engaged in battles of attrition with Qadhafi supporters.

Qadhafi's death at the hands of rebel fighters in Sirte on October 20, 2011, brought the revolt to an abrupt close, with some observers expressing concern that a dark chapter in Libyan history ended violently, leaving an uncertain path ahead. The self-appointed interim Transitional National Council (TNC) and its cabinet took initial steps toward improving security and reforming national institutions. Voters elected an interim General National Congress (GNC) in July 2012. The GNC assumed power on August 8, 2012, and voted to replace itself with a 200-member Council of Representatives (COR). The COR election is to be held later in 2014. A Constitutional Drafting Assembly was partially elected in February 2014 and is tasked with developing a permanent constitution for popular consideration.

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