



Frozen Billions: Reforming Sanctions on the Libyan Investment Authority

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Principal Findings

What's new? The UN Security Council has granted the Libyan sovereign wealth fund permission to reinvest some of its assets that have been frozen since 2011. But Council members remain reluctant to reform the sanctions constraining Libya's finances while the country is divided. They also lack confidence in the fund's competence.

Why does it matter? The Security Council imposed an asset freeze on the fund during Libya's 2011 civil war, with the aim of preventing the Qadhafi regime from plundering the fund, estimated then at over \$60 billion. Over a decade after the regime's ouster, the sanctions still act as a brake on the fund.

What should be done? Council members should make further reforms to the sanctions regime to enable the fund to grow, while maintaining safeguards. Since resolution of Libya's political crisis is not imminent, they should also define a realistic plan for long-term sanctions relief. The fund should do more to enhance its credibility and transparency.

Executive Summary

Libya's sovereign wealth fund, the Libyan Investment Authority (LIA), has been under UN sanctions since the country's 2011 civil war. Established in 2006 to invest Libya's surplus oil revenues abroad, the fund consists of a vast network of subsidiaries worth around \$70 billion. At least half of that amount remains under an asset freeze that has severely restricted the fund's growth. In 2024, Libyan authorities submitted a first request to the Security Council to enact reforms allowing them to reinvest some of the frozen assets. The Council has long been reluctant to relax its sanctions, given Libya's tumult and its lack of confidence in the LIA, but in early 2025 it acceded to some of the requests. These reforms are a good start, but the Council should not wait for resolution of Libya's political crisis to make additional changes to its sanctions regime. Instead, the Council should develop realistic conditions for broader sanctions relief over the long term, while the LIA should take steps to bolster its credibility.

The Security Council originally sanctioned Libya's sovereign wealth fund to prevent the regime of Muammar al-Qadhafi from plundering Libya's coffers during the civil war that erupted in 2011 when rebels rose up to topple the regime. Although the Qadhafi regime was overthrown months later, the freeze remains in place almost fifteen years on. After the regime fell, the Council delisted other Libyan institutions such as the Central Bank of Libya and the National Oil Corporation, which had also been sanctioned during the 2011 war, but left the sanctions on the LIA in place. The rationale for maintaining these restrictions was to give post-Qadhafi fund managers time to map out all the fund's assets. Yet Libya's transition quickly descended into chaos, with rival governments intermittently at war from 2014 until today. Council members were accordingly wary of lifting the sanctions.

Over the years, Security Council members have cited various justifications for keeping the sanctions in place. At first, they pointed to the emergence of competing governments, each with its own group of loyalists claiming to be the legitimate managers of the country's sovereign wealth fund. While the dispute over the LIA leadership was eventually resolved, allegations of corruption plagued Libya's other institutions and fighting broke out periodically. Council members worried that if they unfroze the LIA funds, armed groups and other powerbrokers would embezzle the money. Council members also cited a lack of confidence in the LIA's ability to manage the fund competently, transparently and independently. In recent years, the fact that neither claimant to government power had an electoral mandate became another reason to maintain the freeze. The Council, like many Libyans, sees the sanctions as a means of protecting the population's sovereign wealth nest egg from these various ills.

Today, Libya has again lurched into political and economic turmoil. Two rival governments are still vying for power, and there are no elections in sight. Libyan political elites benefit from the country's enormous oil wealth, but the Libyan people see little of it. Foreign officials have sounded alarms about mismanagement in the National Oil Corporation and the Central Bank of Libya, which are foundational to Libya's economy. These officials also point to institutionalised embezzlement throughout the state. Meanwhile, Libya's leaders have channelled hardly any oil money into de-

velopment projects, and the Libyan people face poverty, high unemployment and economic stagnation.

Yet the sanctions may be making things worse. Libyan officials, while refraining from calling for lifting them wholesale, say these measures have caused financial losses and curbed the sovereign wealth fund's growth. For years, sanctions meant that billions of dollars of Libyan assets sat in cash, which lost value over time due to inflation. Outside firms charged hefty fees to administer frozen accounts, on terms that had been negotiated before 2011, while doing little to manage the LIA's holdings due to restrictions. Citing these and other reasons, the fund asked the Council to consider reforms to allow for reinvestment of some LIA assets while maintaining the freeze.

In January 2025, the Council made a novel decision to reform the LIA sanctions regime by allowing the investment authority to invest its cash reserves on certain conditions, including the requirement that the reinvested funds and the interest they accrue remain frozen. The reforms remove important curbs on the fund, but sanctions still block it from growing to its full potential. Council members are nonetheless hesitant to offer broader sanctions relief, given Libya's dysfunctional politics and the LIA's flawed management. Yet, counterintuitively, Libya's long-running crisis only underscores the importance of bolder reforms. Neither political unification nor an election is likely to happen soon, and without action now, the sanctions on the LIA could persist for many more years. In the meantime, the fund's growth will be slower than it could be, and the Council will have overseen a decades-long sanctions regime disconnected from its original purpose. To address these challenges, the following reforms should be pursued:

- ❑ The Security Council should consider reforming additional elements of the LIA sanctions that curb its growth, such as by allowing low-risk reinvestments for non-cash assets, while keeping the assets and accrued interest frozen.
- ❑ The Security Council and the LIA should consider creating a pilot project where LIA partners and a credible third party such as the UN or the World Bank co-manage a portion of the frozen assets.
- ❑ The LIA should take vigorous steps to enhance transparency, accountability and independence, such as by complying more fully with the Santiago Principles on sovereign wealth fund best practices and producing comprehensive reports on its holdings.
- ❑ The Security Council should set realistic goalposts for sanctions relief for the LIA, considering that resolution of Libya's crisis and elections are far off.

The opportunity to improve the long-term prospects of all Libyans should not be missed. Modest reforms pose minimal risks and could better protect Libyan wealth. They would enhance the credibility of Council sanctions on Libya, which if left unaltered would face fair criticism for being discriminatory and anachronistic. The Security Council and the LIA should take corrective action.

Tripoli/Tunis/New York/Rome/Brussels, 24 April 2025

Frozen Billions: Reforming Sanctions on the Libyan Investment Authority

I. Introduction

Libya's sovereign wealth fund, the Libyan Investment Authority (LIA), has been under UN Security Council sanctions since 2011.¹ Founded by Muammar al-Qadhafi in 2006, the LIA is now a \$70 billion fund with assets ranging from stocks to real estate. Until the Council decided to let the LIA reinvest cash assets in January 2025, the sanctions regime on the investment authority had not changed, aside from minor modifications to the asset freeze made by the Council.² This regime requires that all states freeze any money held in their jurisdictions that belongs to the LIA or those acting on its behalf.³ The sanctions also apply to the Libya African Investment Portfolio, an Africa-focused investment fund under the LIA's ownership.

Libyan authorities have long called on the Council to modify the sanctions, and in 2023 the LIA stepped up its campaign for sanctions reform.⁴ It drafted an investment plan, proposing five actions for the Council that it said would mitigate the sanctions' harmful impact on the LIA's value.⁵ The Council responded in 2023 by pledging to

¹ UN Security Council Resolutions 1970, S/RES/1970, 26 February 2011; and 1973, S/RES/1973, 17 March 2011.

² The Council made modifications to the asset freeze through Implementation Assistance Notices (or IANs). IAN 1 in 2012 confirmed that subsidiaries of the LIA and the Libya African Investment Portfolio are not subject to the asset freeze. IAN 5 in 2018 clarified that payment for management fees, legal fees and service charges may be made from frozen funds. IAN 6, also in 2018, confirmed that interest and other earnings on frozen assets are also frozen. Before then, the LIA had been spending or reinvesting earnings from the frozen assets, calling the earnings "fresh money". IAN 7 in 2023 clarified that provision of funds, goods or services necessary for ensuring delivery of humanitarian aid does not violate the asset freeze. Other IANs pertained to different elements of the sanctions regime, such as the arms embargo. Crisis Group interviews, Libyan Investment Authority officials, Tripoli, May 2023. See also Implementation Assistance Notices 1 through 7 issued by the Security Council Committee established pursuant to Resolution 1970.

³ The Security Council's authority to issue sanctions is derived from Chapter VII of the UN Charter, which empowers the Council to take action to maintain or restore peace and security, including options that do not involve armed force. Member states are required to enforce the sanctions by means of passing national laws. They do not always do so, and there can be significant variation in the ways that states (and regional organisations) interpret the sanctions in their own legislation. The UN Charter does not mandate a particular method for states to enforce sanctions, but states often do so by adopting legislation or new regulations. UN Charter, Chapter VII, Article 41. See also Clara Portela, "National Implementation of United Nations Sanctions: Towards Fragmentation?", *International Journal*, vol. 65, no. 1 (Winter 2009-2010).

⁴ While LIA managers had called for partial modifications of the sanctions regime as early as 2017, the leadership ramped up its advocacy in 2020, after a UK court ruling formally resolved contestations over the LIA's chairman position, and again in 2023, after Interpol cancelled an arrest warrant that prevented the chairman from travelling abroad. Crisis Group interviews, LIA staff and senior Libyan officials, Tripoli, Tunis and New York, March 2023-June 2024.

⁵ The actions the LIA requested of the Council include permissions for the reinvestment of matured assets; reinvestment of fixed income bonds; reinvestment of cash from matured securities by invest-

consider changes to the asset freeze. A year later, the LIA proceeded to submit its investment plan, which the Panel of Experts, a Council-mandated group that advises on the sanctions' implementation, reviewed. In early January 2025, the panel made recommendations to the Council concerning how to respond to the LIA's requests.⁶ Soon thereafter, the Council decided to grant some of the LIA's requests, notably by allowing the fund to reinvest its cash reserves.⁷

This report, a joint output of Crisis Group's Middle East and North Africa and U.S. Programs, details the history of Security Council sanctions on the LIA. It examines various views of the sanctions, as well as the Council's recent adjustments, and recommends further measures aimed at removing curbs on the fund's growth and setting a path to long-term reform.⁸ The report is based on dozens of interviews with diplomats, financial professionals, lawyers, sanctions experts, Libyan politicians, executives and civil society figures in Washington, New York, Tripoli, Tunis, Rome, London and elsewhere from 2022 through early 2025. It is also informed by interviews with LIA staff, including the chairman, and a review of documentation, including unpublished material the LIA provided to Crisis Group.⁹ The UN Panel of Experts for Libya declined to be interviewed. Most, but not all, Libyan interlocutors were men, reflecting the gender-based power divide in the country, while women and men were represented approximately equally among international interlocutors such as diplomats and experts.

ment managers; trading of equities and securities; and severing the relationship between the LIA and HSBC, the London-based international bank that manages some of the fund's assets. According to the plan, all funds would stay frozen but permissions would be granted to make investments and take other actions. "LIA Short-Term Investment Plan to Maintain the Value of Assets", LIA, November 2023.

⁶ Crisis Group also met with Council members throughout 2024 to share analysis and recommendations on reforms to the sanctions on the LIA.

⁷ In Resolution 2701, the Security Council affirmed its readiness to consider requests for the LIA to reinvest frozen liquid assets for the purpose of preserving their value and benefiting the Libyan people at a later stage. It requested that the Panel of Experts provide recommendations in their final report on "possible actions that could enable the reinvestment of the LIA's frozen assets". UN Security Council Resolution 2701, S/RES/2701, 19 October 2023. The Council then made reforms to the sanctions regime. See UN Security Council Resolution 2769, S/RES/2025/2769, 16 January 2025.

⁸ This report does not examine other elements of the Libya sanctions regime, such as the arms embargo, travel bans and asset freezes on other entities.

⁹ See the 2019 valuation conducted by the LIA entitled "Project Alfa"; a 2019 annual report prepared by the accounting firm Ernst and Young on LIA assets; a 2020 note submitted by the LIA to the UN Security Council with an accompanying analysis conducted by Deloitte, another private consultancy; a 2021 strategy document produced by the LIA; a 2022 report by the Libyan Audit Bureau; a 2023 short-term investment plan submitted by the LIA to the UN Security Council; and a third quarter of 2024 statement published by the LIA detailing "strategy implementation progress".

II. The History of Sanctions on Libya's Wealth Fund

A. *Protecting Libyans from Qadhafi's Abuses*

Qadhafi established the LIA in 2006, just after the U.S. lifted sanctions on the country in exchange for his commitment to dismantle Libya's nuclear program, destroy its chemical and biological weapons stocks, and renounce terrorism, and three years after the UN had lifted the sanctions it imposed in the wake of the 1988 Lockerbie air crash.¹⁰ Starting with \$40 billion in capital, the LIA's initial investments spanned sectors including finance, agriculture, real estate and hydrocarbons.¹¹ Its stated purpose was to invest Libya's oil wealth abroad for the benefit of future generations. While it was widely regarded as a slush fund for Qadhafi and his cronies, it nonetheless increased in value to approximately \$56 billion by the start of the civil war.¹²

When war broke out in Libya in 2011, in the midst of uprisings across the Arab world and following mass protests in the country, the UN Security Council authorised a no-fly zone in Libyan airspace and enacted stringent sanctions – a travel ban, an arms embargo and an asset freeze – against powerful Libyan institutions and individuals.¹³ Soon afterward, the Council froze the funds of Libyan economic institutions including the Central Bank, the National Oil Corporation and the LIA.¹⁴ Member states feared that Qadhafi would plunder these accounts to fuel the violent repression of his opponents.

With the fighting still under way in mid-2011, foreign backers of the anti-Qadhafi forces recognised the rebel-led National Transitional Council (NTC) as the legitimate governing authority of Libya. They requested that Libyan state funds be put at the NTC's disposal to pay for salaries and other state services as well as for rebuilding.¹⁵ The UN responded in September 2011: the General Assembly formally recognised the NTC, and the Security Council lifted sanctions on the Libyan National Oil Corporation and one of its subsidiaries. In October 2011, the Security Council also modified the asset freeze on the Central Bank of Libya, the LIA and other listed Libyan financial institutions, making funds inside Libya available to the interim authorities

¹⁰ The Security Council sanctions on Libya lasted from 30 March 1992 to 11 September 2003. EU, U.S. and UK sanctions also applied.

¹¹ Tim Eaton, "Libya: Investing in the Wealth of a Nation", Chatham House, 24 February 2021.

¹² Crisis Group interview, Libyan anti-corruption campaigner, Tripoli, May 2023. The Panel of Experts on Libya wrote in 2013 that the Qadhafi regime deliberately created an opaque ownership structure "to facilitate the laundering of funds embezzled from the State to personal assets abroad". Letter from the Panel of Experts on Libya, S/2013/99, 15 February 2013.

¹³ The Libya sanctions regime has other components, including an arms embargo and financial restrictions on a variety of individuals, such as people who have committed violations of international human rights law and international humanitarian law and those who have attempted to export crude oil out of Libya illicitly. "Security Council Committee established pursuant to resolution 1970 (2011) concerning Libya", UN Security Council.

¹⁴ UN Security Council Resolution 1973, op. cit.

¹⁵ Crisis Group interview, former U.S. official, Washington, February 2023. See also William J. Burns, "Intervention at Libya Contact Group Meeting by Deputy U.S. Secretary of State", 25 August 2011; "Report of the Secretary-General on the UN Support Mission in Libya, S/2011/727", 22 November 2011; and text of speeches delivered at a UN Security Council meeting on the situation in Libya, S/PV.6698, 22 December 2011.

while maintaining the freeze on funds held outside the country.¹⁶ In December 2011, the Security Council removed the sanctions on the Central Bank of Libya and the Libyan Foreign Bank, thus lifting restrictions on all the Libyan institutions that it had blacklisted during the civil war – except for the LIA.¹⁷ The fund's foreign assets remained frozen.

B. *Prolonged Sanctions*

It is a fluke of history that the UN kept the LIA sanctions in place after the revolution. Council members were reluctant to lift the restrictions on the LIA when it delisted other institutions because, at the time, the fund had no board of directors and its head was a holdover from the Qadhafi regime. The Council did commit to delist the LIA and its subsidiary, the Libya African Investment Portfolio, “as soon as practical to ensure the assets are made available to and for the benefit of the people of Libya”.¹⁸ Yet when a new board chairman was finally appointed to the LIA in April 2012, he advised the new Libyan leadership to wait until the LIA had completed a full audit of its assets before requesting that sanctions be lifted.¹⁹

Shortly afterward, the country tipped toward chaos again, with rival factions fighting on the streets of Tripoli. The Security Council was reluctant to lift the sanctions amid escalating violence. Its members worried that the LIA's funds could be used to fuel the unrest and could not be managed effectively at a time when the Libyan authorities could not maintain basic order.²⁰ They hoped that elections, scheduled for June 2014, would bring about a unified government with a popular mandate and conditions more suitable for unfreezing LIA assets.²¹

That did not happen. Instead, Libya continued to lurch from crisis to crisis and the sanctions remained in place. The 2014 elections were contested and split the country into two rival authorities, one in the east and another in the west, each backed by a military coalition. Both claimed to be legitimate. They were intermittently at war until 2020.²²

¹⁶ UN Security Council Resolutions 2009, S/RES/2009, 16 September 2011; and 2016, S/RES/2016, 27 October 2011. The latter resolution also terminated the no-fly zone that the Council had imposed in Libyan airspace, as well as its authorisation for member states to use force to protect civilians under attack.

¹⁷ “Security Council Committee Concerning Libya Removes Names of Two Entities from Its Travel Ban, Assets Freeze List”, press release, UN, 16 December 2011.

¹⁸ UN Security Council Resolution 2040, S/RES/2040, 12 March 2012. The resolution also authorised a UN special political mission to Libya to support the transition to democratic rule.

¹⁹ Crisis Group correspondence, Mohsen Derregia, former chairman of the LIA, July 2024. The LIA is run by a chairman of the board who also carries the title of chief executive officer. This report uses the term LIA chairman as shorthand.

²⁰ Crisis Group interviews, former LIA officials, Tripoli, May 2023.

²¹ Ibid.

²² Crisis Group Middle East and North Africa Report N°170, *The Libyan Political Agreement: Time for a Reset*, 4 November 2016. On the 2019 conflict in Tripoli, see Crisis Group Alert, “Averting a Full-blown War in Libya”, 10 April 2019; and Crisis Group Middle East and North Africa Briefing N°69, *Stopping the War for Tripoli*, 23 May 2019. See also Crisis Group Middle East and North Africa Report N°222, *Libya Turns the Page*, 21 May 2021.

As this new divide between east and west took hold, a feud over the control of LIA also broke out. Two rival managers – Hassan Bouhadi, working from Malta with the backing of the government in Libya’s east, and Abdulmajid Breish in Tripoli, supported by powerbrokers in the west – claimed to be the legitimate LIA chief executive officer.²³ A leadership feud within the Tripoli-based camp further complicated matters. In June 2014, the Tripoli government sought to sideline Breish and appoint Abderahmane Ben Yezza as interim chairman in his place; then, in late 2015, a new UN-backed government in Tripoli installed a loyalist, Ali Hassan Mahmoud, to head the fund, but throughout this period Breish refused to step down. In the meantime, another former chairman, Mohsen Derrigia, who had been appointed in 2012 and was replaced by Breish in 2013, asserted that he was still the rightful leader of the LIA.²⁴

By that point, at least four people were claiming to be boss. Their competition resulted in the intermittent use of violence and intimidation, with reported cases of militias using force to eject or instal those who claimed to be the LIA’s leaders at the fund’s headquarters in Tripoli. As the Panel of Experts wrote in 2017, “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”.²⁵ The feud was also repeatedly litigated in courts in Libya and abroad.²⁶

Jockeying over the LIA’s helm finally ended in 2020, when a court in the United Kingdom ruled that Ali Hassan Mahmoud was the legitimate chairman by virtue of having been appointed by the internationally recognised government of Libya. The ruling in effect ended challenges to his leadership.²⁷ It also coincided with a short-lived

²³ “Letter from the Panel of Experts on Libya”, S/2014/106, 15 February 2014; and “Letter from the Panel of Experts on Libya”, S/2015/128, 23 February 2015. According to Libyan law, the prime minister, who is chair of LIA’s board of trustees by virtue of his government position, appoints the two-hatted chairman of the board and CEO. Libya’s two rival prime ministers in 2014 each appointed a new LIA chairman.

²⁴ On the LIA’s leadership feuds, see Eaton, “Libya: Investing in the Wealth of a Nation”, op. cit.

²⁵ The Panel of Experts recorded an incident in late 2016 when armed men forced Breish from the LIA headquarters in Tripoli. “Letter from the Panel of Experts on Libya”, S/2017/466, 1 June 2017. Months later, different armed men helped Breish regain control of the office. Militias were often present at the LIA even after the leadership dispute was settled. In May 2023, during Crisis Group’s visit to LIA headquarters, various officials indicated that militias were around, saying they were both “protecting” the LIA leadership and intimidating its staff as part of a campaign to coerce officials into employing certain unqualified individuals. Crisis Group also heard of a shooting incident in front of the LIA chairman’s office involving a militia linked to the fund’s leadership that reportedly occurred days before Crisis Group’s visit. Crisis Group interviews, Tripoli, May 2023.

²⁶ “Letter from the Panel of Experts on Libya”, S/2015/128, 23 February 2015; “Letter from the Panel of Experts on Libya”, S/2016/209, 9 March 2016; “Letter from the Panel of Experts on Libya”, S/2017/466, 1 June 2017; and “Letter from the Panel of Experts on Libya”, S/2021/229, 8 March 2021. See also Eaton, “Libya: Investing in the Wealth of a Nation”, op. cit.

²⁷ Over \$1 billion worth of LIA assets are held or managed in Britain. The case was heard there because a British court – in proceedings commenced by LIA Chairman Ali Hasan Mahmoud – was seeking to resolve the question of who it should recognise as the validly appointed LIA chairman with regard to the fund’s UK-based or managed assets. While the court had jurisdiction only over the UK assets, its judgment was nonetheless applied by Libyans to the whole of the LIA. *Mahmoud vs. Breish and Hussain*, Case number A4/2019/1820 and A4/2019/1833, Royal Courts of Justice, 15 May 2020.

political calm following a UN-mediated negotiation to appoint a unity government under a new interim prime minister, Abdulhamid Dabaiba, in early 2021. While the government split again into two rival administrations in 2023, the LIA leadership based in Tripoli was, for the most part, undisputed.²⁸

C. *The Frozen Billions*

The fund hibernated for a decade – a stroke of luck, in many ways, because other Libyan institutions that had not been sanctioned during that period suffered from political manoeuvring and graft in the years following the revolution. After the Security Council lifted its restrictions, the Central Bank of Libya, the National Oil Corporation and other pillars of the state apparatus were dogged by allegations of corruption and misappropriation. The LIA was not, at least not on the same scale, as the sanctions froze its assets.²⁹

Today, the LIA is worth approximately \$70 billion, according to the latest valuation released by the fund in October 2024, up from \$40 billion at its founding in 2006.³⁰ Unofficial estimates have suggested its value is even higher. The fund's true value remains a mystery, either because the fund lacks knowledge of the full scope of its assets or because the LIA is unwilling to disclose it. The fund has worked with a variety of international auditors with the aim of producing a full audit of its holdings, but it has not been completed.³¹ At \$70 billion, the LIA would be the second largest sovereign wealth fund in Africa and the thirty-fourth largest in the world.³² Approximately \$33 billion of its total assets are frozen, according to the LIA, with the non-frozen amount representing assets located inside Libya.³³ Libya thus finds itself in the

²⁸ Minor disputes did occasionally resurface. They included requests from the authorities in the east of Libya that LIA funds be placed under their guardianship based on allegations of mismanagement by the Tripoli-based authorities and a competing claim from the east to lead the fund. Ajdabiya Primary Court, Order No. 2024/9; and "Statement from individuals claiming to be the legitimate board of directors of the Libyan Investment Authority, headed by Hussein Mohammed Hussein based in Benghazi", 28 July 2024.

²⁹ Libya ranks 173rd of 180 countries in Transparency International's 2024 Corruption Perception Index. In 2017, UN envoy Ghassan Salamé stated what many Libyan journalists and activists had been asserting for years, namely that politics in Libya is shaped by "economic predation". He added that "billions of dollars are lost every year in illicit money transfers". "Remarks of SRSF Ghassan Salamé to the United Nations Security Council", 16 November 2017. See also Crisis Group Middle East and North Africa Report N°201, *Of Tanks and Banks: Stopping a Dangerous Escalation in Libya*, 20 May 2019.

³⁰ "Reports Q3 2024 Strategy Implementation Progress", Libyan Investment Authority, 24 October 2024. A 2022 report of the Libyan Audit Bureau valued the fund at \$71.79 billion. "Annual 2022 Report", Libyan Audit Bureau, 2022.

³¹ Libyan and international investors told Crisis Group that the LIA's actual value is likely much higher than the official estimates. Crisis Group interviews, Libyan and international investors, Tripoli and Rome, March 2023–June 2024; LIA Chairman Ali Hasan Mahmoud, Tripoli, 20 March 2023.

³² For many years, the LIA was the largest sovereign wealth fund in Africa, but it was recently surpassed by Ethiopia's fund. "Top 100 Largest Sovereign Wealth Fund Rankings by Total Assets", Sovereign Wealth Fund Institute.

³³ Crisis Group interviews, LIA staff, Tripoli, May 2023. On its website, the LIA does not quantify the value of its frozen assets, putting "X per cent" in the place of a figure. "All of our international

unusual circumstance of being in ownership of sums of money that are reportedly equal to almost two years' worth of the national state budget – and more than many countries' annual GDP – which are nevertheless sitting in various frozen accounts around the world.

The Central Bank holds \$17-20 billion of LIA assets in foreign accounts.³⁴ It manages these funds as its own, a practice that the Panel of Experts says is non-compliant with the UN sanctions regime.³⁵ Sources in the LIA were unable to confirm whether the funds held by the Central Bank constitute part of the \$33 billion the LIA says are frozen.³⁶

D. Recent Political and Economic Tumult

If the LIA emerged from the turbulence following the revolution relatively unscathed, the same cannot be said of most Libyans. Despite the country's oil wealth, the state has failed to provide essential services to its citizens – except for a tiny set of elites.³⁷ Today, the economy continues to be heavily dependent on oil revenues, making up 97 per cent of exports, but Libya's leaders have barely made any effort to diversify for the future. Meanwhile, the country overspends relative to its oil revenues, while billions of dollars remain unaccounted for due to an opaque oil economy that since 2021 operates, essentially, on a barter system. Billions of dollars invested in infrastructure improvement designed to raise oil production have shown no return. Poverty rates are climbing and unemployment – especially youth unemployment – is soaring. Libyan banks, meanwhile, suffer liquidity shortages and civil servants do not get paid on time.³⁸

assets are currently frozen under sanctions to protect them, and they constitute X per cent of our investment portfolio". "FAQs", Libyan Investment Authority.

³⁴ The Central Bank's LIA funds are held as term deposits in banks, mainly in Europe. The Panel of Experts on Libya estimates that LIA funds in the Central Bank total \$19.69 billion. "Letter dated 6 December 2024 from the Panel of Experts on Libya", S/2024/914, 13 December 2024. Estimates provided by the LIA to Crisis Group put the figure closer to \$17 billion. Crisis Group interviews, LIA staff, August 2024; LIA Chairman Ali Hassan Mahmoud, Tunis, June 2024.

³⁵ According to the Panel of Experts on Libya, the Central Bank has reinvested the interest accrued on LIA's frozen assets that it holds without making it available to the LIA. It also charges the authority a commission on the interest amount, which it deducts from the LIA's frozen funds, in contravention of the sanctions regime. "Letter dated 6 December 2024 from the Panel of Experts on Libya", S/2024/914, 13 December 2024; Crisis Group interviews, adviser to the Central Bank of Libya, Tunis, June 2024; LIA Chairman Ali Hassan Mahmoud, Tunis, June 2024.

³⁶ The LIA could not clarify whether assets held by the Central Bank are included in the \$33 billion that it estimated to be frozen in its correspondence with Crisis Group. "Letter dated 6 December 2024 from the Panel of Experts on Libya", S/2024/914, 13 December 2024; "Letter from the Panel of Experts on Libya", S/2013/99, 9 March 2013; "Letter from the Panel of Experts on Libya", UNSC S/2018/812, 5 September 2018; and "Letter from the Panel of Experts on Libya", UNSC S/2021/229, 8 March 2021.

³⁷ "Human Development Report 2023/2024", UN Development Programme, p. 302.

³⁸ "Libya Economic Outlook", Africa Economic Outlook 2024, Africa Development Bank; "Country Programme Document for Libya 2023-2025", UN Development Programme, Population Fund and Office for Project Services, 27 June 2022; "The illicit oil trade that is keeping Libya divided", *Financial Times*, 21 March 2025.

By late 2024, the dire economic outlook had piqued the concern of outside countries, which had grown especially worried about mismanagement in the National Oil Corporation and the Central Bank of Libya; these institutions, together with the LIA, constitute the three pillars of Libya's economy. In particular, a dispute between Libya's rival authorities over control of the Central Bank triggered alarm at the UN Security Council.³⁹ Greater foreign scrutiny of Libyan financial affairs, including from the U.S. Federal Reserve, resulted in calls by the U.S. for a third-party oversight mechanism to oversee Libyan central bank transactions.⁴⁰

Meanwhile, Libya has slid back into political dysfunction, with two rival governments feuding over control of the country. Neither party was interested in overcoming the years-long deadlock to move toward holding elections. Libya's elites quarrel regularly, including over budget allocations, but they have also been able to avoid conflict by resolving their differences through transactions serving both sides' self-interest.⁴¹

³⁹ "Security Council Press statement on Libya", UNSMIL, 28 August 2024.

⁴⁰ Crisis Group Middle East and North Africa Briefing N°93, *Getting Past Libya's Central Bank Standoff*, 1 October 2024.

⁴¹ Ibid.; Claudia Gazzini, "Forming a Unity Government May Be Libya's Best Bet for Healing Rift", Crisis Group Commentary, 7 August 2023.

III. Libyan Views on the Sanctions Regime

Libyan officials and the LIA have long demanded reform of the sanctions regime, arguing that the restrictions have compromised the fund's growth and are punishing Libya for actions taken by Qadhafi almost fifteen years ago. The Libyan public, however, tends to see the sanctions as a welcome safeguard, protecting national wealth from instability and graft.

A. *The Libyan Investment Authority's Stance*

The LIA's long-running complaint about the sanctions regime has been that it has prevented the fund from achieving its main goal of preserving and building the wealth of the Libyan people.⁴² As a former LIA executive told Crisis Group, "opportunities to grow [the] LIA have been squandered". He contrasted the LIA's growth to an estimated \$70 billion to that of Qatar's wealth fund, which started at the same time as the LIA with an undisclosed value in the tens of billions, grew to \$60 billion in 2008 and today is worth over \$500 billion.⁴³ He and current LIA staff have called for reforms to the sanctions regime so as to prevent the "further dissipation" of assets.⁴⁴

According to the LIA, sanctions have jeopardised the fund in five main ways. First, a large amount of the LIA's assets invested before the sanctions came into effect reached maturity and have been sitting in overseas financial institutions as cash, since sanctions had, until the reforms of January 2025, forbade these from being re-invested.⁴⁵ This money, estimated to be in the ballpark of \$20-33 billion, lost value over time because of inflation, even though interest rates in recent years have risen.⁴⁶

⁴² Crisis Group interviews, LIA leadership and staff, Tripoli and Tunis, March 2023-June 2024.

⁴³ Crisis Group interview, former LIA chairman Mohsen Derrigia, Tripoli, May 2023. In a 2021 strategy document, the LIA wrote that its returns were below average compared to peer sovereign wealth funds due to the sanctions regime. "Strategy of the Libyan Investment Authority: 2021, 2022, 2023", LIA, March 2021. The starting value of Qatar's fund has not been publicly disclosed. "Qatar's \$60 billion fund eyes Europe banks, shuns U.S.", Reuters, 25 February 2008; and "Qatar's 500bn wealth fund targets bigger deals as LNG windfall looms", *Financial Times*, 11 December 2024.

⁴⁴ LIA and Libyan officials call reforms that would counteract the sanctions' unintended effects "smart sanctions". This phrase should not be confused with the term coined by political scientists that means targeted economic restrictions. "New LIA chief wants UN to introduce 'smart sanctions'", *Libya Herald*, 25 August 2017; David Cortright and George A. Lopez, eds., *Smart Sanctions: Targeting Economic Statecraft* (Lanham, Md., 2002); "Letter dated 21 March 2016 from the Permanent Representative of Libya to the United Nations addressed to the President of the Security Council, UN Document S/2016/275", 23 March 2016; and Crisis Group interview, Mustafa al-Manaa, LIA board member and former Central Bank of Libya adviser, Tripoli, 20 February 2024.

⁴⁵ Crisis Group interviews, LIA staff, Tripoli, May 2023.

⁴⁶ Obtaining an exact figure for the LIA's cash assets, let alone its cash assets derived from matured bonds, has been impossible. Various estimates have been published, however, with a 2021 Panel of Experts report estimating cash assets to be approximately \$20 billion. "Letter from the Panel of Experts on Libya", S/2021/229, 8 March 2021. The LIA's own 2020 assessment estimated cash holdings at approximately \$33.5 billion. "Overview of 2019 Valuation – Project Alfa", LIA, 2020.

Making matters worse, some accounts holding cash from matured bonds were subject to negative interest rates for a period of time, magnifying the financial losses.⁴⁷

Secondly, even when assets are not held in cash, the sanctions prevent the LIA from trading or otherwise adjusting its investments, which in the fund's case are a diverse set of holdings including stocks, bonds, real estate and other assets.⁴⁸ As the Panel of Experts has pointed out, only activities connected with the "routine holding or maintenance of frozen funds" are allowed; active management of frozen assets is not.⁴⁹ A financial expert called the LIA's situation "not very fair", as shareholders who invest in publicly traded companies do so on the understanding that they can sell their shares if business deteriorates or economic circumstances become unfavourable. The LIA, on the other hand, is denied the opportunity to divest from a failing asset.⁵⁰ "Reinvesting the money would be responsible management of the assets", an LIA staff member told Crisis Group, "but this is not happening".⁵¹ Staff at the fund also point to opportunities they have missed over the last decade due to being blocked from buying stocks as markets surged.⁵²

Thirdly, the LIA continues to pay professional fees to outside firms, including for the management of assets and legal services.⁵³ The sanctions regime permits the payment of "reasonable professional fees" for the "holding and maintenance" of frozen funds.⁵⁴ While financial professionals are barred from managing LIA assets in the usual sense of buying and selling assets to achieve better returns for their clients, in many cases they charge the LIA the same fees that they assessed before the asset

⁴⁷ The LIA claims that between 2017 to 2022, the negative interest fee on their holdings at Euroclear, a Belgium-based financial services company, totalled \$33 million. Documentation shared by the LIA with Crisis Group, July 2024. The Panel of Experts pointed out that the negative interest rate issue no longer applies as central banks did away with negative interest rates in 2022 (and the U.S. Federal Reserve and the Bank of England never subjected cash reserves to negative interest rates), but the LIA has yet to pay negative interest rates associated with its accounts at Euroclear. The Panel said member states should advise financial institutions not to apply negative interest rates on frozen assets, because such charges cause erosion of frozen assets in contradiction to the principles of the sanctions regime. "Letter dated 6 December 2024 from the Panel of Experts on Libya", S/2024/914, 13 December 2024.

⁴⁸ According to the Panel, the sanctions regime does not permit "active asset management or investment/reinvestment of frozen funds". "Letter dated 6 December 2024 from the Panel of Experts on Libya established pursuant to resolution 1973 (2011) addressed to the President of the Security Council", S/2024/914, 13 December 2024. The Panel previously had a different assessment. Its 2015 and 2016 reports clarify that financial institutions are not barred from reinvesting assets to achieve the best returns for the LIA, as long as the funds stay frozen. "Letter from the Panel of Experts on Libya", S/2015/128, 23 February 2015; and "Letter from the Panel of Experts on Libya", S/2016/209, 9 March 2016.

⁴⁹ "Letter dated 6 December 2024 from the Panel of Experts on Libya", op. cit.

⁵⁰ Crisis Group interview, financial expert, London, May 2024.

⁵¹ Crisis Group interview, LIA long-term portfolio manager, Tripoli, May 2023.

⁵² Crisis Group interviews, LIA staff, Tripoli, May 2023.

⁵³ Ibid.

⁵⁴ Such payments are allowed from the frozen funds, provided that member states notify the sanctions committee that they have authorised them. IAN 5, issued by the Security Council Committee established pursuant to resolution 1970 (2011).

freeze.⁵⁵ In a striking example highlighted by the Panel of Experts on Libya, fund managers holding a frozen portfolio of the Libyan African Investment Portfolio, a sanctioned subsidiary of the LIA – received \$178.89 million in management fees between 2011 and 2023. During that time, the portfolio grew by only \$3.29 million.⁵⁶ The LIA also complains that custodian banks and asset managers contracted to manage billions of dollars do not provide them with information about their frozen assets or even answer their calls. “They won’t even respond to simple requests”, an LIA manager said.⁵⁷

Fourthly, the complexity of international sanctions and their licensing procedures makes the LIA’s work more onerous, often at the expense of the fund’s growth. LIA staff describe the difficulties of navigating not just the UN sanctions but also sanctions regimes designed to implement the UN sanctions in various national jurisdictions.⁵⁸ While licences could give the LIA permission to pursue certain activities, LIA employees told Crisis Group that getting them is time-consuming, in part because they have to seek authorisation not only from the Council but also from EU countries, the U.S., the UK and other states.⁵⁹ Firms overseeing LIA funds sometimes failed to transfer dividends, interest income and cash into the investment authority’s frozen accounts due to concerns about the absence of particular licences.⁶⁰

Fifthly, the LIA says the sanctions taint its reputation and impose heavy compliance and legal burdens on international firms doing business with the fund.⁶¹ As a staff member of the Libyan African Investment Portfolio explained, “It’s not comfortable to be an investor given the sanctions constraints”.⁶² An investment expert went further, saying a sanctioned institution “is like a minefield. You don’t just try to avoid the mines, you stay as far away from the minefield as possible”.⁶³ Sanctions re-

⁵⁵ The Panel interprets the sanctions regime as disallowing custodian banks and asset managers from charging more than “reasonable professional fees”. But it has detailed several instances where banks and firms have charged the LIA fees at pre-asset freeze rates in line with agreements to provide services that the banks do not and cannot provide post-freeze. For example, the panel notes that the Arab Banking Corporation deducts fees from LIA funds on a quarterly basis in line with an agreement made with the fund before the asset freeze. Crisis Group interview, LIA staff, Tripoli, May 2023. Security Council Resolution 1973, which listed the LIA, clarified that the asset freeze does not apply to payment of “reasonable professional fees”, provided that member states notify the Libya sanctions committee of their intention to authorise such payments and that the committee does not object within five days of notification. UN Security Council Resolution 1973, op. cit. Also see IAN 5, op. cit. “Letter dated 6 December 2024 from the Panel of Experts on Libya”, op. cit.

⁵⁶ “Letter dated 6 December 2024 from the Panel of Experts on Libya”, op. cit.

⁵⁷ Crisis Group interview, LIA long-term portfolio manager, Tripoli, May 2023. The Panel of Experts found that some of the LIA’s custodian banks and asset managers “have not submitted regular reports on the frozen funds held with them to LIA, and/or are not paying receivables and accruals on the funds”. “Letter dated 6 December 2024 from the Panel of Experts on Libya”, op. cit.

⁵⁸ Crisis Group interviews, LIA staff, Tripoli, May 2023.

⁵⁹ Crisis Group interview, LIA long-term portfolio division employee, Tripoli, May 2023. They also reported the cumbersome process of fulfilling know-your-client requirements, which are separate from sanctions.

⁶⁰ “Letter dated 6 December 2024 from the Panel of Experts on Libya”, op. cit.

⁶¹ Crisis Group interview, Libya Africa Investment Portfolio manager, Tripoli, May 2023.

⁶² Ibid.

⁶³ Crisis Group interview, investment expert, Rome, May 2024.

form, LIA staff say, would soften these perceptions and make it easier to work with partners.

The LIA crafted the investment plan that it submitted to the Council in 2024 with the goal of tackling these various challenges. The plan made five requests to reinvest assets and otherwise adjust the LIA's holdings, to the tune of around \$8 billion. Among the proposals put forward were requests to reinvest cash held at the Euroclear bank, bonds that have matured and cash resulting from matured securities. The fund also sought permission for the Arab Banking Corporation – or Bank ABC, a bank headquartered in Bahrain – to trade equities and securities, while maintaining the asset freeze, and for the LIA to close its accounts with the HSBC bank, as that bank had requested. In defence of the plan, its authors detailed hundreds of millions of dollars in losses due to sanctions-related effects.⁶⁴

B. *Libyan Officials*

A number of Libyan government officials object to sanctions as a matter of principle. They take issue with the punitive nature of the sanctions, which they say constitute “a significant departure” from their original function of protecting Libya's assets from Qadhafi's abuses.⁶⁵ They do not think Libya should be penalised through the same measures used against Qadhafi, and they question the Security Council's authority to oversee Libyan finances. “Who are they to establish what benchmarks are required for management [of LIA's assets]?”, one asked.⁶⁶

The internationally recognised government in Tripoli, however, has refrained from pressing for an outright end to sanctions on the LIA. It has long called for the Security Council to reform the restrictions on the LIA, citing the same issues that the fund has highlighted, but gone no further. Officials point to two main reasons for this stance. The first is pragmatic: the Security Council is unlikely to wholly lift the sanctions as long as Libya is a divided nation without an elected government, so lobbying for this goal would be a waste of effort. The second is that the government in Tripoli also values the protection that sanctions give to Libya's assets in a period of prolonged turmoil. According to public officials, sanctions shield LIA assets from potential misappropriation.⁶⁷ In the words of the permanent representative of Libya to the UN, “I admit that the funds could have been wasted if they were totally unfrozen because of the instability”.⁶⁸

Even so, Libyan officials highlight the need for reform. While acknowledging the benefits of sanctions, they are worried about foreign countries and companies extracting compensation from frozen LIA funds for claims brought against the Libyan state.⁶⁹ Various cases already exist. In one, an NGO associated with a Belgian prince

⁶⁴ “LIA Short-Term Investment Plan to Maintain the Value of Assets”, LIA, November 2023.

⁶⁵ “The sanctions are now being used as a punishment for the Libyan state”. Crisis Group interview, Libyan official, New York, May 2023.

⁶⁶ Crisis Group interview, Libyan official, New York, February 2023.

⁶⁷ Crisis Group interviews, Libyan officials, Tripoli, Tunis, New York and by telephone, 2023-2025.

⁶⁸ Crisis Group interview, Taher M. El-Sonni, permanent representative of Libya to the UN, New York, May 2023.

⁶⁹ Ibid. According to the permanent representative, “to keep it as is ... is – quite frankly – ridiculous”.

that completed a project in Libya during the Qadhafi era sought €50 million in compensation from frozen LIA funds held in Belgium.⁷⁰ In another, a Kuwaiti construction company secured a court-ordered freeze on over \$360 million of the LIA's assets in France (this decision was later overturned on appeal).⁷¹ Libyan officials are concerned that such cases will become more common or create precedents for awarding frozen LIA funds to foreign companies.⁷²

Besides LIA staff themselves, other Libyan officials have occasionally made ad hoc pleas for sanctions relief from the Security Council. In 2023, the Tripoli government inquired with foreign embassies whether they would agree to unfreeze some of the LIA's funds for development projects such as solar energy farms and reconstruction in Derna, which had been hit by a severe flood. The LIA chairman, however, did not endorse these requests. Embassies were hesitant to take the conversation further. They might have been willing to unfreeze funds to tackle the flood's effects, ideally with the World Bank overseeing disbursements. But Western diplomats in Tripoli wanted the two Libyan governments to agree on how the funds would be used, and no such deal came about.⁷³

Authorities in eastern Libya, meanwhile, toe the official line that LIA assets should not be left in the hands of the Tripoli-based managers, but rather should be transferred to judicial receivership.⁷⁴ They occasionally express support for a parallel LIA leadership aligned with the eastern authorities and make allegations that the Tripoli government is involved in corruption at the fund.⁷⁵ They are rarely vocal on the LIA issue, however. They ignored the proposal to use unfrozen funds for Derna's reconstruction.⁷⁶

⁷⁰ An estimated €15 billion in LIA assets are held in Belgian banks. "Belgian prince fights own government over Libya cash", *Politico*, 19 August 2019. The Libya sanctions committee did not agree to unfreeze LIA assets to settle damages awarded by Belgian courts to the Global Sustainable Development Trust, a Belgian NGO linked to Prince Laurent. The Panel of Experts letter referenced a similar case in Belgium, which resulted in the diversion of the LIA's frozen funds, held in Belgium, to the Belgian Office for Seizure and Confiscation. The Panel, however, found that this transfer constituted a violation of the asset freeze. "Letter dated 6 December 2024 from the Panel of Experts on Libya", op. cit.

⁷¹ "Gide obtains from the Paris Court of Appeal the release of a USD 360 million attachment over frozen assets of the Libyan sovereign wealth fund", press release, Gide Loyrette Nouel, 30 November 2023.

⁷² Crisis Group interviews, Libyan officials, Tripoli, March 2023; Tunis, July 2024.

⁷³ Crisis Group interviews, Western diplomats, Tripoli and Tunis, November-December 2023. Differences between Libyan authorities, as exemplified by the Derna request, feed Security Council members' reluctance to grant sanctions relief to the LIA.

⁷⁴ See footnote 28.

⁷⁵ "Libyan parliament speaker extends Ashraf Mansour's leadership of LIA", *Libya Review*, 8 January 2025; and "Ajdabiya Court Assigns Judicial Guardianship over LIA Funds", Ajdabiya Primary Court order, 16 April 2024.

⁷⁶ Crisis Group interview, Benghazi-based officials, Benghazi, August 2024.

C. *The Libyan Public*

Dozens of Libyans from civil society groups, the business class and political circles told Crisis Group that they did not support the wholesale lifting of sanctions on the LIA.⁷⁷ They saw the restrictions as a “safety net” sheltering the country from the chaos of political instability and conflict, as well as from endemic corruption.⁷⁸ “Lifting the sanctions while the country is divided would be catastrophic”, a businessman said.⁷⁹ Few have confidence in the capacity of the LIA’s management to manage the assets fairly and competently.⁸⁰ As another businessman said, “What is the insurance that this money will be invested competently? The risks of mismanagement are very high”.⁸¹ Many Libyans believe that the sanctions constrain elites from stealing or mismanaging LIA’s assets.⁸²

⁷⁷ Crisis Group interviews, Libyan civil society figures, politicians and businesspeople, Tripoli, March 2023; Abu Dhabi, November 2023; Tunis, July 2024.

⁷⁸ Crisis Group interviews, Libya African Investment Portfolio staff, Tripoli, May 2023. Libyans are aware of how sovereign wealth funds have underpinned development in other countries, such as by allocating resources to infrastructure, health care and education, promoting economic growth and improving living standards.

⁷⁹ Crisis Group interview, Libyan business executive, Tripoli, May 2023.

⁸⁰ Crisis Group interviews, Libyan businesspeople and civil society figures, Tripoli, May 2023; Abu Dhabi, November 2023; Tunis, July 2024.

⁸¹ Crisis Group interview, international investor, Tripoli, May 2023.

⁸² Crisis Group interviews, Libyan businesspeople and civil society figures, Tripoli, May 2023. Some observers allege that graft still exists at the LIA, such as through kickbacks for contracts with international financial, accounting or legal firms that advise the fund and are allowed to receive payment for providing such counsel under the sanctions regime. Crisis Group interview, independent financial expert, Rome, May 2024. Crisis Group could not independently verify these allegations.

IV. Security Council Positions on Sanctions Relief

Until the Security Council decided to allow the LIA to invest some of its frozen cash reserves following presentation of the fund's investment plan, its members were wary of agreeing to any reform because of Libya's political and economic turmoil as well as their doubts about the LIA's competence. Members say lifting the sanctions fully would require a legitimate, elected government and proof by the LIA that it can responsibly manage Libyan wealth.

A. Council Members Agree on Reforms

Security Council members had started to coalesce around the idea that the asset freeze required updating in 2024. A diplomat expressed the emerging consensus, noting that "the sanctions regime is out of sync with the current reality".⁸³ Several agreed with the LIA that the sanctions had contributed to material losses.⁸⁴

They arrived at this view after hearing similar ones from others. In part, they were influenced by the LIA's own reinvigorated advocacy for sanctions reform when it submitted its investment plan.⁸⁵ In its review of the LIA's proposals, the Panel of Experts also recommended that the Security Council approve reforms to allow the LIA to reinvest frozen cash reserves, with safeguards in place. In December 2024, China called for developing "a reasonable plan" for the frozen assets and expressed openness to adjusting the asset freeze measures.⁸⁶ Other Western Council members expressed similar views in private.⁸⁷

Council members still had concerns about the LIA's competence, which were reinforced rather than mitigated by the LIA's investment plan. Council members described it as "jumbled" and said it "does nothing to inspire confidence", a view bolstered by the Panel of Expert's blistering assessment of the plan's numerous inaccuracies and inconsistencies.⁸⁸ The Panel report offers an extensive analysis of the transparency, accuracy and comprehensiveness of the plan, which it found to be lacking; catalogues the plan's errors; and details risks of misuse and misappropria-

⁸³ Crisis Group interview, Italian official, Tripoli, February 2024.

⁸⁴ As a former diplomat said, "The purpose of UNSC Resolution 1970 was to protect the assets, but since then instead of gaining interest, [the] LIA is being charged huge management fees". Crisis Group telephone interview, former Western diplomat, March 2023. The Panel of Experts concurred with this view in 2016, writing that sanctions appear to be restricting the growth of the LIA's investments, which "was clearly not the aim of the Security Council". "Letter from the Panel of Experts on Libya", S/2016/209, 9 March 2016.

⁸⁵ Crisis Group interviews, Western officials, Tripoli, March 2023; Tunis, July 2024; New York, June 2024. Crisis Group telephone interviews, UN Security Council member state diplomats, December 2024.

⁸⁶ "The Situation in Libya: 9815th meeting of the UN Security Council", 16 December 2024.

⁸⁷ Crisis Group interviews, Western officials, Tripoli, March 2023; Tunis, July 2024; New York, June 2024. Crisis Group telephone interviews, UN Security Council member state diplomats, December 2024.

⁸⁸ Crisis Group interview, Western government official, New York, May 2024. The panel's report assessed the investment plan submitted by the LIA. "Letter dated 6 December 2024 from the Panel of Experts on Libya", op. cit.

tion should all the LIA's requests be fulfilled.⁸⁹ Informed by the Panel's conclusions, member states nevertheless came to the conclusion that the sanctions could be reformed – so long as robust safeguards were maintained.⁹⁰

On 16 January 2025, the Security Council decided in a resolution, approved by fourteen members with one abstaining, to reform the LIA sanctions. (Russia abstained for reasons having to do with the arms embargo that were unrelated to the LIA.⁹¹) The Security Council welcomed the Panel of Experts' recommendations on actions to reinvest the LIA's frozen assets. It decided to allow the fund's frozen cash reserves to be invested, in line with the LIA's requests, but with modifications and conditions.⁹² The Council, however, did not grant other requests from the LIA's investment plan, such as permission to transfer \$2.4 billion in cash from Euroclear to the Bank ABC or to countenance active management of the equities and securities in the LIA's portfolio.⁹³

B. *Credibility of the Libyan Investment Authority*

While Council members agreed on reforms, they maintain that a full-scale lifting of LIA sanctions would be irresponsible. A central reason is concern about the LIA's ability to manage Libyan state funds.⁹⁴ Diplomats see any move to give the LIA authority or management responsibility over the frozen assets as "problematic" be-

⁸⁹ For example, the report finds that the LIA's actual cash reserves amounted to \$5.98 billion, while the LIA plan estimates its cash reserves at \$9.76 billion. Ibid. The LIA disputed what it called "inaccurate data and information contained in the report", noting that certain sections were "inaccurate, misleading and lacking neutrality". "LIA Responds to UN Panel Report, Calls for Methodology Review", press statement, LIA, 8 February 2024.

⁹⁰ Of all of the issues the Council has to handle, Libya is one of the least controversial. Considered a "small" file, Libya is rarely a priority for busy diplomats juggling other issues. Crisis Group interviews, various UN diplomats, New York, May 2023; May 2024; and by telephone, December 2024.

⁹¹ "Explanation of Vote by Permanent Representative Vassily Nebenzia Following the UNSC Vote on a Draft Resolution on the Extension of Libya's Sanctions Regime", Permanent Mission of the Russian Federation to the United Nations, 16 January 2025.

⁹² Specifically, it decided to allow the LIA's frozen cash reserves held at Euroclear bank to be invested in low-risk deposits and to allow the LIA's frozen cash reserves held with investment fund managers to be invested in fixed income instruments. In both cases, the funds and interests accrued would remain frozen and member states would have to report on the status of reinvested cash reserves to the sanctions committee.

⁹³ The Security Council's refusal to allow the LIA to move its money from Euroclear to Bank ABC was based on the Panel of Experts' recommendation. The panel found that the LIA's reasoning for transferring the assets, namely that Euroclear had imposed negative interest rates, was irrelevant, as negative interest rates were never applied to U.S. dollar and British pound accounts and no longer apply to other currencies. The panel also said the LIA had no clear investment strategy to justify the claim that "transferring its frozen cash reserves from Euroclear Bank to Bank ABC would aid their preservation", and identified risks of misuse and appropriation should LIA transfer its assets to Bank ABC. The panel also recommended against allowing active management and trading transactions for the equities and securities in LIA's portfolio. The panel found the LIA's claims in this respect – that its inability to manage the portfolio actively had resulted in losses – to be false. "Letter dated 6 December 2024 from the Panel of Experts on Libya", op. cit.

⁹⁴ Crisis Group telephone interview, Western official, May 2024.

cause it could open the door to corruption.⁹⁵ A Western official said his government would not consider unfreezing assets “unless it could be guaranteed that the funds will not be siphoned off”.⁹⁶

They are also concerned that the LIA would make irresponsible investments if given a free hand. Foreign investors, such as multinational corporations and investment firms eager to tap into the LIA’s capital – in addition to states lobbying on their behalf – do not, as a Western official said, “have a history of responsible use of the money”.⁹⁷ Past lawsuits have highlighted the LIA’s poor investment choices, especially in its dealings with more sophisticated financial businesses.⁹⁸ Without sanctions, Council members said, unscrupulous actors might jump at the opportunity to get their hands on tens of billions of dollars. As one expert put it, “the vultures will descend”.⁹⁹

The influence of Libya’s political elite and armed groups over the LIA’s operations also worries Security Council members. Armed groups connected to different leaders repeatedly used force in and around the LIA’s headquarters from 2016 until at least 2023. The groups tried to influence hiring decisions and install into or force from office various people vying for control. Incidents of intimidation by armed groups peaked in 2018, when a militia abducted a fund employee for several hours and forced senior fund managers to move out of Tripoli for security reasons.¹⁰⁰ Council members fear that unlocking the LIA’s assets would allow these same armed groups to influence the LIA’s decision-making and compromise the fund’s independence.

Another major concern for Council members is the LIA’s technical and managerial capacity. As an official told Crisis Group, “part of it is a genuine lack of technical ability, but also part of it is ... the inability of management to lead the organisation”.¹⁰¹ The official said the LIA has so far been unwilling to adopt international standards such as the Santiago Principles for good governance of sovereign wealth funds (although the LIA has taken steps toward honouring these principles), a view that the

⁹⁵ Crisis Group interview, Western official, New York, May 2024.

⁹⁶ Council members’ concerns are rooted in credible reports of widespread corruption in Libya’s financial institutions, though they have made no serious accusations about the LIA itself. Crisis Group interview, Western official, New York, May 2024.

⁹⁷ Crisis Group telephone interview, Western official, June 2023.

⁹⁸ One high-profile case filed by the LIA against Goldman Sachs exposed the fund’s poor investment decisions, such as how it lost approximately \$1.2 billion on a risky derivative deal with the global investment giant. The LIA argued that it made the deal without fully understanding the terms. It sued Goldman, accusing the firm of exploiting its inexperience; Goldman called it “buyer’s remorse”. In a scathing judgment, a UK court dismissed the LIA’s claim. Royal Court of Justice Case HC-2014-000197, *The Libyan Investment Authority vs. Goldman Sachs International*, 14 October 2016.

⁹⁹ Crisis Group interview, Western official, Tripoli, May 2023; Crisis Group telephone interview, Western official, June 2023; Crisis Group interview, sovereign wealth fund expert, April 2024; and Crisis Group interviews, Western officials, New York, May 2024.

¹⁰⁰ Crisis Group interviews, international investor, Tripoli, May 2023; Mohsen Derregia, former LIA chairman, Tripoli, May 2023. See also “Letter from the Panel of Experts on Libya”, S/2017/466, 1 June 2017; and “Letter from the Panel of Experts on Libya”, S/2018/812, 5 September 2018.

¹⁰¹ Crisis Group telephone interview, Western official, May 2024.

Panel of Experts shares.¹⁰² Security Council members say the LIA lacks transparency, asking why it has been unable to produce a consolidated financial statement in accordance with international standards, despite repeated requests from the Council for such a document.¹⁰³ For its part, the LIA confirmed to Crisis Group in 2023 that it was working to complete its financial statements with the help of Deloitte, an advisory firm. To date, however, these statements are unfinished. Council members also say the LIA's formal requests, such as for sanction licences, often do not meet their standards.¹⁰⁴

C. *Libya's Crisis*

Many Security Council members maintain that the LIA's assets should stay frozen until a unified government emerges in Tripoli. Several recognise that this stance is a deviation from the original aim of the sanctions, but they believe it would be irresponsible to lift the restrictions in the absence of an elected government.¹⁰⁵ A Western official said the east-vs.-west feuding must stop for full sanctions relief to happen.

The minimum requirement for sanctions relief is a Libyan government that brings the east and west together. [Our government] has zero appetite to do anything to ease or temporarily unfreeze the assets without a government.¹⁰⁶

Some member states are more flexible with this requirement than others, noting that the desire to see a unified government is "not a hardline position" and could be overlooked "if [the] LIA got its house in order".¹⁰⁷ Member states have raised the possibility of sanctions relaxation serving as an incentive for Libyan politicians to inch toward elections.¹⁰⁸ As a Western diplomat said, "This is the one carrot we have to dangle".¹⁰⁹

But diplomats admitted that expecting relief from the LIA sanctions to sway Libyan politicians is overly optimistic. Despite vigorous efforts by the UN, the U.S. and other powers to break Libya's political deadlock, little progress has been made. Part of the reason, according to diplomats, is that Libyan political elites are motivated by personal gain, and LIA sanctions relief offers them little in the way of profit because

¹⁰² Ibid. The Panel of Experts regularly points out the LIA's weaknesses in its reports. In its 2021 letter, the Panel highlighted the LIA's dependence on an international consulting firm to provide reports to the Panel, its provision of contradictory materials and its inability to provide audited consolidated accounts, as well as its lack of a back office, accounting department or financial controls. "Letter from the Panel of Experts on Libya", S/2021/229, 8 March 2021. The Santiago Principles are a set of voluntary guidelines established in 2008 by the International Working Group of Sovereign Wealth Funds, under the auspices of the International Monetary Fund, on transparency, responsibility and good governance practices.

¹⁰³ Crisis Group interviews, LIA staff, Tripoli, May 2023.

¹⁰⁴ Crisis Group interviews, Western diplomats, May-August 2024.

¹⁰⁵ Crisis Group interviews, international officials, Tunis, Tripoli, New York and by telephone, 2023-2024.

¹⁰⁶ Crisis Group interview, Western official, New York, May 2024.

¹⁰⁷ Crisis Group telephone interview, Western officials, May 2024.

¹⁰⁸ Crisis Group interviews, Western officials, New York and Washington, June 2023.

¹⁰⁹ Crisis Group interviews, Western diplomats, Tunis, May 2023.

of the intense international scrutiny these assets get. Even if they could exploit an unrestricted wealth fund, the windfall would pale in comparison to the billions of dollars they are allegedly already reaping each year, largely unchecked, from Libya's state funds and oil exports.¹¹⁰

¹¹⁰ "Revenue and Expenditures Statement from 01/01/2023 to 31/12/2023", Central Bank of Libya, 7 January 2024; "The illicit oil trade that is keeping Libya divided", *Financial Times*, 21 March 2025.

V. Building on Reform

The Security Council took a major step forward when it decided to allow the LIA to invest its frozen cash reserves, while keeping safeguards in place. This move should help the fund grow once again. But the Council can do more. Libya's sovereign wealth fund is a symbol of hope for the future and an insurance policy against the inevitable moment when the country can no longer depend upon its oil reserves to sustain the state. The Libyan people deserve to see the fund expand to its full potential.

A. *The Case for and against Sanctions*

While sanctions have insulated the LIA's holdings from the dysfunction and graft common to many Libyan state institutions, they have also limited its growth. The fact that the LIA has been unable to reinvest the cash it holds severely limits the fund's potential. A change is on the way, in part because the LIA is now allowed by the Security Council to reinvest its frozen cash reserves held at the Euroclear bank and with investment fund managers. Nonetheless, sanctions still prohibit the LIA from selling its holdings if they are incurring losses and from taking advantage of opportunities to buy new assets if doing so is financially beneficial.

The opportunity costs of this restriction are enormous. The Panel of Experts points out that the LIA's frozen assets have grown by 11.93 per cent since imposition of the freeze, in contrast to the LIA's claim that its assets have fallen in value.¹¹¹ Yet had the LIA reinvested its frozen cash in an index fund mirroring the S&P 500, a stock market index that tracks the performance of the 500 largest publicly traded companies in the U.S., it could have seen those cash reserves grow by almost 400 per cent over the same period.¹¹² If it had invested in U.S. government bonds, a safer bet, it could have seen 16 per cent growth.¹¹³ The opportunity costs of holding cash for so long could amount to tens of billions of dollars. The hefty management fees paid to professionals who are barred by sanctions from actively managing the LIA's portfolios have also depleted the fund, though in its 2025 report the Panel of Experts found that excessive charges violate the sanctions regime.¹¹⁴

¹¹¹ "Letter dated 6 December 2024 from the Panel of Experts on Libya", op. cit.

¹¹² If the assets had not been frozen on 17 March 2011 and instead were invested in a fund tracking the S&P 500 index, the fund would have seen nominal returns of about 390 per cent by the end of 2023. Aswath Damodaran, "Historical Returns: Stocks, Bonds and Bills, 1928-2024", NYU Stern School of Business, 19 January 2025.

¹¹³ Investing in U.S. Treasury bills with maturities up to one year, starting on 17 March 2011, and rolling over the investment upon each maturity until 31 December 2023 would have resulted in a cumulative nominal increase of approximately 16 per cent. Ibid.

¹¹⁴ See IAN 5, op. cit. A 2016 assessment by the Panel of Experts held that financial charges for holding and managing assets were "the cost of doing business", an assessment that did not adequately account for the fact that those managing and holding LIA assets are barred from making trades or otherwise reinvesting the assets. "Letter from the Panel of Experts on Libya", S/2016/209, 4 March 2016. The Panel changed this assessment in its 2024 letter. "Letter dated 6 December 2024 from the Panel of Experts on Libya", op. cit.

To be sure, had the Council lifted LIA sanctions when it delisted the National Oil Corporation and Central Bank, the LIA could have been subject to the same political meddling and corruption those institutions experienced. Before the asset freeze, the LIA made questionable investments in real estate, equities and other assets that could have seen returns below those of an index fund or a low-risk vehicle like a government bond. With the country suffering recurrent bouts of turmoil and an unresolved division between its two competing authorities, the reluctance of Security Council members to hand over the keys of the fund to Libyan leaders is all the more understandable. In any event, hardly anyone inside or outside Libya is calling for the full-scale lifting of sanctions on the LIA in the absence of a unified, elected government.

Still, mismanagement and corruption risks are a weak justification for international sanctions, which stand out as some of the most restrictive measures in the UN Security Council's arsenal. The Council is mandated to use sanctions in the case of threats to international peace and security, but it would be a stretch to assert that corruption at the LIA falls into this category. Other sovereign wealth funds have been embroiled in major scandals; indeed, according to an expert, as far as sovereign wealth funds go the LIA is nowhere near the bottom of the list in terms of probity and transparency.¹¹⁵ The other justification for continued sanctions, that Libya lacks a unified, elected government, is also weak given that such a government, if established, would not necessarily guarantee the LIA's transparency. In any event, this prospect remains distant. Libya's political crisis looks poised to continue, perhaps for years. If it does, the country's deadlock would mean that the LIA will also be under sanctions indefinitely. The longer sanctions continue, however, the harder it will be for the Council to justify restrictions designed to stop a long-dead former dictator from committing atrocities.

The current measures come with conditions for lifting that seem impossible for Libya to meet. Instead, the Security Council should take additional actions to remove constraints on the fund's growth while maintaining safeguards. With the reforms it made to LIA sanctions in January 2025, the Council showed that it can move past politics, competing priorities and technical complexity to make its sanctions regimes better fit for purpose and more in line with its institutional mandate. It should stay on this track and find more solutions that stop any further erosion of the fund.

B. Recommendations

As a first step, the Security Council should consider reforming other elements of the LIA sanctions regime that curb its growth. Exemptions for the reinvestment of assets beyond those held in cash, provided that managers put the money in stable, low-volatility vehicles and the assets remain frozen, make sense. Just as keeping LIA assets

¹¹⁵ Despite its challenges, the expert believed that the LIA had "come a long way" since the Qadhafi days and was now "doing the best job it can do given the circumstances" and "hiring all the right people and doing the right things". Crisis Group telephone interview, sovereign wealth fund expert, April 2024. On corruption cases involving other sovereign wealth funds, see Tom Wright and Bradley Hope, *Billion Dollar Whale: The Man Who Fooled Wall Street, Hollywood and the World* (New York, 2018); and "Angola sentences ex-president's son to five-year jail term for fraud", Al Jazeera, 14 August 2020.

in billions of dollars of cash holdings was a sub-par solution, so, too, is maintaining holdings purchased before 2011 that no longer offer decent financial returns. As with the Council's decision to allow the LIA's frozen cash reserves to be invested, removing restrictions on other types of investment would require notification by member states to the Libya sanctions committee.

For its part, the LIA could propose reinvesting the holdings that are no longer performing well in conservative, low-risk vehicles. The Council, after all, is more likely to approve safer bets. In this respect, the LIA could follow the example of the Guyana Natural Resource Fund, that country's sovereign wealth fund, which invests its resources exclusively in the Federal Reserve Bank of New York – one of the twelve regional banks of the U.S. Federal Reserve System and historically known as a highly secure, reliable locus of investment. Investing in the U.S. Federal Reserve has allowed the Guyanese fund to earn a stable interest rate of around 5 per cent per year, albeit without the potential rewards of a high-risk approach.¹¹⁶ The LIA could explore other options that are considered safe in today's financial environment and propose a re-investment strategy to the Council. Demonstrating initiative and leadership in pursuing prudent financial plans would likely improve the Council's perception of the LIA and make members more likely to greenlight the fund's requests.

Another option for reinvesting the fund's holdings in better-performing financial vehicles is through a pilot project that allows the LIA to co-manage assets with a responsible third party. Such a vehicle could give the LIA more experience in responsible asset management while maintaining safeguards; build Council members' trust and confidence in the LIA, if it proves to be a responsible steward of the pilot; and use interest payments to finance development projects that are desperately needed as poverty climbs in Libya and leaders fail to reinvest substantial oil profits in the country.

The obvious vehicle for such a pilot is a World Bank or UN multi-partner trust fund, a well-tested and effective channel.¹¹⁷ The private sector also has experience managing such funds, although its tendency to put profit over public interest probably rules out that option. Going through the UN or the World Bank has benefits given their neutrality, independence and experience in handling complex fiduciary responsibilities. These funds are typically guided by a steering committee that defines the fund's overall strategy, which is unique to each case, and oversees investment and disbursement.

There are many examples of such funds, but two recent ones are worth highlighting as relevant to the Libyan case. A UN-managed fund designed for Venezuela, which never got off the ground due to political reasons, would have managed frozen assets derived from oil revenues and disbursed them to fund humanitarian aid and social and economic development projects.¹¹⁸ Another UN fund for Uzbekistan is currently managing around \$131 million in assets embezzled by the daughter of the country's

¹¹⁶ José Enrique Arriola, "Can Guyana Beat the Resource Curse?", *Americas Quarterly*, 23 January 2024.

¹¹⁷ Notwithstanding a few exceptional cases like the notorious Oil for Food initiative.

¹¹⁸ Crisis Group telephone interview, UN trust fund expert, 6 September 2024. See also Daniela Mohor, "UN greenlights massive new humanitarian fund for Venezuelans", *The New Humanitarian*, 17 October 2023.

former president, Islam Karimov, and later seized by the Swiss authorities.¹¹⁹ The fund's aim is to return the stolen assets to the Uzbek people through projects aligned with the UN development framework for Uzbekistan.¹²⁰

Developing a multi-partner trust fund for the LIA would probably require the investment authority to submit a proposal to the sanctions committee or the Security Council to ask the Secretary-General to establish such a fund. The risks for the UN involved in managing a fund for frozen assets, legal and otherwise, are not small.¹²¹ The benefits of such a pilot, however, may make procedural hurdles and risks worthwhile.

The LIA should also strive to take bold steps to build confidence in its abilities. Reinvigorating its efforts to comply with the Santiago Principles on sovereign wealth fund best practices, and producing credible and comprehensive financial statements, would increase Council members' trust.¹²² The LIA could make its annual reports and investment performance public, as other sovereign wealth funds do. Submitting regular, credible exemption requests to the Council, as well as licence requests to member states, would be another important step, even though the process is cumbersome. Better reporting is especially important in light of the Council's disappointment with the quality of the LIA proposal submitted in 2024.

Over the long term, the Security Council should determine realistic avenues for ending the sanctions regime, given that elections, reunification and political stability are anything but imminent. For good reason, officials are hesitant to lift sanctions while Libya is in disarray, and they do not want to be responsible for making a decision that opens the door to graft. Yet even if the Council adopts reforms that lessen sanctions' effects on the LIA's growth, the restrictions will keep imposing major costs on the fund. At a minimum, the Security Council should take note of the contradictions of keeping in place a sanctions regime that no longer aligns with its original purpose, even as Libya's problems continue. Member states should consider other forms of diplomatic pressure to encourage Libyan authorities to adopt best practices when it comes to managing the sovereign wealth fund.

If nothing is done to change the status quo, the implications of the Council leaving sanctions in place are likely to go beyond Libya. On a broader scale, if Security Council sanctions are quasi-permanent, and hang on far past the circumstances they were intended to address, the Council risks damaging the credibility of this important tool – and, indeed, of the Council itself. Unfortunately, the Libya sanctions regime is not the only one that jars with its original purpose. The UN Security Council's sanctions

¹¹⁹ Crisis Group telephone interview, UN trust fund expert, September 2024. See also Catherine Putz, "Swiss agree to return \$131 million to Uzbekistan via UN Trust Fund", *The Diplomat*, 17 August 2022.

¹²⁰ Ibid.

¹²¹ In a conversation with Crisis Group, an expert raised several potential risks for the UN, including those related to external political pressure, Security Council coherence, court challenges by creditors, legal frameworks stemming from bilateral sanctions regulations, the right governance structure for the trust fund, reputational concerns and precedents that might be set for future cases. Crisis Group telephone interview, UN trust fund expert, September 2024.

¹²² Other experts and former senior diplomats have also urged that the LIA take steps to be more transparent. Crisis Group interview, sovereign wealth fund expert, May 2024. See also Peter Millet, testimony given to the UK House of Commons Foreign Affairs Committee, 30 January 2024.

on the Afghan Taliban, established under UN Security Council Resolution 1988, offer another example. That regime sets out delisting conditions that have become moot, in effect, since the previous government in Kabul collapsed in August 2021.¹²³ Other examples abound. The Council should learn the lessons from the Libya case and take steps to ensure that all its sanctions are fit for purpose.

¹²³ This sanctions regime, imposed while the Taliban were an insurgency fighting the previous government, sets out procedures for delisting that are impractical now that the Taliban has taken control of Afghanistan. For example, individuals can be considered for delisting if they no longer support Taliban activities. But it is unrealistic to expect members of the Taliban to denounce the group when it runs the country. UN Security Council Resolution 1988, S/RES/1988, 17 June 2011.

VI. Conclusion

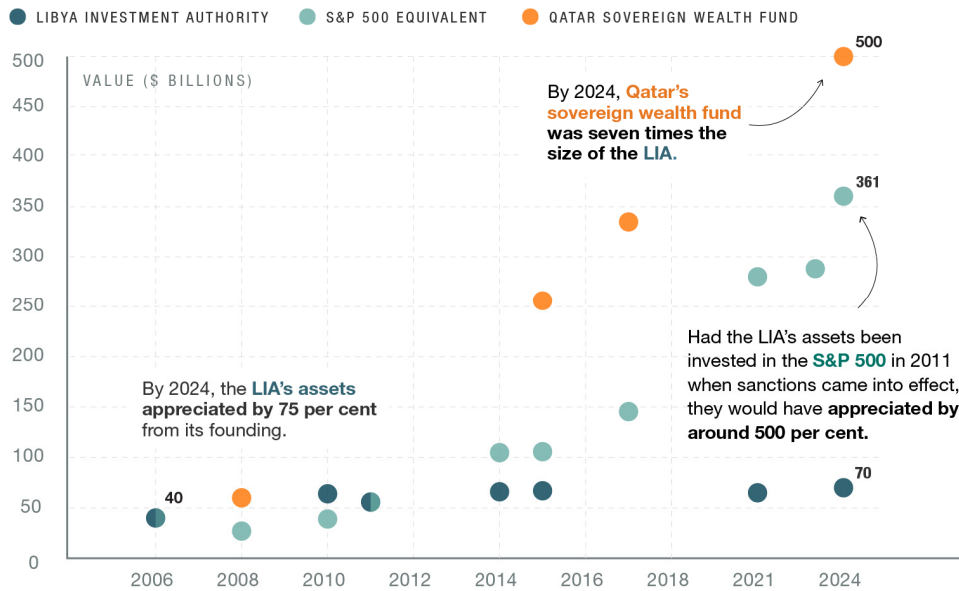
The UN should not miss the chance to make further reforms to the Libya sanctions regime. Even if there is no immediate resolution of the country's political divisions, there are ways to ensure that increasing the fund's size and protecting it from misuse are not mutually exclusive goals. Carefully gauged steps to free the fund from restrictions that are lowering its potential value, shield it where possible from corruption and help it grow are feasible. Libyan authorities must do their part by shoring up the LIA's credibility and transparency, such as by enhancing compliance with best practices for sovereign wealth funds and producing credible and comprehensive financial statements.

Over the long term, plans for winding down the sanctions regime will help enhance the credibility of Security Council sanctions and the Council more broadly. Building upon its moves in January 2025, the UN should do what it can to overhaul outdated sanctions as well as to ensure a brighter future for Libya.

Tripoli/Tunis/New York/Rome/Brussels, 24 April 2025

Appendix A: Fund Value Comparison (2006-2024)

Value (in USD billions) of the LIA and its S&P 500 equivalent, in comparison with Qatar's sovereign wealth fund



Each dot represents an available data point, illustrating the LIA's actual growth, how the LIA's value would have increased had it tracked the S&P 500 starting from 2011, and the growth of Qatar's sovereign wealth fund over the same period.

Sources: Crisis Group's evaluations cited in the report, documentation produced by the LIA, letters from the Panel of Experts' letters to the Security Council and NYU Stern School of Business. CRISIS GROUP

Appendix B: About the International Crisis Group

The International Crisis Group (Crisis Group) is an independent, non-profit, non-governmental organisation, with some 120 staff members on five continents, working through field-based analysis and high-level advocacy to prevent and resolve deadly conflict.

Crisis Group's approach is grounded in field research. Teams of political analysts are located within or close by countries or regions at risk of outbreak, escalation or recurrence of violent conflict. Based on information and assessments from the field, it produces analytical reports containing practical recommendations targeted at key international, regional and national decision-takers. Crisis Group also publishes *CrisisWatch*, a monthly early-warning bulletin, providing a succinct regular update on the state of play in up to 80 situations of conflict or potential conflict around the world.

Crisis Group's reports are distributed widely by email and made available simultaneously on its website, www.crisisgroup.org. Crisis Group works closely with governments and those who influence them, including the media, to highlight its crisis analyses and to generate support for its policy prescriptions.

The Crisis Group Board of Trustees – which includes prominent figures from the fields of politics, diplomacy, business and the media – is directly involved in helping to bring the reports and recommendations to the attention of senior policymakers around the world. Crisis Group is co-chaired by President & CEO of the Fiore Group and Founder of the Radcliffe Foundation, Frank Giustra, as well as by former Foreign Minister of Argentina and Chef de Cabinet to the United Nations Secretary-General, Susana Malcorra.

Comfort Ero was appointed Crisis Group's President & CEO in December 2021. She first joined Crisis Group as West Africa Project Director in 2001 and later rose to become Africa Program Director in 2011 and then Interim Vice President. In between her two tenures at Crisis Group, she worked for the International Centre for Transitional Justice and the Special Representative of the UN Secretary-General in Liberia.

Crisis Group's international headquarters is in Brussels, and the organisation has offices in seven other locations: Bogotá, Dakar, Istanbul, Nairobi, London, New York, and Washington, DC. It has presences in the following locations: Abuja, Addis Ababa, Bahrain, Baku, Bangkok, Beirut, Caracas, Gaza City, Guatemala City, Jerusalem, Johannesburg, Juba, Kabul, Kyiv, Manila, Mexico City, Moscow, Seoul, Tbilisi, Toronto, Tripoli, Tunis, and Yangon.

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