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Arab Center for Research & Policy Studies

ASSESSMENT REPORT

The Scramble for the Oil Crescent and the Fight to Control Libya

Policy Analysis Unit - ACRPS | Mar 2017

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Introduction

Forces loyal to retired Libyan military officer Khalifa Haftar regained control of Libya's coastal "Oil Crescent" on March 13. This shift is highly significant, since the bay, roughly 200 km long, extends between the oil ports of Sirte and Ras Lanuf, and this area, as well as the oil fields inland, dominate Libyan oil production and export. Indeed, an estimated 60% of extracted Libyan oil is located in those areas, and most exports leave through the ports of Sirte and Ras Lanuf. This shift in the country's political geography came less than two weeks after the Haftar-backed militia was pushed out of the area by the Benghazi Defense Brigade (BDB), an armed group that had handed the oil sites to the UN-recognized Government of National Accord (GNA). The BDB had taken the coastal strip as part of its March 2 "Operation Return to Benghazi."

The initial loss of Haftar's forces had been a huge blow to the strongman, who had hoped to leverage control of the North African country's oil infrastructure with western powers. With the latest military victory, Libya's oil installations are once again in the hands of Haftar and not the internationally recognized government led by Fayeze al-Sarraj. The situation on the ground is thus back to where it was on March 2, before the BDB made its push. This leaves the country in a situation where no single military force has the upper hand.

A Surprise Rout in the Oil Crescent

Since launching "Operation Dignity" in early 2014—a BDB offensive ostensibly aimed at flushing out terrorists—forces loyal to Haftar have entrenched themselves around the city of Benghazi. They have, however, despite strong support from the likes of Egypt, the United Arab Emirates and France, been unable to enter the city proper, on account of fierce local opposition. This goes against the Sukhairat Agreement, signed in the eponymous Moroccan city in December of 2015, in an attempt to establish a political process for Libya. An ambitious Haftar not only refused to sign the agreement, but has contravened its aims in seeking to impose his will on the future of the nation, and has found a willing ally in President of the Tobruk-based House of Representatives Aguila Saleh, as well as many other local warlords in the Tripoli area. This loose coalition is held together by the preference for a scramble over power instead of the long, arduous

task of rebuilding Libya's governmental institutions. This has played out over the oilfields and port areas.

Haftar's first capture of the Oil Crescent was in September of 2016. His forces, backed by some of the local tribal formations in the region, took Sidra, Ras Lanuf and Zuwaitana, the Crescent's three main oil ports. International condemnations from the United States, Britain, Italy, and Spain, alongside demands that Haftar hand control of the oil fields to the Sarraj government, have proven to be empty rhetoric, giving Haftar a relatively free hand to continue his scramble for power. An emboldened Haftar was tempted to deal a decisive blow to his enemies and finally resolve the Libyan conflict through force by seizing Tripoli. Just as Haftar's Chief of Staff Abdelrazzak Natouri was boasting of their forces being on the doorstep of the Libyan capital, however, the BDB launched an offensive from the southern city of Jufra, and quickly grabbed control of the Oil Crescent,¹ only to have these gains taken away short weeks later.

¹ See: Zineb Abdessadok, "Libya: Will losing oil ports end Haftar's power?" *Aljazeera*, March 9, 2017, available online: <https://goo.gl/TDLqsR>

Libya March 2017

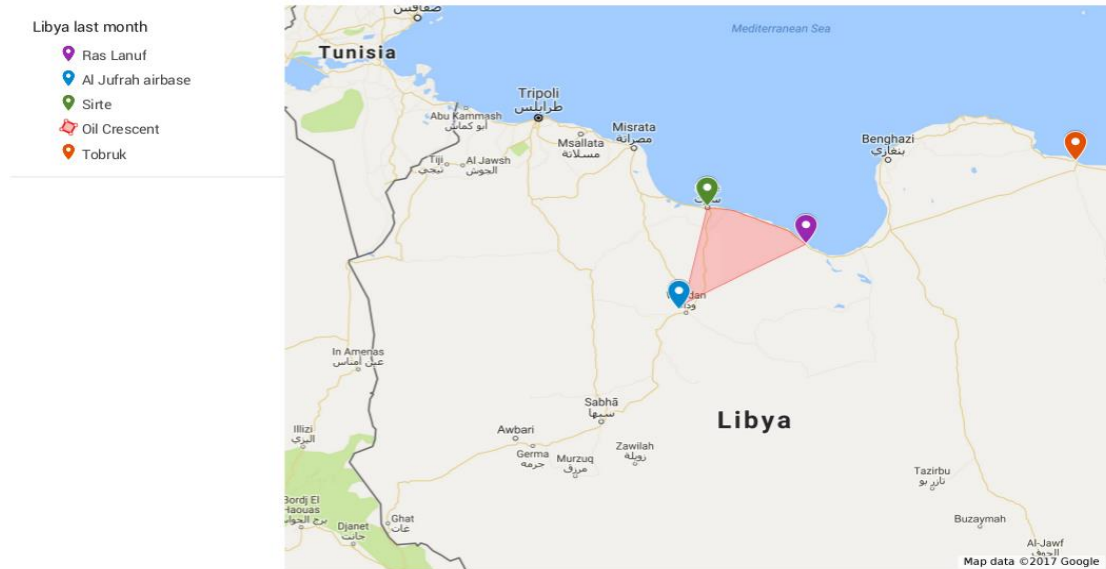


Figure 1 The Libyan Oil Crescent, shaded in pink. [Click on the image to enlarge.](#)

Enter the Benghazi Defense Brigades

The Benghazi Defense Brigades were formed in June 2016 by groups of Benghazi-based rebels who were pushed westwards into Tripoli after coming face-to-face with Haftar's forces during Operation Dignity. The BDB also holds within its ranks rebels from Dirna and Misrata, other cities that have been attacked by Haftar's forces. The group coalesced in the southern town of Jufra, and according to their first communique, follows the religious directives of the Tripoli-based Dar al-Ifta. While the BDB, like Haftar's forces, have also declined to sign the Sukhairat Agreement, their move to hand control of the captured areas in the Oil Crescent to the Sarraj-led government is seen by some as an overture toward a reformation of the older "Libya Dawn" coalition that had once united pro-democracy forces in the country.

Ramifications for the Political Process

With no clear military or diplomatic winner, no single armed group has been able to shift the balance of power, leaving Libya in total disarray and bringing the level of violence to a new intensity. Given this state of affairs, the Oil Crescent is a vital bargaining chip; Haftar's re-taking of the vital oil-producing region stands him in good stead to alter the Sukhairat Agreement to suit his own interests.

Together with Aguila Saleh, Haftar is adamant on the implementation of Article 13 of the text of the Sukhairat Agreement, which stipulates that the House of Representatives, also known as the "Tobruk Parliament" be the country's sole legitimate legislature, responsible for ratifying the government and for legislating during the interim period. However, he refuses to acknowledge Article 8 of the same text, which gives the Libyan president the right to nominate all of the major power holders within the state apparatus. This would leave a number of pivotal positions—including Chief of Libyan Intelligence, ambassadors, diplomats, and the Chief of the Armed Forces—at the discretion of Libya's Presidential Council, severely constricting his own position as a military leader. In essence, Haftar is doing his best to foil political reconciliation in Libya—even at the cost of harming the interests of those regional powers that support him (Egypt in particular).

The Presidential Council in the Wake of Military Developments

Since capturing Tripoli in March of 2016, the Presidential Council has been able to secure significant regional and global support including the backing of a number of important Libyan ministries and institutions (Finance and Oil). It also has the military support of the revolutionary forces in the city of Misrata, which are the best trained and most well equipped fighting force in the west of the country. Despite this substantial support, the council's power does not even extend to all of the territory nominally under its control in western Libya. Moreover, ongoing frictions and in-fighting between various armed groups within Misrata, and the impact this is having on relations between local communities and the militia, reflect the inability of the Presidential Council to address

even the economic and security concerns of civilians living in its areas, much less to govern Libya.

Even the success of Misrata-based battalions, answerable to the Presidential Council, in driving ISIS-affiliated terrorists from Sirte, has not meant huge gains. The effort impacted negatively on the revolutionaries' strength, and the Presidential Council has failed to consolidate its military forces into a centralized force. In sum, Libya's Presidential Council has not been able to make use of its military advances, either to strengthen its rule in Libya or to win foreign backers: to the contrary, disarray among the Misrata fighters has served only to undermine the GNA in the capital. Even the windfall of the Oil Crescent landing in their laps for a brief period was not leveraged: the GNA's Minister of Defense was not able to protect the oil installations along the coast quickly enough, even with the assistance of the Petroleum Facilities Guard. They were easy pickings for Haftar.

On the world stage, Fayed Sarraj has called for NATO assistance in the restructuring of his country's military and security forces. This has had some positive response, with NATO Secretary-General Jens Stoltenberg vowing to help the internationally recognized GNA combat terrorism and human trafficking.²

Implications of Fighting in the Oil Crescent

Today, it seems Libya is no further ahead in any direction. Haftar has consolidated his strength and secured regional backing from Cairo. Both demand that the international community lift the arms embargo on Haftar's troops to allow him to better fight his battle against ISIS terrorists. Moscow has already answered this Egyptian call, with a Russian Special Forces base being built along the Egyptian-Libyan frontier to offer support for Haftar. This comes despite claims by the Kremlin that it is neutral with regards to the internal Libyan conflict.³ The GNA has suffered due to the latest military

² See: "Secretary General: NATO Stands Ready to Support Libya", NATO press releases, February 1, 2017, available online: http://www.nato.int/cps/en/natohq/news_140515.htm

³ See: Phil Stewart, Idress and Lin Noueihed, "Russia appears to deploy forces in Egypt, eyes Libya role", *Reuters*, March 14, 2017: <https://goo.gl/ZHxQSY>

developments, and has not been helped by the disarray within its own ranks, or the separate battles it is fighting with the National Salvation Government headed by Khalifa Ghwail. Ghwail, who runs an independent administration to the west of the capital, is demanding that his administration be recognized as the official government of Libya.

Given Libya's complex tribal and regional composition, the political headache this is causing for the GNA as well as for others, as well as the matrix of international interests at work, it seems that no single party to Libya's multi-player civil war will ever triumph entirely. The only way out for the country would be for the political factions to work together toward a peaceful reconstruction along the terms defined by the Sukhairat Agreement, which already has the backing of a majority of Libya's political factions. The alternative would be for a continuation of the ongoing conflict and the furtherance of political interests at odds with the national interests of the Libyan people and their right to live in dignity and peace, in a country with a representative form of government.

Before any of this can happen, however, safety and security for the people of Libya must be guaranteed by the legitimate authorities of the GNA, who must be able to impose their authority on the armed factions. This would entail the creation of a true "National Army" for Libya, which would incorporate all armed groups within its ranks; the prestige of the nation state must be protected through the legitimate use of violence if necessary.