



Small Arms and Light Weapons as a Source of Terrorist Financing in Post-Qadhafi Libya

Mary Fitzgerald

About Project CRAFT

Project CRAFT is an academic research and community-building initiative designed to build stronger, more coordinated counterterrorist financing capacity across the EU and in its neighbourhood. Project CRAFT is funded by the European Union's Internal Security Fund – Police, and implemented by a Consortium led by RUSI Europe, along with the University of Amsterdam, Bratislava-based think tank GLOBSEC and the International Centre for Counter-Terrorism (ICCT), based in The Hague. For more information, visit <projectcraft.eu>.

The views expressed in this publication are those of the author, and do not reflect the views of RUSI or any other institution.

This publication was funded by the European Union's Internal Security Fund – Police. The content of this publication represents the views of the author only and is his/her sole responsibility. The European Commission does not accept any responsibility for use that may be made of the information it contains.

Published in 2021 by the Royal United Services Institute for Defence and Security Studies.



This work is licensed under a Creative Commons Attribution – Non-Commercial – No-Derivatives 4.0 International Licence. For more information, see <<http://creativecommons.org/licenses/by-nc-nd/4.0/>>.

Introduction

Post-Qadhafi Libya has played a pivotal role in the proliferation of small arms and light weapons (SALW)¹ not only in the Middle East and North Africa but also in other regions, as far as West Africa and the Horn of Africa. With the fall of the Qadhafi regime in 2011, much of its military arsenal, one of the largest and most diverse in the region,² fell into the hands of various non-state actors inside and outside the country, including designated terrorist organisations and criminal networks. The security vacuum that followed the collapse of the regime allowed existing smuggling and other criminal networks to expand and new networks to emerge, thereby boosting long-established trans-Saharan trafficking routes, and turning the wider region into a source, transit, and destination for SALW, along with a variety of other illicit commodities.

The internationalisation of the Libyan conflict has moreover resulted in repeated violations of the UN arms embargo imposed in 2011. The UAE and Egypt have militarily supported Khalifa Haftar since he launched operations in May 2014, with Russia backing him more recently. Turkey and Qatar have supported his opponents, providing military assistance during the war, sparked by Haftar's failed offensive on Tripoli in April 2019. Given the shifting alliances that characterise the Libyan conflict and the often blurred lines between armed groups on all sides, a number of weapons transferred to Libyan belligerents by external state actors³ since 2014 are believed to have ended up in the hands of designated terrorist organisations such as the Islamic State and Al-Qa'ida.⁴

Over the past decade, designated terrorist groups⁵ with a presence in Libya have indeed been able to access SALW in several ways including diversion from national stockpiles, battlefield recoveries, unauthorised re-transfer, and – albeit to a much lesser extent – through modification and self-manufacturing.⁶ Drawing on a range of source material including UN Panel of Experts reports published since 2011, as well as author interviews with Libyan and international sources, this paper seeks to provide an overview of how designated terrorist organisations in Libya have accessed SALW since 2011 and it will explore how that enabled their expansion within Libya, including by boosting their financing streams. The main body of the paper will present three case studies that show the impact of SALW flows on three regions of Libya – eastern Libya, Sirte and the southern region of Fezzan – where designated groups had or still have a presence.

SALW Circulation in and from Post-Qadhafi Libya

During the Qadhafi era, civilian gun ownership was illegal in Libya, as was the selling or transfer of arms.⁷ Firearms in civilian possession were rare until 2011. UN sanctions prohibited the legal export of arms and munitions to Libya from 1992 to 2003. During the uprising against Muammar Qadhafi in 2011, non-state actors obtained a wide range of regime-held arms and munitions either through looting of military facilities or capture on the battlefield. It is difficult to determine how many SALW entered circulation in Libya after the fall of the Qadhafi regime. According to UN estimates in 2013, Qadhafi's arsenal

1. This paper uses the EU's definition of small arms and light weapons (SALW) as military grade weapons including: (a) small arms: assault rifles; military grade semi-automatic rifles and carbines; military grade revolvers and self-loading pistols; light machine guns; sub-machine guns, including machine pistols; (b) light weapons: heavy machine guns; cannons, howitzers and mortars of less than 100 mm calibre; grenade launchers; recoilless guns; shoulder-fired rockets and other anti-tank and air defence systems that fire projectiles, including man-portable air defence systems (MANPADS), all on condition they are man or crew portable; (c) SALW parts; (d) SALW accessories (such as night scopes, sound suppressors, etc.); and (e) SALW ammunitions. See EU, 'Council Conclusions on the Adoption of an EU Strategy Against Illicit Firearms, Small Arms and Light Weapons and Their Ammunition', 19 November 2018, p. 9, <<https://data.consilium.europa.eu/doc/document/ST-13581-2018-INIT/en/pdf>>, accessed 19 July 2021.
2. UN Security Council, 'Final Report of the Panel of Experts Established Pursuant to Resolution 1973 (2011) Concerning Libya', 2012. p. 14/79.
3. The UN Security Council Panel of Experts on Libya has documented violations of the arms embargo by several countries involved in the Libyan conflict since 2014, including the UAE and Egypt in support of Khalifa Haftar, and Turkey and Qatar in support of his opponents.
4. This was the view of several Libyan officials interviewed by the author in March 2021.
5. For the purposes of this paper, designated groups are those groups listed for sanctions by the UN Security Council Committee established pursuant to resolutions 1267 (1999), 1989 (2011) and 2253 (2015) concerning the Islamic State, Al-Qa'ida, and associated individuals, groups, undertakings and entities.
6. According to Libyan security officials interviewed by the author, self-manufacturing or modifying weapons – a wider trend in Libya since 2011 – has also been conducted by members of designated terrorist groups.
7. The 2010 UN Programme of Action report on Libya states that small arms and light weapons could not be possessed by civilians without authorisation, and that such permits would only be granted to members of the armed forces, police officers, judicial officials, and prosecutors. See UN Programme of Action on Small Arms and Light Weapons, <<https://smallarms.un-arm.org/national-reports?country=LY>>, accessed 15 March 2021.

had included 250,000 to 700,000 weapons as of 2011, of which 70–80% were assault rifles.⁸ Opposition forces also received weapons from foreign states, particularly Qatar and the UAE,⁹ during the 2011 uprising, but given that the large regime stockpiles plundered as the revolt continued, those external supplies formed a smaller proportion of the arms and ammunition circulating in Libya by the end of that year.

Some of the looted arsenal was moreover smuggled out of the country both during the uprising and following Qadhafi's fall.¹⁰ SALW trafficking from Libya, particularly between 2011 and 2013, significantly enhanced the capacity of armed groups, including designated terrorist groups, in several locations from the Sahel, particularly Mali, to Sinai. Supplies of arms and ammunition were also transferred to Syria and Gaza. Non-state groups, including designated terrorist groups, in neighbouring countries such as Algeria, Chad, Egypt, Niger, and Tunisia also obtained SALW that had been trafficked or transferred from Libya.¹¹ In the case of Tunisia, links between terrorist groups with branches there and in Libya – including the Al-Qa'ida affiliate Ansar Al-Sharia and the Islamic State – helped facilitate cross-border flows of SALW. The UN Panel of Experts on Libya drew attention to this connection on several occasions, reporting that Tunisian authorities believed the vast majority of arms used by terrorist groups in Tunisia had originated in Libya.¹² In recent years, proliferation from Libya has abated.¹³ In terms of decreased SALW flows to terrorist groups outside the country, this is largely

due to the fact that Ansar Al-Sharia is now dissolved and the Islamic State's Libyan affiliate has been greatly weakened. The fact domestic demand for weapons has increased due to the civil conflict has also been a factor in the slowing of outflows from Libya.

Of particular concern to the international community in the aftermath of the 2011 uprising was the Qadhafi regime's considerable stockpile of man-portable air defence systems (MANPADS). Despite fears that these weapons would be used against aircraft inside and out of Libya, an increase in such attacks did not materialise. Instead, the weapons were used mostly in an anti-personnel context. This may have been due to the fact that Libya's MANPADS inventory comprised almost exclusively ageing, first-generation Strela-2M MANPADS.¹⁴ In early 2014, UN investigators reported that 'thousands of MANPADS were still available in arsenals controlled by a wide array of non-state actors with tenuous or non-existent links to Libyan national authorities'.¹⁵

In addition to the SALW already present in Libya in 2011, weapons have continued to flow into the country over the past decade both in accordance with or in violation of the UN arms embargo imposed in 2011. In 2018, the UN Panel of Experts on Libya reported that since 2011, more than 65,000 assault rifles, 62,000 pistols, 15,000 submachine guns, 8,000 grenade launchers, 4,000 machine guns and more than 60 million rounds of ammunition had been covered by approved embargo exemption requests or

-
8. UN Office on Drugs and Crime, 'Transnational Organized Crime in West Africa: A Threat Assessment', February 2013.
 9. Following the September 2012 attack on a US diplomatic facility in Benghazi, in which Ambassador Christopher Stevens and a number of colleagues were killed, US officials raised concerns that some of the weapons transferred to Libya by Qatar and the UAE had fallen into the hands of jihadists. See James Risen, Mark Mazzetti and Michael S Schmidt, 'U.S.-Approved Arms for Libya Rebels Fell into Jihadist Hands', *New York Times*, 5 December 2012.
 10. According to the UN Security Council Panel of Experts, 'the western borders of Libya, from Tunisia in the north to Niger in the south, were the focus points for illicit trafficking from Libya quite early on in the uprising, with Algeria reporting its first seizure of weapons coming from Libya in April 2011'. See UN Security Council, 'Final Report of the Panel of Experts Established Pursuant to Resolution 1973 (2011) Concerning Libya', 2013, p. 25/94.
 11. The UN Security Council Panel of Experts on Libya has documented these flows since 2011.
 12. Of particular note were AK 103-2 rifles seized from terrorist groups in Tunisia and other neighbouring countries. Russia confirmed to the Panel that it had delivered the rifles to Libya between 2005 and 2006. The Panel reported that the Tunisian authorities secured at least 10 AK 103-2s during or in the aftermath of an attack on the town of Ben Gardane in March 2016, in which 19 people, most of them members of the security forces, were killed. See UN Security Council, 'Final Report of the Panel of Experts Established Pursuant to Resolution 1973 (2011) Concerning Libya', 2017, p. 179/299.
 13. Proliferation from Libya in the post-Qadhafi period has proved less of a problem than initially feared. A 2016 fieldwork-based report by Conflict Armament Research found that: 'illicit weapon flows in the Sahel since 2011 have not stemmed exclusively, or even predominantly, from Libyan sources. The profile of illicit weapons in the region reflects the consequences of other state crises, particularly in Mali, and of weak control over national stockpiles in the Central African Republic and Cote d'Ivoire. The prevalence of Ivorian-origin small arms across the region is a particularly unexpected finding of this investigation. Weapons originating in Libyan stockpiles or trafficked by Libyan armed groups remain significant, but they are diminishing and, in some cases, being reversed'. See Conflict Armament Research, 'Investigating Cross-Border Weapon Transfers in the Sahel', November 2016, p. 7.
 14. Small Arms Survey, 'Missing Missiles: The Proliferation of Man-Portable Air Defence Systems in North Africa', Issue Brief No. 2, June 2015.
 15. UN Security Council, 'Final Report of the Panel of Experts Established Pursuant to Resolution 1973 (2011) Concerning Libya', 2014, p. 92/97.

notifications that received no objections. The Panel noted that much of that materiel remained unaccounted for.¹⁶ A number of UN Panel reports have highlighted that in the case of several notified transfers of end-user certificates signed by the Ministries of Defence and the Interior, the materiel had ended up in the hands of armed groups.

Libya tipped into civil conflict in 2014, partly as a result of military operations – presented as ‘anti-terrorism’ – launched in May that year by retired general Khalifa Haftar. Since then there has been a considerable redistribution of SALW ownership within the country, whether through the loss or gain of stockpiles as a result of armed confrontations, or from transfers of materiel by sea, air and land – both within Libya or from outside – due to shifting alliances between protagonists. In one significant case, Ansar Al-Sharia seized several MANPADs when it overran a military base in Benghazi, Libya’s second-largest city, in July 2014.

Furthermore, as the conflict continued and internal dynamics within some armed groups changed, some fighters switched to different groups. For example, many Ansar Al-Sharia members left to join the Islamic State. The contours of designated terrorist groups were often blurred, as was the overlap between them and other armed groups. In addition, Libya’s small population (just under 7 million) and intimate communal dynamics meant that personal connections were often key in cases where SALW were sold or otherwise transferred to designated groups. ‘In many cases, it appeared it wasn’t considered taboo to sell to the Islamic State or Al-Qa’ida affiliates because of those family and tribal links and networks’, said one former international official who tracked such transactions. ‘Those doing the selling didn’t feel they were selling to dangerous elements and therefore there were no ethical or political considerations’.¹⁷

In its 2016 report, the UN Panel of Experts on Libya said it had found no evidence of direct arms transfers to terrorist entities in Libya in violation of the arms embargo. It concluded that ‘terrorist groups operating in Libya are using the same type of materiel as non-terrorist militias and are procuring it within Libya’.¹⁸ There is nothing in subsequent Panel reports or other related literature to suggest that has changed in the years since.

Designated groups are likely to have also accessed SALW through the online arms markets that flourished in Libya after 2011. Items offered for sale in such forums have included rocket-propelled grenade launchers, recoilless rifles, anti-tank guided missile systems, heavy machine guns (12.7 mm and 14.5 mm), and MANPADs. In its 2017 report, the UN Panel of Experts noted that while monitoring such online markets, it had found two Zastava Arms M-93 ‘Black Arrow’ anti-materiel rifles for sale.¹⁹ In 2015, Serbia had already confirmed to the Panel the delivery of 25 M93 to the Libyan Ministry of Defence, following a successful embargo exemption notification. The Panel concluded that the rifles had likely been diverted. In April 2016, Facebook closed six accounts that had been used for arms sales in Libya.²⁰

The craft production of SALW through modifying non-lethal equipment has been practised in Libya since 2011. There is little evidence to suggest that designated terrorist groups relied on craft production when building their arsenals. With conventional weaponry relatively easy to obtain either through abandoned stockpiles or battlefield capture, Al-Qa’ida and the Islamic State affiliates have had little need to resort to making their own. Like other armed groups in Libya, however, they have regularly modified vehicles such as pick-up trucks, fitting them with rocket launchers and other weapons.

The ability of designated terrorist groups in Libya to access SALW through various means contributed significantly to their empowerment during particular periods of the country’s post-Qadhafi transition. Possession of such weapons helped the local Islamic State affiliate to consolidate control over Sirte – using shotguns for executions, for example – and transform the town into the organisation’s Libyan hub. Whilst the Islamic State and Al-Qa’ida affiliates no longer hold territory in Libya, they remain a security threat in certain parts of the country, particularly its central and southern regions, where hit-and-run attacks – usually carried out with the use of small arms – remain their *modus operandi*.

16. UN Security Council, ‘Final Report of the Panel of Experts Established Pursuant to Resolution 1973 (2011) Concerning Libya’, 2018.

17. Author telephone interview with former international official, 15 April 2021.

18. UN Security Council, ‘Final Report of the Panel of Experts Established Pursuant to Resolution 1973 (2011) Concerning Libya’, 2016, p. 26/215.

19. UN Security Council, ‘Final Report of the Panel of Experts Established Pursuant to Resolution 1973 (2011) Concerning Libya’, 2017, p. 141/299.

20. *Ibid.*

Designated Terrorist Groups Operating in Libya

Since the fall of Qadhafi, Libya's lawlessness has allowed a range of militant groups to establish a presence in several parts of the country. Armed elements linked to Al-Qa'ida in the Islamic Maghreb (AQIM) have exploited the security vacuum to convene planning and coordination meetings with other networks operating in North Africa and the Middle East. The Al-Qa'ida-affiliated Ansar Al-Sharia, which set up branches in several Libyan cities and towns from 2012 but later lost influence until it eventually dissolved in 2017, tried to impose itself both as a security actor and social force. Its branches organised street cleaning, charitable works and youth activities in an attempt to win hearts and minds and present themselves as part of the community. Some members of Ansar Al-Sharia who had registered as 'revolutionary fighters' before the group was established drew state salaries on that basis.²¹ The group received donations from the general public for their charitable work but its members also extorted business owners and were accused of kidnapping for ransom.²² Ansar Al-Sharia also maintained close relations with its namesake in neighbouring Tunisia, with Tunisian members travelling to Libya for military training and often returning with SALW obtained there.

The first Islamic State affiliate in Libya declared itself in the eastern town of Derna in late 2014 and Islamic State cells later emerged in other cities and towns. The Islamic State eventually took control of the coastal town of Sirte in central Libya in 2015 and turned it into their Libyan stronghold until a military campaign dislodged them a year later. From the beginning, the Islamic State in Libya contained a substantial number of non-Libyans both at leadership and rank and file level. This had an impact on the group's ability to put down deep and lasting roots in Libyan communities, and that in turn likely affected the ways it was able to access SALW from Libyan sources. In comparison, the predominantly Libyan Ansar Al-Sharia (though some members of Ansar Al-Sharia in Tunisia joined the fighting in Benghazi starting in May 2014) could use familial and fraternal links to obtain SALW from compatriots. Though no precise data on the respective arsenals of Ansar Al-Sharia and the Islamic State's Libyan

affiliates exists, such dynamics suggest that because it was easier for Ansar Al-Sharia to access SALW, they likely had more SALW in their possession. It should be noted that a number of Ansar Al-Sharia members in Benghazi, Derna and Sirte defected to the Islamic State and most likely brought some personal weapons with them.

Though greatly weakened, the Islamic State and AQIM remain present in Libya, with their networks concentrated mostly in southern and central regions. In 2020, forces aligned with the Tripoli government and their rivals under Haftar's command arrested high-profile individuals – including the leader of the Islamic State in Libya, Abu Moaz Al-Iraqi – and disrupted terrorist cells in several parts of the country, contributing to a decrease in attacks since. In its 2021 report, the UN Panel of Experts judged the threat posed by the Islamic State as moderate and concluded that AQIM is largely dormant. The Panel noted 10 alleged terrorism-related incidents during the reporting period. All but one were claimed by the Islamic State. Most took place in Fezzan and most targeted Haftar's Libyan Arab Armed Forces (LAAF). Of these, three involved Katyusha rockets; another incident involved a vehicle-borne improvised explosive device attack against a checkpoint manned by the LAAF, another attack targeted a police station (no weapons were specified which suggests small arms were used), another attack involved the bombing of a shopping centre belonging to a member of the LAAF and another involved a rocket attack against the LAAF.

Case Studies

Eastern Libya

Ansar Al-Sharia, the Al-Qa'ida affiliate whose two main Libyan branches in Benghazi and Derna were added to the UN Security Council Al-Qaida Sanctions Committee list in November 2014,²³ was founded in 2012 by former rebels who had participated in the uprising against Qadhafi the previous year. Many of its initial members accessed SALW during the uprising and retained them afterwards.

21. After the fall of Qadhafi, the ruling National Transitional Council decided to register all those claiming to have fought against the regime during the uprising and put them on the state payroll. Some 250,000 men claimed to have been revolutionary combatants, a number believed to be 10 times more than the number who actually fought. Most of those salaries have been paid ever since.
22. Author interviews with residents of Benghazi, Derna and Sirte, 2012–14.
23. UN Press Centre, 'Security Council Al-Qaida Sanctions Committee Adds Two Entities to its Sanctions List', 19 November 2014, <<https://www.un.org/press/en/2014/sc11659.doc.htm>>, accessed 2 May 2021.

Between 2012 and 2014, Ansar Al-Sharia established smaller affiliates in a number of other Libyan towns but its nucleus remained Benghazi, the eastern city that is Libya's second largest after Tripoli. Despite the involvement of some of its members in the September 2012 attack on the US diplomatic mission in Benghazi, Ansar Al-Sharia tried to position itself as a security actor in Benghazi and Derna, another eastern Libya city with a long history of jihadism. Its members manned checkpoints in both cities. During this period, there were often overlapping links between armed groups whose members had shared bonds anchored in the experience of having fought on the frontline together during the 2011 uprising. This was particularly true in the case of armed groups that self-described as 'revolutionary', some of whom were Islamist-leaning but not always jihadist. 'There were people who were not Islamist at all but they had friends who were in Ansar Al-Sharia. What they had in common was their experience fighting Qadhafi', said one former commander of an armed group that participated in the 2011 uprising.²⁴ Such an environment was conducive to the transfer of small arms between individuals and individual members of armed groups, if not between the groups themselves. Furthermore, a number of armed groups in Benghazi comprised of former 'revolutionaries' were considered security actors by the government – chief among them Libya Shield²⁵ – and were provided with SALW through official channels.

Many blamed a string of assassinations – most of them drive-by shootings – in Benghazi between 2013 and 2014 on Ansar Al-Sharia and its associates. Ansar Al-Sharia was also accused of kidnapping for ransom and extorting business owners in Benghazi and Derna.²⁶ Most kidnappings were not publicised – and not all abductions were thought to be the responsibility of Ansar Al-Sharia – but one prominent case involved a British national who taught at the International School in Benghazi. He was seized in May 2014 and released in October that year. According to media reports, local political factions handed over an unspecified amount of money to secure his release.²⁷ Anecdotally,

ransom demands in Benghazi ranged from hundreds of thousands of Libyan dinars to millions.²⁸

Furthermore, members of Ansar Al-Sharia extorted business owners in areas where the group had a presence. When Haftar began his Karama operation in Benghazi in 2014, one businessman who supported him complained that he was helping fund that operation while also having to pay protection money to Ansar Al-Sharia members fighting against Haftar.²⁹ Ansar Al-Sharia also had access to the Passport Administration office and used this to obtain false passports for its members, including Tunisian nationals who had travelled to eastern Libya for training. All this was made possible by Ansar Al-Sharia's possession of sufficient SALW which allowed its leadership and individual members to threaten and coerce.

When Haftar launched his operation in May 2014, ostensibly to address the security situation in the city and eastern Libya more widely, Ansar Al-Sharia formed an alliance with other armed groups in opposition to Karama. This coalition, named the Benghazi Revolutionary Shura Council (BRSC), included members of Libya Shield and other self-described 'revolutionary' groups. The sense of a common cause in the fight against Haftar – who was accused of seeking to impose himself as military ruler of Libya – was key, as were family and tribal links in certain cases. Fighting between the Haftar's forces and the BRSC lasted until 2017, during which time the Islamic State developed a presence in Benghazi and co-opted many BRSC members, particularly those who were in Ansar Al-Sharia. During the three-year Benghazi war, Ansar Al-Sharia and the Islamic State successfully procured materiel, including through seizures of weapons and ammunition from other armed groups. The most significant example of this was in July 2014, when the BRSC – which included Ansar Al-Sharia – took control of a major camp belonging to the Saiqa special forces unit aligned with Haftar. They seized MANPADS, armoured vehicles and other materiel. Ansar Al-Sharia subsequently posted images on social media of the missiles, which appeared to be Strela-2 pattern systems – the same type of MANPADS looted from the Qadhafi regime's stockpiles.

24. Author telephone interview, April 2021.

25. The Libya Shield Forces was an umbrella coalition of armed groups established in 2012. It was nominally under the authority of the Ministry of Defence. It comprised three largely independent divisions named after their geographical locations: the Eastern, Central and Western Shields. The eastern branch (also called Libya Shield One) was based in Benghazi and headed by Wissam Ben Hamid. It joined the Benghazi Revolutionary Shura Council, the coalition formed in 2014 in response to Haftar's operation, where its members fought alongside the designated Al-Qa'ida affiliate Ansar Al-Sharia.

26. Author interview with Benghazi security official, March 2014.

27. *BBC News*, 'British Hostage David Bolam Freed in Libya', 5 October 2014.

28. Author interviews with Benghazi officials and residents, 2013 and 2014.

29. Author interview, July 2014.

The BRSC also received arms and ammunition through sea transfers from Misrata, a city on Libya's western coast. The UN Panel of Experts report in 2017 detailed inspections by the EUNAVFOR MED Operation *Sophia* of one Libyan trawler named *Luffy*:

The Operation told the Panel that the *Luffy* had been chartered by 'forces controlled by the Government of National Accord' for humanitarian purposes and that the vessel enjoyed sovereign immunity. Therefore, it had not been approached under resolution 2292 (2016). Still, upon invitation, the Operation boarded the vessel on several occasions. Each time, wounded fighters and arms were observed. The captain had informed the Operation that the arms were for self-defence purposes. According to local sources, the *Luffy* is owned by a coastguard officer and member of the Misrata Military Council. They added that the trawler was regularly transporting wounded fighters and wrapped arms (mortars, anti-tank weapons).³⁰

On a number of occasions, materiel received by Haftar's LAAF in contravention of the UN arms embargo was believed to have ended up 'on the market' in Benghazi. This was due to several reasons, including the fact that some members of Haftar's forces – disgruntled because of delayed or low salaries – were believed to have sold their weapons and ammunition in clandestine arms markets in the city. Some security officials worried that such materiel may have fallen into the hands of designated groups like Ansar Al-Sharia and the Islamic State as a result.³¹ By 2017, Ansar Al-Sharia and the Islamic State had been driven from both Benghazi and Derna (in the latter case, Haftar's opponents routed the Islamic State from Derna). Ansar Al-Sharia announced its dissolution that year while the remnants of the Islamic State fled southwards.

Sirte

From August 2015 to December 2016, the coastal town of Sirte in central Libya was the stronghold of the Islamic State's Libyan branch. But before that, the town was home to a local affiliate of Ansar Al-Sharia and other militants

who later pledged allegiance to the Islamic State. As was the case in other parts of the country, many Ansar Al-Sharia members and other militants in Sirte had accessed SALW during the 2011 uprising and retained them afterwards. In 2014, these elements were accused of being responsible for a series of armed robberies on banks and cash transports in the Sirte area. Attackers were frequently equipped with assault rifles and rocket-propelled grenades. In its 2015 report, the UN Panel of Experts noted that residents of Sirte alleged that Ansar Al-Sharia had carried out an armed robbery of a Central Bank cash transport in the town, seizing the equivalent of \$54 million.³² Given that the Islamic State absorbed former members of Ansar Al-Sharia and other militants as it moved into Sirte, this cash is believed to have ultimately helped finance the group as it gradually consolidated its control of the town.

The Islamic State in Sirte was comprised of several elements. Apart from foreign fighters, it consisted of an alliance between former members of Ansar Al-Sharia, former Qadhafi security personnel and young men from local tribes, particularly the Qadhadhfa and Magharba, who were offered protection and material benefits. The killing of more than 50 members of the Furjan tribe in August 2015 and the subsequent killings and kidnappings of members of other tribes helped dissuade locals from challenging the Islamic State as it gained control of Sirte. In a 2016 report, Human Rights Watch detailed 49 executions by the Islamic State in Sirte and outlying areas by methods including decapitation and shooting. Those killed included alleged 'spies' and 'sorcerers,' wounded or captive members of opposing forces, and a young man accused of blasphemy.³³ Executions were often carried out in public.³⁴

Possession of SALW not only allowed the Islamic State in Sirte to carry out executions by shooting, thereby consolidating control of the town through fear and subjugation, it also enabled the group to commandeer buildings and individual houses, and appropriate supplies from pharmacies, food stores and other businesses.³⁵ The Islamic State established an administration in Sirte within a relatively short period of time. In January 2015, the group

30. UN Security Council, 'Final Report of the Panel of Experts Established Pursuant to Resolution 1973 (2011) Concerning Libya', 2017, p. 13/299.

31. Author interview with security official, 2016.

32. UN Security Council, 'Final Report of the Panel of Experts Established Pursuant to Resolution 1973 (2011) Concerning Libya', 2015, p. 46/169.

33. Human Rights Watch, "'We Feel We Are Cursed': Life Under the Islamic State in Sirte, Libya', 18 May 2016.

34. In February 2015, the Islamic State released a video of its members beheading 21 Egyptians on a beach near Sirte as part of its media strategy to promote its Libyan affiliate internationally. Two months later, it released similar footage of two separate mass executions of Ethiopians. The video switched between footage of around a dozen men being beheaded on a beach and another group of at least 16 men being shot in the head in a desert area. The clip shows multiple gunmen using what appear to be assault rifles.

35. Author interviews with Sirte residents, April 2021.

took control of the passport office in the town where it issued passports for its foreign fighters. It organised collective banking and also maintained a rigorous system for arms management. Documents found by the Bunyan Al-Marsous coalition that drove the Islamic State from Sirte in late 2016 showed that the group issued identity cards for its fighters which included the fighter's weapon type and serial number.³⁶ Other documents found in Sirte and obtained by the UN Panel of Experts included a list of arms transfers from Libyan brokers to the Islamic State. Among them was a sale of ammunition by Usama Jathran, brother of Ibrahim Jathran, a former Petroleum Facilities Guard commander in the so-called 'oil crescent' close to Sirte, to Abu Usama Al-Tunsi, a prominent Islamic State leader. The Panel tried to investigate whether the materiel had originated from the Petroleum Facilities Guard.³⁷

Despite Libya's vast oil wealth, and the fact that much of its hydrocarbon sector is concentrated in the oil crescent, the Islamic State's Libyan branch did not succeed in replicating what the group had done in Syria, where oil production and smuggling became a major source of revenue. At no point did the Islamic State control oil infrastructure in Libya. It did, however, carry out a number of attacks on oil facilities in the oil crescent and its environs between 2015 and 2016. These were mostly lightning strikes – suggesting the Islamic State did not have the capacity to seize and hold any facility – and sometimes involved kidnapping foreign workers for ransom. The most serious incident occurred in March 2015 when the Islamic State attacked the Ghani oil field, killing nine people and abducting several expatriate workers. In most of the attacks on oil infrastructure, the assailants drove vehicles – known as 'technicals' – equipped with light weapons, including 14.5 mm guns, and carried personal arms including assault rifles.³⁸ These vehicles were also used for incursions into villages and communities in Sirte's hinterland, clearly as an attempt to intimidate surrounding populations.

During the seven-month Bunyan Al-Marsous offensive to dislodge the Islamic State from Sirte in 2016, the Islamic State lost not only many fighters (its casualty rate is believed to have been in the thousands), it also lost materiel, including most of its SALW. The remnants of the group scattered southwards, with some settling near

the town of Bani Walid and others dispersed across the Fezzan region.

Fezzan

Fezzan's geographical location in Libya's southern borderlands has helped make it a haven for designated terrorist groups, including the Islamic State and AQIM. Affiliates of both groups operating in neighbouring countries have received support from Fezzan, either through members who are settled there or through temporary links and visits to obtain funds and weapons and arrange other logistics. Fezzan has also been a transit point for foreign fighters coming from sub-Saharan Africa to join the Islamic State's Libyan affiliate (which is predominantly non-Libyan in rank and file).

Smuggling has traditionally been the lifeblood of the region and since 2011 this has included arms trafficking. Given Fezzan's porous borders with neighbouring countries and a social structure often exploited by militants, the region has been a transit point for inward and outward SALW flows by designated groups since 2011, whether through intermediaries or by trafficking themselves. The UN Panel of Experts has named Ahmad Al-Hasnawi, a prominent militiaman from Fezzan, as a key source of logistical support to jihadist networks operating in the Sahel region, including AQIM, Al-Mourabitoun and Ansar Dine. The Panel said it had also received reports of business links between Al-Hasnawi and the Islamic State's Libyan affiliates.³⁹

According to a UN assessment in 2021, the remnants of the Islamic State in Libya are mainly scattered between the southern desert towns of Taraghin, Ubari and Ghadduwah.⁴⁰ From there they traverse Libya's southern borders with Chad, Niger and Sudan in small groups. The UN believes their activities are financed primarily by engaging in the smuggling of oil – Libya's heavily subsidised fuel means fuel smuggling is widespread – and drugs.⁴¹

A UN Panel of Experts report in 2019 assessed that the Islamic State in Libya – by that stage largely confined to the Fezzan region and the area around the town of Bani

36. UN Security Council, 'Final Report of the Panel of Experts Established Pursuant to Resolution 1973 (2011) Concerning Libya', 2017, p. 96/299.

37. *Ibid.*, p. 12/299.

38. Author interview with oil sector official, April 2021.

39. UN Security Council, 'Final Report of the Panel of Experts Established Pursuant to Resolution 1973 (2011) Concerning Libya', 2019, p. 110/299.

40. UN Security Council, 'Final Report of the Panel of Experts Established Pursuant to Resolution 1973 (2011) Concerning Libya', 2021, p. 6/548.

41. *Ibid.*

Walid, a hub for human traffickers – also financed its activities through ‘robbery, kidnap for ransom, extortion of Libyan citizens and the cross-border smuggling of artefacts and other commodities’. The Panel added that taxation of human trafficking networks continued to be a source of funding for the group.⁴² All these means of obtaining finance require threats and coercion, impossible without the use of SALW to intimidate. However, the UN Panel does not indicate that the Islamic State is involved in smuggling SALW out of Libya. Fezzan is also home to an AQIM presence, even if the UN judges the group to be dormant in Libya. In November 2020, a seven-member AQIM cell was arrested by the LAAF in Ubari.

Conclusion

This report has outlined how terrorist-designated groups in Libya have, since 2011, accessed SALW in several ways, including seizing abandoned stockpiles, diversion, or battlefield capture. Al-Qa’ida affiliates and the Islamic State have been empowered and strengthened, both directly and indirectly, by the possession and acquisition of SALW, which in turn has fuelled terrorism and ultimately civil conflict in the country. Such weapons have proved key to these organisations’ ability to raise funds to both sustain themselves and expand. They serve as the primary coercive mechanism that underpins extortion, kidnapping for ransom, and other forms of illicit activities. As documented throughout this paper, SALW have provided designated groups in Libya with the ‘muscle’ required to coerce their targets. This proved instrumental in the Islamic State takeover of Sirte and helped the group consolidate its control of the town.

Although the Islamic State is greatly weakened and no longer controls territory in Libya, it remains a threat. The SALW in the group’s possession mean its members – though dispersed since their routing from Sirte in late 2016 – are still capable of carrying out attacks in different parts of the country, as illustrated by a series of high-profile assaults in Tripoli in 2018. The Islamic State in Libya is less likely to have the capacity – particularly in terms of manpower, but also in terms of its depleted SALW stocks – to re-establish itself as a territorial player again. Available evidence suggests the Islamic State currently does not have sufficient amounts of SALW to use them as trading commodities to sell and make direct profit. Despite the fact that a significant proportion of the group’s members are now concentrated in Fezzan – the region in southern

Libya that is a hub for cross-border smuggling – there are as yet no indications that they have engaged in SALW trafficking. Instead its members are likely to continue to use whatever SALW they have in their possession as the main coercive mechanism for extortion, kidnapping for ransom and other illicit means of raising revenues.

The potential for the Islamic State and other designated terrorist groups present in Libya to access more SALW and possibly build up those stocks to use as a direct funding stream – through selling weapons – remains. In the absence of a comprehensive disarmament programme and the proper management of SALW, including the safe storage and disposal of surrendered weapons, terrorist groups in Libya will find opportunities to increase their arsenals.

Mary Fitzgerald is an Associate Fellow at the International Centre for the Study of Radicalisation.

42. UN Security Council, ‘Final Report of the Panel of Experts Established Pursuant to Resolution 1973 (2011) Concerning Libya’, 2019, p. 9/376.