



9. Libya

HIGHLIGHTS

100% financed by oil revenue

Once Africa's largest funds @ \$34 billion (frozen since 2012)

Largest fund by share of GDP @ 97%

Founded in 2006

Index Performance

Total Score

33.33%

| Size | Domestic Mandate | Source of Funding | Governance & Disclosure |
|-------------|------------------|-------------------|-------------------------|
| Exceptional | Non Existent | Not Diversified | Weak |

Libya's sovereign wealth fund which was valued at \$66 billion a few years ago is estimated at \$34 billion today. Established in 2006, the fund has been frozen pending corruption investigations in the wake of the post Arab Spring governance crisis.

The good news is that Libya has also launched an ambitious restructuring program to re-deploy the fund to focus on diversifying the economy from oil dependency. It is however not clear when these restructuring plans would be fully implemented. The

fund's CEO appointed in 2016 to lead the restructuring process recently resigned citing lack of support from a divided government.

Aside trying to clean up its image, the country has also sued major fund managers and global banks including Goldman Sachs, JP Morgan and Société General – all of which it accuses of mismanaging its assets in the past. It lost a \$1.2 billion suit against Goldman Sachs but reached a \$1.2 billion settlement with Société General.

POST-CONFLICT ASPIRATIONS

Freezing the assets of Libya's fund until audits and sound restructuring is completed makes sense. But the 6 year asset freeze has taken too long. As Libya aims for post-conflict economic diversification, it must act quick to actualize the bold new plans and new governance framework that have been tabled to turn the fund around.