

Roundtable  
Libyan Investment Authority Governance  
*Options for Reform*

*[Russelior Hamamat, Tunisia]*

26<sup>th</sup> of October 2016

Dear Mr. Lindrith,

The Natural Resource Governance Institute (NRGI) cordially invites you to a roundtable to discuss options for reform on the Libyan Investment Authority (LIA) Governance. The roundtable will be held in Tunis on the 26<sup>th</sup> and 27<sup>th</sup> of October 2016. As the Libyan government's single largest store of liquid assets, the Libyan Investment Authority is now, more than ever, needed for the nation's stability and prosperity. Libya's budget deficit is expected to reach LYD 32 billion (USD 24 billion) this year and central bank reserves are reported to have dropped below USD 57 billion. If oil prices and production do not increase markedly, at this rate of spending Libya will require either significant external financing or will be forced to draw down on LIA savings within two years. The United Nations Security Council is considering lifting LIA asset sanctions once the Government of National Accord confirms it has full control of the institution. These prospective changes underscore the need for improved governance rules, accounting, and oversight requirements to prevent leakages, excessive risk-taking and to establish the LIA as a truly effective budget stabilization mechanism. Multiple mandates and governance rules belonging to the LIA's subsidiaries, each of which has its own organizational structure and governance rules, only make this task more complex.

For instance, the LIA's Libyan Local Investment and Development Fund (LLIDF), currently holding approximately USD 7.8 billion in assets, has an explicit domestic investment mandate. Yet its specific asset management objectives remain unclear. The LLIDF is considering what investments might support economic diversification and public welfare in the current context.

This roundtable discussion will focus on four areas:

- **Investment Performance and Status:** Asset allocation, return on investment, geographic distribution and UN sanctions
- **LIA Governance Structure:** Board structure, internal controls and conflict-of-interest standards, subsidiaries and compliance with good governance standards
- **Safeguards and Public Accountability:** Transparency, oversight and public awareness
- **Domestic Profit-Generating Social Investments in the Current Context:** Economic diversification strategies, opportunities in Libya and LLIDF governance

The Agenda set for the two days is as follows;

*The schedule is flexible except for opening hours.  
All discussions are held under [Chatham House Rules](#)*

<b>Day 1</b>	
09.30-10.45	
<i>Welcome and Introductions</i>	Laury Haytayan, NRG I
<i>Opening Comments</i>	Dr. Ali Mahmoud Chairman Steering Committee LIA
<i>Investment Performance and Status – 30 mins</i>	Gamal Harati, LIA
<i>Q&amp;A – 40 mins</i>	
10.45-11.00	<i>Coffee Break</i>
11.00-12.30	
<i>SWF investments around the world – 30 mins</i>	Bayasgalan Rentsendorj (IFSWF)
<i>Common restrictions on asset allocation – 10 mins</i>	Andrew Bauer, NRG I
<i>Discussion on areas for reforming LIA investment guidelines – 50 mins</i>	
12.30-13.30	<i>Lunch</i>
13.30-15.45	
<i>LIA Governance Structure (benchmarked against international standards) – 20 mins</i>	Dr. Ahmed Jehani
<i>Q&amp;A – 20 mins</i>	
<i>SWF Safeguards and Public Accountability – 20 mins</i>	Andrew Bauer, NRG I
<i>Options for Reform – 75 mins</i>	Moderated by Dr. Tarek Youseff  Dr. Ali Mahmoud, LIA Marouane El Abassi, World Bank Peter Rundell, UNDP Andrew Bauer, NRG I Bader Ben Othman, LLIDF Hon. Peter Millet, UK Ambassador to Libya

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