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THIS ACTION IS FUNDED BY THE EUROPEAN UNION

ANNEX III

to the Commission Implementing Decision on the financing of the special measure in favour of Libya for 2024

Action Document for Recovery and Development in Libya Facility

MEASURE

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation and measure in the sense of Article 23(4) of the NDICI-Global Europe Regulation.

1. SYNOPSIS

1.1. Action Summary Table

1. Title OPSYS Basic Act	Recovery and Development in Libya Facility Special Measure in favour of Libya for 2024 OPSYS business reference: ACT-62657 ABAC Commitment level 1 number: JAD.1417814 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe).
2. Economic and Investment Plan	No
3. EIP Flagship	No
4. Team Europe Initiative	No
5. Beneficiaries of the action	This action shall be carried out in Libya (across the entire country).
6. Programming document	The situation in Libya remains unpredictable and marked by political instability and occasional armed conflict. A declaration of crisis was issued in 2011, which has been consistently renewed annually and recently extended until June 2025. A high level of flexibility and responsiveness is needed to adapt EU programmes to this unstable environment. The EU has planned its cooperation since 2017 through annual 'Special Measures'.
7. Link with relevant MIP objectives	N/A
PRIORITY AREAS AND SECTOR INFORMATION	
8. Priority Area, sectors	150 - Government & Civil Society 430 - Other Multisector

9. Sustainable Development Goals (SDGs)	SDG 11: Sustainable cities and communities Other significant SDGs: SDG 16: Peace, justice and strong institutions SDG 5: Gender equality SDG 10: Reduced inequalities SDG 3: Good health and well-being SDG 4: Quality education SDG 6: Clean water and sanitation
10. DAC codes	Main DAC code: 150 – Government & Civil Society 110 – Education (10%) 11110 – Education policy and administrative management 11120 – Education facilities and training 120 – Health (10%) 12110 – Health policy and administrative management 150 – Government & Civil Society (40%) 15110 – Public sector policy and administrative management 15112 – Decentralisation and support to subnational government 15128 – Local government finance 15185 – Local government administration 15150 – Democratic participation and civil society 160 – Other Social Infrastructure & Services (20%) 16066 – Culture (cultural heritage) 16010 – Social protection 16020 – Employment creation 16050 – Multisector aid for basic social services 210 – Transport & Storage (5%) 21010 – Transport policy and administrative management 410 – General Environment Protection (5%) 41110 – Environmental policy and administrative management 430 – Other Multisector (10%) 43030 – Urban development and management 43060 – Disaster risk reduction
11. Main Delivery Channel @	41100: United Nations Agency, fund or commission (UN) 40000: Multilateral Organisations 10000: Public Sector Institutions

12. Targets	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input checked="" type="checkbox"/> Human Rights, Democracy and Governance			
13. Markers (from DAC form)	General policy objective @	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Inclusion of persons with Disabilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers @	Not targeted	Significant objective	Principal objective
	Biological diversity @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
14. Internal markers and Tags	Policy objectives	Not targeted	Significant objective	Principal objective
	EIP	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	EIP Flagship	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>	

Tags	YES	NO	
transport	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
energy	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
environment, climate resilience	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
digital	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
economic development (incl. private sector, trade and macroeconomic support)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
human development (incl. human capital and youth)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
health resilience	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
migration and mobility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
other	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Digitalisation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tags	YES	NO	
digital connectivity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
digital governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
digital entrepreneurship	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
digital skills/literacy	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
digital services	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Connectivity @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tags	YES	NO	
digital connectivity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
energy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
transport	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
education and research	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Migration @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reduction of Inequalities @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
COVID-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION			
14. Amounts concerned	Budget line (article, item): 14.020110 Southern Neighbourhood Total estimated cost: EUR 16 000 000.00 Total amount of EU budget contribution EUR 16 000 000.00.		
MANAGEMENT AND IMPLEMENTATION			

15. Implementation modalities (management mode)	Indirect management with the entities to be selected in accordance with the criteria set out in section 4.3.1.
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1.2. Summary of the Action

This action seeks to provide technical assistance and capacity-building support to some Libyan municipalities affected by the Libyan civil wars¹ and by Storm Daniel in September 2023. The purpose of this support is to enhance their recovery and set the conditions for further human and economic development.

The scale of devastation that some Libyan municipalities have suffered owing to Storm Daniel is staggering. The Government of National Unity (GNU) established four reconstruction funds in May 2021 to rebuild Benghazi and Derna, Murzuq, Sirte and South Tripoli-Sahel Jfara. It allocated 3 billion LYD to these funds, adding another 2 billion LYD after Storm Daniel.² These funds' core objective is to structure investment for rebuilding infrastructure, enhance service delivery and rehabilitate damaged areas in target municipalities to enhance economic recovery, reconciliation and the return of internally displaced persons (IDP). In Eastern Libya, the House of Representatives (HoR) established the Libya Development and Reconstruction Fund, replacing several pre-existing entities devoted to reconstruction and development, in January 2024.

The catastrophic floods triggered by Storm Daniel in September 2023 further aggravated Libya's recovery challenge. The Rapid Damage and Needs Assessment (RDNA) that the World Bank, the EU and the UN carried out in the wake of this disaster concluded that eastern Libyan municipalities had suffered EUR 1.51 billion in material damages and losses, with EUR 1.65 billion needed for reconstruction and recovery.

As an upper middle-income country that has already rebuilt some of the infrastructure destroyed by war and last year's catastrophic floods, Libya is fully capable and expected to finance the costs of its large infrastructural development needs. It has already engaged in substantial reconstruction works in Derna and Benghazi, which the EU Delegation witnessed first-hand. This action assumes that Libyan actors will continue engaging private-sector companies to rebuild the physical infrastructure destroyed over the past decade.

Yet, the commercial logic of reconstruction may leave important policy areas by the wayside, depriving Libyan citizens of access to core services. As the EU's expression of solidarity with Libya, this action seeks to help Libyan municipalities recover from the legacy of conflict and natural disaster.

By offering to the most-affected municipalities technical assistance and capacity-building support and building on ongoing or past EU-funded activities, this action seeks to **strengthen the following**:

- Local water and road transport networks;
- Local primary health care and sanitation facilities;
- Local schools;
- Local economic development and Libya's cultural heritage.

It will seek to make a primary contribution to SDG 11 on sustainable cities and communities, with additional contributions to SDG 16 on peace, justice and strong institutions; SDG 5 on gender equality; SDG 10 on reduced inequalities; SDG 3 on good health and well-being; SDG 4 on quality education; and SDG 6 on clear water and sanitation.

¹ In 2011 and between 2014 and 2020.

² This amounts to nearly EUR 1 billion at the current official exchange rate, although only some of it has been transferred. The exact amount that has been transferred could not be reliably verified.

1.3. Beneficiaries of the action

This action shall be carried out in Libya, which is included (as an upper middle income country) in the list of ODA recipients published by the OECD Development Assistance Committee. Its ultimate beneficiaries are Libyan citizens living in the targeted municipalities. They represent about a third of Libya's population.

Indicatively, this action will seek to cover some of the municipalities in western, eastern and southern Libya that have suffered the greatest damage through conflict and last year's natural disaster. The ultimate list of beneficiary municipalities will be defined in close consultation with Libyan stakeholders.

2. RATIONALE

2.1. Context

EU projects to support decentralisation and service delivery in Libyan municipalities

EU cooperation with Libya is implemented in the context of fragmented institutions, political instability and limited governance capacity. There is considerable interest at national and municipal level in cooperating with the EU and its Member States on the recovery and rehabilitation of municipalities ravaged by war and last year's flooding. This issue remains at the top of Libya's political agenda, as demonstrated by the GNU's creation of four reconstruction funds in 2021 and the House of Representative's recent establishment of a fund devoted to reconstruction across the whole of Libya. Recent reconstruction works carried out in Derna are a testament to Libya's desire to rebuild the lives of communities ravaged by conflict and natural disaster.

Libya had been one of the largest beneficiaries of the EU Trust Fund for Africa (EUTF), having benefited from EUR 465 million in funding between 2016 and 2021.³ EUTF funding comprised an important community stabilisation pillar—representing some EUR 163 million for Libya—that the EU leveraged to strengthen service delivery in Libya's under-resourced municipal sector. The last EUTF projects will end in late 2024. This action seeks to concentrate EU assistance in a single instrument to enhance service delivery in those Libyan municipalities that have suffered the greatest damage in Libya's civil wars and through Storm Daniel.

Several projects financed under the EUTF and partly under NDICI constitute the foundations of this action.⁴

Local priorities in some potentially targeted municipalities

Based on a methodology developed by the GNU Ministry of Local Government and Deutsche Gesellschaft für Internationale Zusammenarbeit⁵ (GIZ) via the Support for Municipalities in Libya project, a participatory process involving citizens, businesses, civil society organisations and municipal authorities developed the following core local priorities in some of the municipalities potentially targeted by this action:

³ https://trust-fund-for-africa.europa.eu/where-we-work/regions-countries/north-africa/libya_en

⁴ Ongoing projects include the following: 'Enhancing resilience and social cohesion in Libya through a multi-sectoral approach,' working in Benghazi and Ajdabiya; 'Recovery, stability and socio-economic development in Libya (Baladiyati Phase II) in southern Libya; 'Strengthening Local Capacities for Resilience and Recovery (Phase II); 'Support to Municipalities in Libya' (Phase III) working in 25 municipalities; 'Research and Education Building Local Institutions for Local Development' working in Benghazi, Sirte and Sebha; 'Towards a new Multilevel Shared Approach for Libya Local Governance' working in Benghazi, Sebha and Sirte; 'Advancing Capacity for and Coverage of the Essential Services package through Systems Strengthening' working in Benghazi and Sebha; and 'Establishing the One Health Approach in Libya' working in Benghazi and Sebha.

⁵ GIZ, Local Development and Participatory Planning Approach: Summary of Key Sector Priorities per Municipality, 2023

Municipality	Education	Health	Water, sanitation	Waste management	Social affairs	Roads, transport	Tourism, culture	Environment	Municipal capacity
Garabulli	x	x	x			x	x	x	
Wadi al-Bawanes	x	x	x		x	x	x	x	
Edri al-Shati	x	x	x		x		x		
Ajdabiya	x	x	x			x	x	x	
Benghazi	x	x	x	x		x	x	x	
Al-Bayda	x	x	x		x	x	x		x
Shahhat	x	x		x	x	x	x	x	x

Libyan policies to address the legacy of war and natural disaster

The GNU established four reconstruction funds in May 2021 to rebuild Benghazi, Derna, Murzuq, Sirte and South Tripoli-Sahel Jfara in the wake of the conflict that devastated these municipalities in 2011 and between 2014 and 2020. UNDP signed Memoranda of Understanding (MoU) with each to assist Libyan reconstruction efforts. Provided that UNDP has access to the areas that this action seeks to target, the implementing partner(s) chosen will be asked to coordinate with the UNDP-run components of these funds in implementing this action.

Benghazi and Derna Construction Fund

The GNU established the Benghazi and Derna Construction Fund in May 2021 to rebuild infrastructure, invest in services, rehabilitate war-damaged areas in Benghazi and Derna, and enhance economic recovery, reconciliation and the return of IDPs. Owing to political constraints, this fund is mainly active in Benghazi. UNDP signed an MoU with the GNU in May 2022 to support the management of this fund. This fund's UNDP-run component disposes of adequate resources to carry out certain limited projects related to recovery in Benghazi.⁶ The EU Delegation in Libya is currently negotiating a contribution agreement with UNDP to support the UNDP-run component of this Fund (under the 2023 Special measure for Libya).

Murzuq Reconstruction Fund

The GNU established the Murzuq Reconstruction Fund in May 2021 to rebuild infrastructure, invest in public services, rehabilitate war-damaged areas in Murzuq and other southern areas ravaged by conflict, and to enhance economic recovery, reconciliation and the return of IDPs. UNDP signed an MoU with the GNU in July 2023 to support the management of this fund. This fund's UNDP-run component disposes of certain resources to carry out projects locally, but is unlikely to benefit from further transfers from the GNU.⁷ Yet, socio-economic recovery in Murzuq and southern Libya remain a particular priority for a number of members of the international community, which have recently stepped up their operations locally. The EU Delegation to Libya regularly liaises with these actors to achieve complementarity in any EU contribution to recovery and development in Murzuq and southern Libya.

Sirte Reconstruction Fund

The GNU established the Sirte Reconstruction Fund in May 2021 to rebuild and rehabilitate war-damaged areas in Sirte. UNDP signed an MoU with the GNU in October 2023 to support the management of the Sirte fund. The UNDP-run component has not yet benefited from any funding from international donors.

⁶ The UNDP-run component disposes of the following resources: USD 5 million from the GNU; USD 2.1 million from France; and USD 2 million under the UN Peacebuilding Fund. This yields EUR 8.5 million in donor contributions (at 1 EUR = 1.07 USD).

⁷ The UNDP-run component benefits from the following resources: USD 2 million from USAID; USD 1.1 million from Italy; USD 0.6 million from the United Kingdom. The EU-funded RSSD Phase 2 project has an USD 1 million component financing local peacebuilding projects. This yields EUR 3.7 million in donor contributions (at 1 EUR = 1.07 USD).

South Tripoli and Sahel Jfara Reconstruction Fund

The GNU established the Reconstruction Fund of South Tripoli and Sahel Jfara in May 2021 to rebuild and rehabilitate war-damaged areas and buildings in this area. The 2011 civil war led to the widespread destruction of infrastructure, economic upheaval and internal displacement in South Tripoli and Sahel Jfara. UNDP signed an MoU with the GNU in October 2023 to support the management of this fund. The UNDP-run component has not yet benefited from any funding from international donors.

Devastation wrought by Storm Daniel in eastern Libya in September 2023⁸

On 10 September 2023, Storm Daniel hit the eastern coast of Libya. The most catastrophic event occurred on 10-11 September when two dams upstream of the coastal city of Derna failed. This inundated the river plain and flooded Derna. According to the United Nations' Office of Coordination of Humanitarian Assistance, 250,000 people (about one-third children) needed humanitarian assistance. 44,800 remain internally displaced, 4,352 are deceased, and over 8,000 missing.

Reconstruction and recovery needs across the 20 affected municipalities are estimated at EUR 1.65 billion. Some 70 percent of this will be needed for infrastructure. **Libya as an upper middle-income country is expected to finance these infrastructural needs related to reconstruction.**

The human toll—lost lives and injuries—is devastating, with potential long-term consequences on the Libyan economy. Derna experienced severe economic strain, followed by Al Jabal al Akhdar, Al Marj and Benghazi.

22 percent of the country's population (1.5 million people) live in areas affected by the floods. Those in Derna, Benghazi, Al Marj, Sahel Al Jabal and Al Akhdar have been particularly affected. 250,000 people faced considerable needs following the floods. The flooding led to a complex humanitarian crisis and stretched scarce resources. Some 4,000 houses were destroyed in Derna. Other consequences included reduced food security and poor access to health care and education. 44,800 individuals, including 16,000 children, have been internally displaced, exacerbating vulnerabilities among women, migrants and persons with disabilities. The floods disrupted economic activity and may produce learning setbacks for children.

Libya Development and Reconstruction Fund

In January 2024, the House of Representatives (HoR) established the Libya Development and Reconstruction Fund, replacing several pre-existing entities devoted to reconstruction and development. In February 2024, Belqasim Haftar was appointed as its Director General. This entity remains central to rebuilding municipalities destroyed by Storm Daniel. It has been allocated an initial (nominal) budget of LYD 10 billion; its mandate includes the entire country. Currently, no international donor agencies, including the European Union, have a formal working arrangement with this fund. However, considering its track record of rebuilding infrastructure in some municipalities devastated by Storm Daniel, particularly Derna, it will likely play a key role in reconstruction across eastern and possibly southern Libya. It has also reportedly engaged with municipalities in western Libya. Reconstruction priorities are jointly set by this fund and municipalities, but the latter need particular help with capacity to be able to deliver local services related to economic recovery.

Several international donors have recently visited eastern Libya to survey the pace of reconstruction. New housing blocks, a school and a hospital have been rebuilt in Derna since last September courtesy of this fund.

⁸ This problem analysis is based on the RDNA jointly elaborated by the World Bank, the United Nations and the European Union.

2.2. Problem Analysis

Short problem analysis

Fragmented political institutions and weak governance capacity, notably at municipal level, constitute the backdrop to project implementation in Libya. Last year's floods triggered a genuine outpouring of support from the Libyan public, with scores of ordinary citizens travelling to Derna and other eastern municipalities to offer assistance. This created high hopes that this crisis would trigger a united Libyan response to emergency response and recovery. The EU triggered its Civil Protection Mechanism, with 10 Member States sending humanitarian assistance, then mobilised EUR 5.7 million in additional humanitarian support.⁹ The EU Delegation to Libya underlined the UN Special Representative of the Secretary-General's call for a Libyan-led, Libyan-owned unified, transparent and accountable approach to reconstruction.

Such hopes have now been dashed, yet early recovery gave way to reconstruction, particularly in eastern Libya. The GNU-established reconstruction funds have received some transfers from the Ministry of Planning, but persistent worries about corruption risks in using such funds in areas beyond the GNU's control prevented additional transfers. The HoR-affiliated reconstruction fund also moved ahead with reconstruction in some areas destroyed by Storm Daniel, although the funding structure of these operations has remained opaque.

Libya's Law No. 59 (2012) created the legal basis for decentralisation through a system of municipalities. Decree 1500 (2021) devolved some important competences to Libyan municipalities, including revenue collection.¹⁰ Despite such legislative changes, Libyan municipalities continue to suffer from a shortage of capacity and resources to deliver basic services to citizens. Yet, local expectations of service delivery remain high, notably in municipalities that have borne the brunt of conflict and last year's natural disaster.

The political and potential reputational risk that the EU might take on by offering technical assistance and capacity-building support to municipalities in a fragmented institutional landscape must be set against the considerable benefits that ordinary Libyan citizens would obtain from improved service delivery at local level. Initial consultations at national and municipal level in western and eastern Libya revealed particular eagerness by all Libyan stakeholders to work with the EU to overcome the long legacy of conflict that has held back local development. Therefore, EU technical assistance and capacity-building support to enhance local public service delivery, channelled through implementing partners subject to the EU's strict internal oversight mechanisms, could deliver considerable benefits to Libyan citizens, further enhancing the EU's reputation. For the time being, the EU is not considering channelling funding through any of the Libyan funds mentioned in this action document.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action

Successful implementation will require permanent engagement with the following stakeholders:

- At national level, the GNU Ministries of Planning and Local Government remain the main interlocutors. The former has signed MoUs with UNDP to help with fund management, while the latter is in charge of the GNU's decentralisation agenda. Additional GNU ministries and entities will be consulted as necessary;
- At local level, the municipal authorities of selected municipalities will remain our primary interlocutors;

⁹ https://civil-protection-humanitarian-aid.ec.europa.eu/news-stories/stories/libya-floods-tackling-complex-emergency_en

¹⁰ <https://www.undp.org/sites/g/files/zskgke326/files/2023-06/undp-ly-pb-resilience-strategy-2023.pdf>

- The implementing partner or consortium of implementing partners to be chosen will need to coordinate with the reconstruction funds established by the GNU, including their UNDP-run components, as well as the reconstruction fund recently established by the House of Representatives.

2.3. Lessons Learnt

In 2021, the EU Delegation to Libya commissioned an evaluation of EU support for community stabilisation, local governance and local development projects in Libya. This study examined the outcome of seven projects implemented by five implementing partners across 80 municipalities in Libya between 2015 and 2020. This study formulated a number of recommendations that have been integrated into this action's design:

1. The EU Delegation to Libya at political level must fully engage relevant Libyan ministries to create an enabling environment for project implementation. This includes permanent reporting;
2. The number of steering groups should be reduced. By scheduling a recurring meeting with all implementing partners, to share information and community feedback, the EU would increase effectiveness and synergies between projects;
3. Indicators measuring impact should be shared each month with the EU Delegation for accountability;
4. Resilience should be underpinned by an open dialogue between citizens and municipalities on needs assessments, resource allocation and local accountability mechanisms. These dialogues should include civil society groups, groups of notables and local leaders who can scrutinise municipalities' use of EU resources. Municipalities should make public commitments in exchange for technical assistance and capacity-building support. This should be reflected in ongoing reporting.

3. DESCRIPTION OF THE ACTION

3.1. Objectives and Expected Outputs

The Overall Objective/Impact of this action is as follows:

Contribute to stabilisation, post conflicts and natural disasters recovery, and long-term resilience.

The Specific Objective (Outcome) of this action are as follows:

1. Delivery of services at municipal level is strengthened.

The Outputs to be delivered contributing to the corresponding Specific Objectives (Outcome) are as follows:

- 1.1. Local water and road transport networks are strengthened;
- 1.2. Local access to primary health care and sanitation facilities, including for women, is strengthened;
- 1.3. Local access to education is strengthened;
- 1.4. Local economic development is enhanced and some of Libya's cultural heritage rehabilitated.

3.2. Indicative Activities

Activities related to Output 1.1:

- 1.1.1. Technical assistance and capacity-building support are provided to enhance the governance of the transport sector, where applicable, including an integrated urban transport system;
- 1.1.2. Technical assistance and capacity-building support are provided to develop a critical infrastructure protection system in most-affected areas, including flood protection and flood management;
- 1.1.3. Technical assistance and capacity-building support are provided to assess the damage to and develop reconstruction plans for the water supply, sewage and wastewater treatment network;
- 1.1.4. Technical assessment is provided to carry out national and municipal dam safety assessments.

Activities related to Output 1.2:

- 1.2.1. Technical assistance and capacity-build support are provided to restore core health service delivery in municipalities. The replacement of some equipment, interim service delivery via mobile clinics, mental health and psycho-social support, upskilling health human resources, strengthened emergency care and vaccination campaigns may also be supported;
- 1.2.2. Sustainable and tailored health solutions for vulnerable and marginalised people (women, persons with disabilities, non-Libyans) are gradually incorporated into health service and psycho-social support.

Activities related to Output 1.3:

- 1.3.1. Technical assistance and capacity-building support are offered to establish a recovery plan for schools;
- 1.3.2. Light rehabilitation works may be provided in some schools;
- 1.3.3. Technical assistance and capacity-building support are provided to support service delivery including training, catch-up programmes, learning and teaching materials, safety for students and teachers, as well as psychological support, including towards vulnerable and marginalised people (girls, persons with disabilities and migrant children).

Activities related to Output 1.4:

- 1.4.1. Technical assistance and capacity-building support are provided for municipalities to enhance local employment programmes, small enterprise development, technical and vocational training and skills development, particularly for women and youth;
- 1.4.2. Technical assistance and capacity-building support are provided to restore service delivery and carry out inventories and management measures related to cultural heritage protection;
- 1.4.3. Light rehabilitation works may be offered to help preserve cultural heritage sites and artefacts.

3.3. Mainstreaming

Outcomes of the Strategic Environmental Assessment (SEA) screening

The SEA screening concluded that SEA is not required, but key environmental and climate-related aspects will be addressed during implementation.

Outcomes of the Environmental Impact Assessment (EIA) screening

The EIA screening classified the action as Category A (EIA will be undertaken). In addition, climate risk will be addressed as part of an EIA since recovery and development activities will be defined within the EU contribution. The environmental impact analysis will be included as part of the technical facility package. It is advised to do an EIA in the different municipalities targeted by this action.

Outcome of the Climate Risk Assessment (CRA) screening

The CRA screening concluded that a CRA will be undertaken for specific recovery activities at the level of some municipalities targeted by the action.

Gender equality and empowerment of women and girls

As per OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that recovery and development activities should set be carried out in a manner that ensures gender equality and increases women's participation in political and economic life, including at municipal level. This action will mainstream gender equality and youth issues and seek to integrate and build upon earlier EU-funded activities.

Human Rights

Human rights will be integrated into the design of individual actions, whenever relevant, and included in the set of indicators accompanying these actions. Particular attention will be given to environmental human rights.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D1. This action will ensure consistency with non-discrimination principles. This implies that the different entities need to ensure that their respective spheres of responsibility provide the necessary opportunities and access to persons with disabilities, on an equal basis with others. Through this action, the EU will support activities that contribute to the inclusion of persons with disabilities, ensuring accessibility to health and education services.

Democracy

Strengthening participation, dialogue and reconciliation are core elements of this action. The governance of recovery in Libya should be associated with an improvement of democratic participation, including through the bottom-up participatory involvement of citizens' groups and civil society organisations already employed by other EU-funded projects in community stabilisation.

Conflict sensitivity, peace and resilience

The widespread impact of war and the recent disaster caused by Storm Daniel present challenges where service delivery, infrastructure needs and access to economic and employment opportunities are critical for improving

social cohesion and reconciliation process, particularly for women, youth and IDPs. EU support in reconstruction should be instrumental in restoring trust between citizens and institutions and supporting local institutions to deliver critical services and improving livelihoods. As part of the context, appropriate attention will be given to conflict sensitivity and economic and social standards.

Disaster Risk Reduction

Adaptation measures, specifically Disaster Risk Reduction management, is one of the important subjects for the provision of technical assistance and capacity-building support for targeted municipalities.

3.4. Risks and Assumptions

Category	Risks	Likelihood	Impact	Mitigating measures
External environment	Political risk results in weak local governance	Medium	Medium	<ul style="list-style-type: none"> - Capacity-building for local actors, particularly municipalities; - Follow do-no-harm principle in all action-related activities with continuous conflict and risk assessment; - Focus on developing institutional capacities and systems for key national partners across whole of Libya; - Ensure inclusive approach to implementation involving all partners.
External environment	Political and reputational risk for EU stemming from corruption in implementation	Medium	Large	<ul style="list-style-type: none"> - EU contribution is paid in full to implementing partners carefully chosen by EU, including via pillar assessment; - Steering Group and political leverage are used to persuade Libyan stakeholders to accept oversight mechanism over reconstruction funding using Libyan resources.
Planning, policy and systems	Changing policy priorities and counterparts	Medium	Medium	<ul style="list-style-type: none"> - Focus on technical working level to depoliticise cooperation and coordination, fostering dialogue across whole of Libya; - Focus on key relationships including Ministries of Foreign Affairs, Planning and Local Government, the House of Representatives and other relevant actors in western, eastern and southern Libya.
External environment	Engagement in the East and South is negatively perceived by western stakeholders	Medium	High	<ul style="list-style-type: none"> - Permanent cooperation with Ministries of Foreign Affairs, Planning and Local Government; ongoing coordination with House of Representatives and other actors in eastern and southern Libya; - Gradual approach to implementation in eastern and southern Libya, based on security assessment and inclusivity; - Conducting inclusive events by ensuring careful and balanced selection of participants and facilitating exchange and contacts

				between representatives of municipalities from all regions.
External environment	Changing security risks, armed conflict	Medium	High	<ul style="list-style-type: none"> - Constant security and risk monitoring to minimise risks for staff members; - Implementing partners engage local Libyan staff to work closely with municipal staff; - Cooperation with local service providers who can credibly operate local risk management systems; - Flexible planning of interventions in municipalities in accordance with security and risk environment.
External environment	Banking crisis and limited access to cash, materials and services affects implementation	Medium	High	<ul style="list-style-type: none"> - Cooperation with local banks, partners and service providers who accept payments via wire transfer to foreign bank accounts; - Pragmatic cooperation mechanisms in consent with local partners; - Salary payments to foreign bank accounts; - Avoidance of cash payments.
External environment	Limited access to municipalities hinders implementation	Medium	High	<ul style="list-style-type: none"> - Close engagement with municipal staff via implementing partners' local Libyan staff, ensuring permanent communication with relevant stakeholders on implementation and monitoring; - Employing focus groups, committees and local coordination mechanisms to set priorities; - Providing technical support and permanent training for implementing partners and beneficiaries; - Transfer of best practices among Libyan municipalities and from other EU projects.
Planning, policy and systems	Weak local buy-in for project implementation	Low	Medium	<ul style="list-style-type: none"> - Using assessments to prepare decision making, especially the selection of new municipalities; - Open communication with local communities about implementation; - Involving local communities in participatory decision-making.
Planning, policy and systems	Limited maintenance of works provided	Medium	Low	<ul style="list-style-type: none"> - Collaborative relationship with municipalities, citizens, economic operators, schools, clinics and cultural heritage sites that might have benefited from material EU support should mitigate this risk.

External Assumptions

The following external assumptions underpin this action. The appropriate risk mitigation measures are set out above:

- Sufficient political stability allows for permanent dialogue and coordination with Libyan stakeholders concerning project design and implementation;
- Libyan buy-in and ownership of this action’s objectives continue to allow for implementation at municipal level across the entire country;
- The security situation allows for the deployment of technical expertise across the entire country;
- The necessary permits, visas, access rights and security clearances are promptly issued to the project’s implementing partners, potentially including international NGOs and Libyan civil society organisations, to ensure smooth and unhindered implementation across the whole of Libya;
- Libyan stakeholders remain open to incorporating the project’s results and recommendations in their governance frameworks.

3.5. Intervention Logic

The list of targeted municipalities and the list of the specific services targeted for each of these municipalities will be defined before (or at the beginning of) the operational implementation of the action. The action will seek to cover some of the municipalities in Libya’s three regions (western, eastern and southern), that have suffered the greatest damage through conflict and the 2023 floods. Depending on the municipalities’ needs, one or several of the following services areas could for instance be targeted: water, transport, health/sanitation, education, economic development, and/or cultural heritage. The services will be selected in a way that takes into account the specific context of each municipality, with the aim to maximise recovery and development in these municipalities.

IF the capacities of targeted municipalities are reinforced to deliver enhanced access to local public services, through the planned training, technical assistance and governance activities, AND IF the above assumptions concerning the security situation in the country and the sustained engagement of relevant Libyan actors hold true, THEN, in the medium-term, this action should contribute to the sustained recovery of municipalities most affected by conflict and natural disaster. This will contribute, in the longer term, to Libya’s enhanced socio-economic cohesion and political stability.

3.6. Indicative Logical Framework Matrix

Results	Main expected results	Indicators	Baseline	Targets	Data sources	Assumptions
Impact	Contribute to stabilisation, post conflicts and natural disasters recovery, and long-term resilience.	1. Number of citizens benefiting from EU-supported municipal service provision 2. Number of citizens reporting positive impact of EU action on municipal service provision 3. Number of municipalities reporting positive impact of EU action on municipal service provision	State of play in 2024	1. Value increased by 75% 2. Value increased by 75% 3. Value increased by 75%	Reports by national stakeholders, municipalities, implementing partners, open source data	<i>Not applicable</i>
Outcome 1	Delivery of services at municipal level is strengthened.	1.1. Direct economic loss in relation to global GDP, damage to critical infrastructure and number of disruptions to basic services, attributed to disasters ** (GERF 1.4)	State of play in 2024	1.1. Value fell by 25%	Reports by national stakeholders, municipalities, implementing partners, open source data	Appropriate buy-in by Libyan actors, access to sites
Output 1	1.1. Local water and road transport networks are strengthened	1.1.1. Number of people with access to improved drinking water source and/or sanitation facility with EU support ** (GERF 2.38) 1.1.2. Proportion of population using safely managed drinking water services disaggregated by sex** (GERF 1.30) 1.1.3. Total length of transport infrastructure supported by EU (km): (a) roads ** (GERF 2.18a)	State of play in 2024	1.1.1. Value increased by 75% 1.1.2. Value increased by 75% 1.1.3. Value increased by 50%	Reports by national stakeholders, municipalities, implementing partners, open source data	Appropriate buy-in by Libyan actors, access to sites

Output 2	1.2. Local access to primary health care and sanitation facilities, including for women, is strengthened	1.2.1. Number of citizens directly benefitting from EU-funded mobile clinics, mental health and psychosocial support, emergency care and vaccination campaigns, disaggregated by sex and vulnerable people (persons with disabilities and non-Libyans) 1.2.2. Proportion of population using safely managed sanitation services ** (GERF 1.31) 2.5. Coverage of essential health services disaggregated by sex and vulnerable people (persons with disabilities and non-Libyans) ** (GERF 1.25) 1.2.7. Number of people directly benefitting from EU-supported interventions that aim to enhance psychosocial support disaggregated by sex and vulnerable people (persons with disabilities and non-Libyans)	State of play in 2024	1.2.1. Value increased by 100% 1.2.2. Value increased by 100%	Reports by national stakeholders, municipalities, implementing partners, open source data	Appropriate buy-in by Libyan actors, access to sites
Output 3	1.3. Local access to education is strengthened	1.3.1. Number of students enrolled in education with EU support: (a) primary education ** (GERF 2.36a) disaggregated by sex 1.3.2. Number of students enrolled in education with EU support: (b) secondary education ** (GERF 2.36b) disaggregated by sex 1.3.3. Number of students enrolled in education with EU support: (c) tertiary education ** (GERF 2.36c) disaggregated by sex	State of play in 2024	1.3.1. Value increased by 75% 1.3.2. Value increased by 75% 1.3.3. Value increased by 75%	Reports by national stakeholders, municipalities, implementing partners, open source data	Appropriate buy-in by Libyan actors, access to sites
Output 4	1.4. Local economic development is enhanced and some of Libya's cultural heritage rehabilitated	1.4.1. Number of citizens directly benefitting from EU-funded economic development programmes disaggregated by sex and vulnerable people (persons with disabilities and non-Libyans) 1.4.2. Number of small enterprises established owing to EU assistance 1.4.3. Number of cultural heritage sites directly benefitting from EU-funded conservation/preservation	State of play in 2024	1.4.1. Value increased by 100% 1.4.2. Value increased by 50% 1.4.3. Value increased by 75%	Reports by national stakeholders, municipalities, implementing partners, open source data	Appropriate buy-in by Libyan actors, access to sites

4. IMPLEMENTATION ARRANGEMENTS

4.1. Financing Agreement

A financing agreement with Libya is not envisaged to implement this action.

4.2. Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of adoption by the Commission of this financing Decision.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this financing Decision and the relevant contracts and agreements.

4.3. Implementation Modalities

The Commission will ensure that the EU's appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance with EU restrictive measures.¹¹

4.3.1. Indirect Management with a pillar-assessed entity

This action may be implemented in indirect management with pillar-assessed entities, which will be selected by the Commission's services using the following specific criteria:

- (1) Relevant technical competence and specialisation;
- (2) Results achieved in previous cooperation projects in Libya;
- (3) Ability to deploy across the whole of Libya, including through expatriate and local staff;
- (4) Capacity to liaise with Libyan stakeholders at national and local levels.

Implementation by this or these entities entails the implementation of all activities necessary to achieve Specific Objective 1.

4.3.2. Changes from indirect to direct management (and vice versa) mode due to exceptional circumstances

Taking into account the risks in terms of deterioration of the political and security context in Libya, the action that is foreseen to be implemented in indirect management may be reconsidered to be implemented under procurement for the technical assistance and capacity-building support that the bulk of this action represents.

¹¹ EU Sanctions Map. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website, it is the OJ version that prevails.

4.4. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.5. Indicative Budget

Indicative Budget components	EU contribution (EUR)
Implementation modalities – Indirect management with pillar-assessed entities – cf. section 4.3.1.	16 000 000
Evaluation – cf. section 5.2 Audit – cf. section 5.3	To be covered by another Decision
Strategic communication and Public diplomacy – cf. section 6	To be covered by another Decision
Totals	16 000 000

4.6. Organisational Set-up and Responsibilities

The selected implementing partner(s) will be responsible for permanent and regular reporting to the EU by participating in a Steering Committee that involves, as appropriate, all relevant national and municipal counterparts, possibly including the relevant reconstruction funds, targeted by this action. This Steering Group, or Steering Groups in case more than one are established according to the geographical focus on implementation, will be chaired by the EU Delegation to Libya, with the involvement of all national and municipal counterparts as appropriate. The EU Delegation will engage in permanent political consultation and coordination with all Libyan counterparts as and when appropriate. The implementing partner(s) will focus on operational implementation under the supervision of the EU Delegation to Libya, in close coordination with the relevant municipalities and, where appropriate, the relevant reconstruction funds.

Such a steering structure may also involve other implementing partners and/or key stakeholders implementing similar programmes in the same cooperation areas, to foster coordination and synergies. The Steering Committee or Committees will meet regularly and will (1) review implementation against established work plans and planned achievements; (2) review work plans; (3) facilitate the involvement of different stakeholders; and (4) discuss any other issue relevant for implementation. As part of its prerogative of budget implementation and to safeguard the Union's financial interests, the Commission will participate in the above governance structures.

5. PERFORMANCE MEASUREMENT

5.1. Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be continuous and part of the implementing partners' responsibilities. Each implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and draft regular progress

reports (no less than annual) and final reports. Each report shall provide an accurate account of implementation, difficulties encountered, changes introduced, as well as the degree of achievement of Outputs and contribution to the achievement of Outcomes and contribution to the achievement of Impacts, as measured by corresponding indicators, using as reference the logical framework matrix. Implementing partners will also ensure *ad hoc* reporting to ensure a permanent flow of information to the contracting authority. The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Monitoring activities may include regular Result Oriented Monitoring (ROM) reviews, as well as third-party monitoring reviews in addition to on-the-spot monitoring by the EU Delegation's operational and financial managers to complement implementing partners' monitoring, if the security situation allows. These monitoring exercises will seek sound follow-up on earlier recommendations and to inform EU management.

Arrangements for monitoring and reporting, including roles and responsibilities for data collection, analysis and monitoring include specific terms of reference for a steering structure per action will be elaborated in the specific implementation contract or agreement prior to a signature of such contracts and agreements.

5.2. Evaluation

Having regard to the nature of the action, a mid-term and a final evaluations will be carried out for this action or its components via independent consultants contracted by the Commission.

The mid-term evaluation will be carried out for learning purposes, to deepen the EU's knowledge base for designing future EU support programmes for reconstruction in post-conflict societies. The final evaluation will be carried out to enhance accountability and learning at various levels and to foster greater engagement in policy dialogue.

The Commission shall form a Reference Group composed of representatives of the main stakeholders at both EU and national levels (representatives of government, civil society organisations and international NGOs, the private sector, etc.). Other donors may be invited to join.

The Commission shall inform the implementing partners at least four weeks before the dates envisaged for the evaluation exercise and missions. The implementing partners shall fully collaborate with the evaluation experts and grant them the necessary information, documentation and access to project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders following the best practice of evaluation dissemination. The implementing partners and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

The financing of the evaluation shall be covered by another measure constituting a financing Decision.

5.3. Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6. STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

All entities implementing EU-funded external actions have the contractual obligation to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. To that end they must comply with the instructions given in the 2022 guidance document [*Communicating and raising EU visibility: Guidance for external actions*](#) (or any successor document).

This obligation will apply equally, regardless of whether the actions concerned are implemented by the Commission, the partner country, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU Member States. In each case, a reference to the relevant contractual obligations must be included in the respective financing agreement, procurement and grant contracts, and delegation agreements.

Any actions related to communication and visibility will be coordinated with the strategic communication actions of the EU Delegations, to ensure coherence of narrative and message, as well as horizontal strategic communication. This necessitates permanent liaison with the EU Delegation to Libya's Political, Press and Information, as well as its Cooperation Sections.

For the purpose of enhancing the visibility of the EU and its contribution to this action, the Commission may sign or enter into joint declarations of statements, as part of its prerogative of budget implementation and to safeguard the financial interests of the Union. Visibility and communication measures should also promote transparency and accountability on the use of funds. Effectiveness of communication activities on awareness about the action and its objectives, as well as on EU funding of the action should be measured.

Implementing partners shall keep the Commission and the EU Delegation fully informed of the planning and implementation of specific visibility and communication activities before implementation. Implementing partners will ensure adequate visibility of EU financing and will report on visibility and communication actions, as well as the results of the overall action to the relevant monitoring committees.

Appendix 1: IDENTIFICATION OF THE PRIMARY INTERVENTION LEVEL FOR REPORTING IN OPSYS

A Primary intervention (project/programme) is a coherent set of results structured in a logical framework aiming at delivering development change or progress. Identifying the level of the primary intervention will allow for:

- ✓ Differentiating these Actions or Contracts from those that do not produce direct reportable development results, defined as support entities (i.e. audits, evaluations);
- ✓ Articulating Actions and/or Contracts according to an expected common chain of results and therefore allowing them to ensure a more efficient and aggregated monitoring and reporting of performance;
- ✓ Having a complete and exhaustive mapping of all results-bearing Actions and Contracts.

The present action is identified as follows:

<p>Group of contracts level (e.g. 1) series of programme estimates, 2) cases in which an Action Document foresees many foreseen individual legal commitments (for instance four contracts and one of them being a Technical Assistance) and two of them, a technical assistance contract and a contribution agreement, aim at the same objectives and complement each other, 3) follow up contracts that share the same log frame of the original contract)</p>		
<input checked="" type="checkbox"/>	Group of contracts	foreseen individual legal commitment (or contract) 1 foreseen individual legal commitment (or contract) 2 foreseen individual legal commitment (or contract) 3 foreseen individual legal commitment (or contract) 4