

Brussels, 15 May 2012

## ENP Package – Libya

Libya is not a full participant to the ENP. It participates only in the multilateral track of the Eastern Partnership. No Country Progress Report is prepared for Libya because there is no ENP Action Plan in force.

### **Political situation and latest developments in EU relationship with the Country**

In November 2011, an interim government was installed under Prime-Minister Al Keeb. This government inherited a very weak public service, a virtually non-existent national army and a powerless police force. At the same time there were approximately 150.000 heavily armed fighters, often organised by town militia.

Seven months after the day of liberation, the situation in Libya remains very fluid. The government is focused on short term priorities notably stabilisation and preparation for elections. There is an overall lack of coordination and limited institutional capacity.

Elections for the National Congress are foreseen to take place in June. The EU has been formally invited to consider an EU Election Observation Mission. An exploratory mission was deployed on 11 April.

The relations between Libya and the EU are good and still benefit from the prominent role played by some member states in the NATO campaign (notably France, UK and Italy). After having been ostracised for 42 years, the new Libya is looking for new relations. The EU is considered by some as a role model, while others are looking at Turkey or UAE for inspiration.

The EU will seek to conclude a long term agreement with the new Libyan authorities, after the June elections (and once they are ready to engage in such negotiations) in order to provide a framework for developing dialogue and cooperation. This will build upon previous work under the Framework Agreement negotiations which started in November 2008 but were suspended in February 2011.

There are concerns about human rights, especially in relation to Internally Displaced Persons, ethnic minorities and migrants from Sub Sahara Africa (reports from Amnesty International and Human Rights Watch).

### **Economic and social issues**

GDP is estimated to have contracted by 60% in 2011 while consumer prices increased by 14%. Exports more than halved in 2011.

Restoration of hydrocarbon production is well-advanced, and pre-revolution levels are expected to be reached within 2012. Diversification of the economy and job creation will be enormous challenges as the Libyan economy is for over 90% dependent on oil and gas.

Health and education services are slowly recovering, albeit with significant challenges (e.g. there is a need for a completely new curriculum as all school materials were based on Gaddafi's green book).

### **Trade-related issues**

Before the popular uprising in Libya, the EU was an important trading partner with Libya accounting for 70% of its total trade which amounted to approximately EUR 35.5 billion. The EU was Libya's major source of imports and its largest market for exports in 2010.

The negotiations of the Framework Agreement included a Free Trade Agreement covering trade in goods, services and investment.

In 2010 FDI inflows into Libya from the world amounted to EUR 2.9 billion, outflows to EUR 1 billion.

Trade in oil and gas gradually resumed since the end of the conflict in August 2011. Italy is the main trading partner within the EU. The process of concluding oil/gas contracts is rather opaque and was in the past often surrounded by accusations of corruption. Trade in non-hydrocarbon related goods is almost non-existent.

Some EU member states have outstanding claims for goods or services delivered under the old regime. This is especially a concern for Cyprus.

### **EU Cooperation**

The European Commission provided EUR 85 million for Humanitarian assistance during and immediately after the conflict; overall, the EU and its Member States provided approximately EUR 155 million in humanitarian assistance.

The EU has put in place a package of short-term measures worth more than EUR 30 million, including:

- Support to civil society (EUR 10 million)
- Strengthening the institutions dealing with civil society (EUR 3 million)
- Capacity-building for public administration (EUR 4.5 million)
- Support to help increase the quality of primary education (EUR 2.4 million)
- Support to the stabilisation of communities at risk and assistance in the management of migration flows inside and from Libya (EUR 10 million)
- Rehabilitation of the war wounded (EUR 2 million)

It is completing needs assessment exercises in the areas of civil society, integrated border management and the media.

A range of EU regional programmes are now also open to Libyan participants.

A package of EUR 50 million is now being programmed for 2012-2013 and will target priority areas jointly defined with the Libyan authorities (such as health and vocational education).

## **Civil Society: role and EU support (if any)**

Civil society did not exist under the old regime. The EU has therefore embarked on a significant and comprehensive programme to build capacity of civil society organisations in Libya. This includes support in the areas of democratisation, women's rights, media training, support to torture victims, national reconciliation and capacity-building related to the elections. Support is also provided to strengthen the institutions dealing with civil society, including the preparation of a regulatory framework, capacity-building of concerned staff, setting up of a structured policy dialogue, management of funds for the civil society as well as donor coordination.

## **EU–Libya – BACKGROUND**

### **FACTS AND FIGURES**

- 2005: Implementation of the Benghazi Action Plan, which provided technical support to the Benghazi centre for infectious diseases where more than 400 children were infected by the HIV virus.
- July 2007: EU-Libya memorandum of Understanding on bilateral relations, paving the way to the liberation of the Bulgarian medical personnel.
- October 2007: Council decision to start the process of negotiating a Framework Agreement with Libya. November 2008: launch of negotiations.
- June 2010: Signing of Memorandum of Understanding for providing EUR 60 million of financial assistance to Libya for the 2011-2013.
- 26 February 2011: the UN Security Council adopted resolution 1970 (2011) imposing travel bans, asset freezes on Gaddafi and members of his close entourage.
- 11 March 2011: extraordinary European Council adopted a Declaration in which it stated that Colonel Gaddafi had to relinquish power immediately. The EU Declaration considered the interim transitional national council based in Benghazi as a political interlocutor.
- 17 March 2011: the UN Security Council adopted the Resolution 1973 (2011) which authorised the use of force against Libyan forces loyal to Col Gaddafi, in order to protect Libyan civilians.
- 19 March 2011: Coalition intervention for the implementation of the UNSCR 1973 (operation "Odyssey Dawn"). NATO took over the whole military operation in Libya (operation "Unified Protector") on 30 March 2011.
- 22 May 2011: First visit of the HRVP to Libya - Opening of EU office in Benghazi.
- 21 -24 August 2011: Fall of Tripoli, opening of EU office in Tripoli
- 23 October 2011: Day of Liberation.
- 12 November 2011: Opening of EU Delegation in Tripoli.
- 22 November 2011: Appointment of Interim Authority (24 ministers).
- 19 June 2012: Expected date of Constituent Assembly elections.

### **More info at:**

[http://ec.europa.eu/world/enp/documents\\_en.htm](http://ec.europa.eu/world/enp/documents_en.htm)

[http://eeas.europa.eu/enp/index\\_en.htm](http://eeas.europa.eu/enp/index_en.htm)

[http://eeas.europa.eu/libya/index\\_en.htm](http://eeas.europa.eu/libya/index_en.htm)