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ANNEX 1

to the Commission Implementing Decision on the financing of the special measure in favour of Libya for 2023

Action Document for Water Resources Management 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 NDICI-Global Europe Regulation.

1. SYNOPSIS

1.1. Action Summary Table

1. Title **OPSYS** **Basic Act**	Water Resources Management Facility Special measure in favour of Libya for 2023 OPSYS business reference: ACT-61957 ABAC Commitment level 1 number: JAD 1167512 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
2. Economic and Investment Plan (EIP)	No
EIP Flagship	No
3. Team Europe Initiative	No
4. Beneficiary of the action	This action shall be carried out in Libya (across the entire country).
5. 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. It has been consistently renewed and recently extended until June 2024. 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'.
6. Link with relevant MIP(s) objectives/expected results	N/A

PRIORITY AREAS AND SECTOR INFORMATION				
7. Priority Area(s), sectors	140 - Water Supply & Sanitation, 150 - Government & Civil Society 410: General Environment Protection			
8. Sustainable Development Goals (SDGs)	Main SDG (1 only): 6 - Ensure availability and sustainable management of water and sanitation for all Other significant SDGs (up to 9) and where appropriate, targets: 7 Ensure access to affordable, reliable, sustainable and modern energy for all; 13 Take urgent action to combat climate change and its impacts.			
9. DAC code(s)	Main DAC Code 140 - Water Supply & Sanitation: 14010 - Water sector policy and administrative management 14015 - Water resources conservation (including data collection) 14020 - Water supply and sanitation - large systems 14030 - Basic drinking water supply and basic sanitation DAC code 410 - General Environment Protection DAC code 15110 - Public sector policy and administrative management: 15112 - Decentralisation and support to subnational government			
10. Main Delivery Channel @	Channel 1 - Channel code: 40000: Multilateral Organisations - 41100: United Nations Agency, fund or commission (UN);10000: Public Sector Institutions.			
11. Targets	☐ Migration ☒ Climate ☐ Social inclusion and Human Development ☒ Gender ☐ Biodiversity ☒ Human Rights, Democracy and Governance			
12. Markers (from DAC form)	**General policy objective @**	**Not targeted**	**Significant objective**	**Principal objective**
	Participation development/good governance	☐	☐	☒
	Aid to environment @	☐	☐	☒
	Gender equality and women's and girl's empowerment	☐	☒	☐
	Reproductive, maternal, new-born and child health	☒	☐	☐
	Disaster Risk Reduction @	☒	☐	☐
	Inclusion of persons with Disabilities	☒	☐	☐
	Nutrition @	☒	☐	☐
	RIO Convention markers @	**Not targeted**	**Significant objective**	**Principal objective**
	Biological diversity @	☒	☐	☐

	Combat desertification @	☐	☒	☐
	Climate change mitigation @	☒	☐	☐
	Climate change adaptation @	☐	☐	☒
13. Internal markers and Tags	**Policy objectives**	**Not targeted**	**Significant objective**	**Principal objective**
	EIP	☒	☐	☐
	EIP Flagship	YES ☐		NO ☒
	Tags transport energy environment, climate resilience digital economic development (incl. private sector, trade and macroeconomic support) human development (incl. human capital and youth) health resilience migration and mobility other	YES ☐ ☒ ☒ ☐ ☐ ☒ ☐ ☐ ☐		NO ☒ ☐ ☐ ☒ ☒ ☐ ☒ ☒ ☒
	Digitalisation @	☒	☐	☐
	Tags digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services	YES ☐ ☐ ☐ ☐ ☐		NO ☒ ☒ ☒ ☒ ☒
	Connectivity @	☒	☐	☐
	Tags digital connectivity energy transport health education and research	YES ☐ ☒ ☐ ☐ ☐		NO ☒ ☐ ☒ ☒ ☒
	Migration @	☒	☐	☐
	Reduction of Inequalities @	☐	☒	☐

	COVID-19	☒	☐	☐
BUDGET INFORMATION				
14. Amounts concerned	Budget line(s) (article, item): 14.020110 Southern Neighbourhood Total estimated cost: EUR 10 000 000 Total amount of EU budget contribution: EUR 10 000 000			
MANAGEMENT AND IMPLEMENTATION				
15. Implementation modalities (management mode and delivery methods)	**Indirect management** with the entities to be selected in accordance with the criteria set out in section 4.3.1			

1.2. Summary of the Action

Libya is heavily susceptible to the impact of climate change. Projected increases in temperatures, increased frequency and intensity of extreme weather conditions, declining precipitation and rising sea levels threaten the sustainability of water supplies and pose an existential risk to coastal population centres where around 70% of the country's people reside. On 10 September 2023, Storm Daniel, the deadliest Mediterranean tropical-like cyclone in recorded history, showed how the country remains exposed to the devastating impact of climate change. Climate change is compounding water scarcity, thereby reducing water availability for agricultural and domestic consumption. In facing these urgent needs, Libyan institutions are in dire need to develop capacity at both organisational and expertise-development levels. Starting from the need to establish a national strategy for national resource management (NMR), improving the performance of the water sector inclusive of water resource management (WRM), sanitation and distribution functions has become a critical urgent issue. The purpose of this action is to support the development of a national policy for WRM, including improved data collection, management and monitoring, and the efficient implementation of a national strategy for the water sector. It will entail the development and upgrading of information systems for all aspects of the water sector, thus enhancing water resource management in Libya and its governance at national and municipal level. It will contribute to the assessment of water-related infrastructure.

Ongoing and future needs assessments will produce a costed analysis of reconstruction efforts in eastern Libya, including infrastructural needs. The EU will work very closely with international partners to make sure that any international contribution to future reconstruction efforts in eastern Libya is managed in a coordinated manner, taking on board the principles and interests of the international donor community.

This action will also seek to strengthen municipalities' capacity to take on certain functions related to the distribution of safe drinking water, sanitation and rain water drainage and the devolution of certain functions within the mandate of the Ministry of Water Resources (MOWR) and its affiliated entities, including municipalities in regions most affected by Storm Daniel. Key institutions including municipalities need to develop capacity so as to become real leaders in the formulation of strategies, legislation and policies while supported by adequate technical assistance.
Building on the previous EU contribution to the energy sector and climate change adaption in Libya, this action will support the gradual approximation of European standards and utilise European know-how and norms. In line with SDGs 6-7 and 13, this action will aim at triggering basic mechanisms conducive to coordination, awareness raising and policy making processes that might be further supported in the future. A broad range of actions ranging from technical assistance to support for the formulation of evidence-based

policy will be put in place. More specifically, technical support will focus on the drafting and adoption of strategies and regulations, where possible, resulting in a more conducive environment to balance the current gap in terms of supply and demand; grant access to safe and clean water; and promote a more balanced and effective use of water and energy resources in the sectors of agriculture and industry. EU support will also target the key factors triggering private investments or promotion of public-private partnerships (PPP). Providing technical assistance so to develop sustainable capacity in the gathering and analysis of reliable data will help the country become responsive to international obligations, and will contribute to confidence-building and inter-institutional cooperation.

1.3. Beneficiar(y)/(ies) of the Action

With reference to **Outcome 1**, it is important to consider the current division of competences among different authorities involved in water sector governance. The roles and responsibilities related to the water sector in Libya are divided between the Ministry of Water Resources and several agencies or companies under it, and the Ministry of Local Government. The management of water resources, whether ground, surface or desalinated water, falls under the responsibility of the Ministry of Water Resources and its agencies or companies. Municipal water use falls under municipalities' responsibility. This also includes water for irrigation and wastewater management within municipal boundaries. The Ministry of Agriculture continues to regulate the use of water for irrigation in cooperation with the Ministry of Water Resources. There is no substantive conflict of mandates or responsibilities related to water management among the different agencies.

Wastewater management is not adequately addressed at the regulatory level. It falls under the National Water and Wastewater Company, which falls under the Ministry of Water Resources, but the company has several issues, and the Ministry of Local Government has granted the responsibility to build and maintain treatment plants to municipalities. One issue of high importance is related to the need for a well-developed national wastewater masterplan. Such a plan should be developed in accordance with adequate feasibility studies, to include environmental impacts and the reuse of treated wastewater. The current arrangement of several plants emptying treated wastewater directly into the sea adversely impacts marine biodiversity and Libya's marine economy. In addition, the reuse of such water is of high importance given the scarcity of water in Libya. Following the flood disaster in September 2023, it is of the outmost importance to assess the damage to wastewater treatment plants. Natural disasters typically destroy plant components, resulting in a total loss and contaminated water being released into the environment. There is ample evidence that water-borne diseases are one of the biggest humanitarian risks to the affected population in eastern Libya. The disaster caused by Storm Daniel has already contaminated groundwater and drinking water in the most-affected eastern Libyan areas. If no wastewater treatment after natural disasters is carried out, rivers, flora and fauna can suffer great damage. Untreated wastewater can lead to severe diseases.

This action's primary targets are the Ministry of Water Resources, and agencies or companies that come under it, as well as the Ministry of Local Government (MoLG).

With reference to **Outcome 2**, the primary target group is at the municipal level. This level comprises mayors and municipal council members, as well as municipal officials and technical staff working primarily but not exclusively on environmental affairs, local revenue collection and human resource management. It further includes civil society organisation (CSOs) and local private sector actors. This action will seek to roll out its activities approximately in [15-20] municipalities from the three historic regions of Libya. The municipalities will be chosen taking into consideration 1) their vulnerability to water scarcity and climate change-related disasters, 2) their capability to implement the action's objectives, 3) priorities indicated by the MoLG, 4) the geographical priorities of the EU, 5) previous work under the EUTF in selected municipalities and 6) general considerations of political and conflict sensitivity.

Another target group under Outcome 2 is at national level. It primarily includes decision-makers and ministerial staff from the MoLG, key drivers of decentralisation within the government and, under Law 59 of 2012, the responsible ministry for regulating, guiding and supervising decentralisation reforms. This action will also involve officials from other national institutions and line ministries, including the Ministry of Water Resources, the Ministry of Environment, the Ministry of Planning, the Ministry of Finance, the Ministry of Education and the National Planning Council, to the extent that they are concerned by the action's scope. This group includes the Municipal Development and Decentralisation Support Centre (MDDSC), which contributes to capacity development at different levels. Training modules and curricula previously developed by the MDDSC and available trainers will serve as a basis for further development. This action will also target civil society actors, academia, media and activists active in this domain.

The action's beneficiaries are Libyan citizens. In selected municipalities, including municipalities in eastern Libya recently affected by Storm Daniel, citizens will directly benefit from improved decentralised service delivery and participatory planning processes. At national level across the country, citizens will benefit from an improved regulatory frameworks and national policies in action, as well as improved national services.

2. RATIONALE

2.1. Context

Country context

With an estimated 6.7 million population[1], Libya faces many challenges transitioning to democratic rule after the 2011 revolution. It has been a decade of national division since the elections of 2014. Surveys reflect continued uncertainty for the country's future, with an increasing lack of public confidence in state authorities at the national and local levels, with the judicial sector proving an exception. The security sector remains fragmented, and the safety of citizens and the rule of law are not guaranteed. Public service delivery remains severely deficient despite efforts to re-establish services (health, education, water, sanitation and waste management) at municipal level. The resumption of violence remains a distinct possibility given the postponement of national and presidential elections in December 2021. The failure of Libyan institutions to confirm the list of eligible candidates and the postponement of national elections may reverse Libya's relative stability achieved since 2020. Any new outbreak of violence would negatively impact Libyan national institutions' capacity to deliver services to citizens and relations with civil society. Against this background, public sector governance in Libya continues to face critical challenges, especially in the current unpredictable context. Libya's long-running conflict and instability have impacted the capacity of the state as a credible actor capable of providing public services to citizens.

Despite the underlying political reality, there have been promising signs of increased willingness by mid-level management in Libyan ministries to improve governance and institutional capacity at national and local levels. Examples include actions in the environment, energy, renewable energy and solid waste management sectors. These go hand in hand with decentralisation and reforms in other sectors that are vital to Libya's democratic transition and stability. In the framework of EU-Libya bilateral cooperation, this action supports Libya in undertaking ambitious global climate actions. It has been conceived to ensure full complementarity with the action foreseen by the Commission Implementing Decision C(2022)8264: 'Support to climate change strategy and environment protection in Libya,' in which the EU has set out to help Libya set basic goals towards climate change adaptation.

Water sector

Libya is located in North Africa, one of the poorest regions in terms of access to water resources. Libya, along with twelve other Arab countries, crosses the line into severe water poverty. A large area of Libya is located within the desert and semi-desert, leading to low precipitation, poor access to surface water runoffs except for some valleys in certain seasons, so its resources depend mainly on non-renewable groundwater in the southern Libyan basins. Water resources in Libya are divided between traditional resources, such as groundwater and surface water resulting from the flow of valleys during rainy seasons, and non-traditional resources such as treated water from seawater desalination plants and wastewater treatment plants.

In Libya, the narrow coastal region covering less than 5% of the country receives the majority of rainfall. Coupled with increasing water needs as a result of a growing population and over-consumption, Libya is

[1] https://tradingeconomics.com/libya/population and https://data.worldbank.org/indicator/SP.POP.TOTL?locations=LY

facing an increasingly severe water crisis. Of currently supplied water, only 1.8% comes from a renewable source of water: water desalination and wastewater treatment. Libya's per-capita water production from renewable sources is less than one-tenth of the global average.

With unfavourable geographic and environmental conditions, Libya relies primarily on water supplies from groundwater sources, representing approximately 97% of the overall water supply. Surface water contributes to less than 3% of the current water supply in the country.[2] Groundwater is the main source of water used in various sectors and activities, the most important of which are agriculture, irrigation, home, industrial, economic and health uses. Ground water is divided into six main basins between non-renewable water in the southern regions of the country and renewable groundwater in the northern region. The so-called 'man-made river' (MMR) project was established in 1983 to provide fresh water to the densely-populated areas in the north of the country, and an industrial pipeline network was implemented with more than 3,500 km of pipes, irrigating 67% of agricultural land and providing water for other uses, such as home and industrial use along the coastal strip. At its current stage of development, the MMR reaches two-thirds of Libya's cities. Despite its importance from an engineering standpoint, the MMR carries its own set of challenges and limitations and is currently functioning at 40% of its potential. Some areas rely on water wells that extract water from shallow aquifers, called municipal water wells, in addition to water from the MMR and desalination stations.

Sustainable Water Management is amongst the areas of support proposed in the Joint communication to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: Renewed partnership with the Southern Neighbourhood - A new Agenda for the Mediterranean[3].

Climate change

Libya faces considerable obstacles in adapting to global climate change. At the local level, Libyan communities outside coastal industrial cities are all extremely vulnerable to climate change and ongoing environmental degradation. With few exceptions, the economies of inland communities rely heavily on a combination of irrigated agriculture, virtually free electricity and potable (drinking) water, high levels of public sector employment. Electricity blackouts and cuts in potable water are frequent and increasing, the public infrastructure is aging, in some areas damaged by conflict and instability. In the absence of both well-targeted investments and sustainable adjustments to their economies, many towns are expected to gradually empty out or resort to more destabilising activities due to a combination of climate and economic factors.

Energy[4] is an essential component of economic development, and electric power is a fundamental indicator of a country's economic and technological progress. Libya is currently wholly dependent on oil and natural gas to produce electricity. Against the backdrop of dwindling fossil fuel reserves, rising costs of this type of fuel and negative environmental impacts, such as air pollution, acid rain and associated global warming, renewable energy has gained much attention. Libya has great potential for electric power generation from renewable energy, such as solar, wind and biomass energy.

Compared to neighbouring countries in the Middle East and North Africa, Libya has ideal natural conditions for the use of **renewable energy**. However, the sectoral policy framework for the promotion of renewable energies is currently underdeveloped. As a result, the country's electricity production is still 100 % based on fossil fuels. The infrastructure in the electricity sector is in a poor state as a result of a lack of maintenance and investment, the war and acts of sabotage at strategic points of the power supply network.

[2] https://library.fes.de/pdf-files/bueros/libyen/19178.pdf
[3] {SWD(2021) 23 final}
[4] Libya National Voluntary Review 2020: https://sustainabledevelopment.un.org/memberstates/libya
World Bank Global Electrification Database: https://data.worldbank.org/indicator/EG.ELC.ACCS.ZS?locations=LY
Africa Energy Portal, Libya Country Profile: https://africa-energy-portal.org/country/libya

2.2. Problem Analysis

Water

The water resource sector in Libya has faced many challenges since 2011, including fluctuations in security, political changes and economic deterioration. These factors have led to obstacles in the management of water resources and a weakness in the performance of the Ministry of Water Resources and its agencies.

Due to extreme water scarcity, Libya has developed a massive underground infrastructure for the utilisation of fossil water sources. However, this infrastructure was severely damaged during the armed conflict and continues to be vulnerable to targeted attacks that can easily disrupt production and delivery capacity. The lack of proper maintenance due to unpredictable budget allocation is also a major concern. As a result of MMR water supply disruptions, over-extraction of ground water has occurred, leading to sea water intrusion and the degradation of water quality and soil fertility (World Bank 2022[5]). With Libya's rapidly growing population, Libya will need about 8 billion cubic meters by 2025, twice what it is maximally capable of supplying today.

Access to safe drinking water in Libya has declined, with only 64% of the population having access in 2019. Water shortages in major urban centres have become frequent and significantly worsened. To meet demand for water, the General Company for Water and Wastewater purchases water from MMR and the General Desalination Company and produces the rest at desalination water treatment plants and tube-wells. Libya has eight desalination plants spread across its coast. One is offline, while the other seven run at roughly 28% of capacity due to overdue maintenance and the lack of chemicals and spare parts.

Furthermore, tariffs levied on water use do not cover operational costs. Billing is rarely conducted, which, coupled with the fact that water prices in Libya are heavily subsidised, explains the alarming overconsumption of water in the agricultural sector.

Despite Libya's having signed the United Nations Framework Convention on Climate Change (UNFCCC) in 2015 and ratified the Paris Climate Agreement in 2021, it has not submitted the requisite policies, plans or reports, such as national determined contributions, national adaptation plans or national communications. In 2019, the government prepared a five-year investment plan to ensure the implementation and sustainable operation of water and sanitation projects. Additionally, Libya has transboundary agreements in place and has taken some steps to reform water governance, but impediments remain, including unclear responsibilities, lack of coordination, inefficient institutions, limited public awareness and highly centralised decision-making.[6]

Institutional and organisational challenges include the fact that various institutions in the sector do not fall under a comprehensive framework that guarantees strategies for the principles of integrated management. The previous plans do not address social and environmental aspects and do not integrate partnership between the private sector and government institutions. Current management would need to make fundamental changes in administrative systems so that they follow regional and international recommendations and directives to include the principles of integrated management of water resources management, including the introduction of a system of 'cost recovery'[7] and efficient water pricing, implying major shifts in management. The required changes include preparing an integrated strategy that includes all sectors related to the provision, use and management of water resources, taking preventive measures to mitigate the negative effects of water shortage and changing the investment pattern of water resources from random to strategic, according to short, medium and long-term plans. There should be a mapping of roles, capacities and coordination functions for these institutions to allow the government to identify and address issues in the water sector that stem from its

[5] https://data.worldbank.org/indicator/ER.H2O.FWST.ZS?locations=LY

[6] https://www.unicef.org/mena/media/19321/file/Libya%20water%20scarcity%20analysis%20and%20recommendations_%20UNICEF%20Sep%202022.pdf

[7] Cost recovery is the extent to which users are charged for goods and services to generate revenue to cover the cost of provision.

institutional framework. The lack of clarity and the absence of unified strategic plans among these institutions has hampered the sector's ability to adapt to changing needs.

Additionally, one of the key strategic performance challenges is the absence of national follow-up and evaluation of the situation. There is a lack of information management in the sector, as no periodic reports are published about the sector's work or information about the country's water conditions. Public awareness across Libya about the seriousness of water scarcity is very limited. Libyans are generally unaware of the extent of the issue and the importance of managing water consumption tightly. Water scarcity, exacerbated by climate change, increases the risk of conflict and that of internal displacement.

These challenges could affect food security, nutrition and livelihoods, triggering migration. Regarding economic development, climate change and access to water is a complex problem touching at various sectors and levels.

In this context, cross-sectoral management of water, energy, food and ecosystem resources is pivotal to a successful transition to a green economy and sustainable development. Addressing interdependencies is indeed considered essential to achieving the ambitions of the Sustainable Development Goals, the Paris Agreement and the post-2020 biodiversity framework. However, in Libya the focus so far has remained limited, and further delay in promoting circularity in resources management, use and development can exacerbate the existing challenges. Therefore, building up on the Special Measures 2022 focussing on climate change and energy, the proposed action will also support the shift from vertical to cross-sectoral approaches that promote the Water-Energy-Food–Ecosystems (WEFE) Nexus.

The **main challenges** facing the water sector in Libya include the following:

- **Growing water scarcity**, including high salinity in coastal aquifers, severe drops in groundwater levels and poor operational capabilities of non-traditional water resources production methods;

- **Deficient water resource management**, including the absence of strategies, policies and action plans to monitor and evaluate the water resource sector, limited data sharing, gaps in data and information management related to water resources and a need for more skills to deal with database management and modern information technologies;

- **An unfair distribution of water resources among regions**, the lack of monitoring of water used in oil extraction and its environmental impact, decreased crop productivity, falling groundwater levels, the absence of rationalisation of water consumption, and an increasing demand for water due to population growth, urban expansion and the expansion of agricultural and industrial activities;

- **Increasing water demand by a growing urban population**, with extremely high withdrawal rates. Limited access to water may be leading to increased water resource conflicts and negative effects on security. Beyond insecurity and instability, the impacts of water scarcity cascade into every aspect of daily life. Areas not sufficiently served by running water remain impoverished, potentially increasing the share of economically disadvantaged populations in the country;

- **Deficient water infrastructure**, including frequent breakdowns, water outages in coastal cities, water leakage from transportation pipes, non-utilisation of non-traditional water resources and the frequent need for maintenance;

- **Environmental challenges**, including climate change, environmental pollution, aquifer pollution, deterioration and the collapse of sewage networks and the considerable use of pesticides and chemical fertilisers in agricultural operations;

- **An absence of technical capacity** and preparation of the whole chain of management and operators in the Ministry of Water and related agencies needs to be addressed. There remains an urgent need to develop expertise capable of collecting and analysing data to ensure proper monitoring and evaluation allowing the formulation of work plans at local level. Technical capacity, including knowledge of available resources, remains a core prerequisite of sound planning and designing sustainable water projects. It is essential to establish a mechanism for collecting data at all institutional levels. Technologies introduced should be well understood and easily maintained. Building upon these technologies may provide effective alternatives to imported technologies. Undertaking research in the water sector will be essential.

Decentralisation of water sector governance

Despite efforts made by public authorities to provide potable water to all citizens, the rate of drinking water connections did not exceed 64.5% of the total population. The rest are supplied by private wells (17.4%) or by collecting rain water (15.8%), while few citizens rely on other methods such as water springs or the purchase of water carried by trucks (2.3%). A large number of networks are not subject to any form of water quality control; and sample analysis tests are not conducted on water transported by networks. Most regions suffer from low water pressure, requiring people to use pumps to withdraw water from the network and store it in buried or elevated tanks to ensure regular supply. In general, the ratio of citizens who benefit from safely managed potable water services stands at 85%. As for sanitation, nearly 99% of the population owns latrines and sewage facilities, but only 44.7% are connected to public sanitation networks and water treatment plants. Most people rely on septic tanks (54.3%) and only 1% use other means. Currently, only 5% of the sewage collected by sanitation networks or in septic tanks are treated, with the overwhelming majority being discharged into the sea and rivers. As for the sanitation infrastructure and equipment, sanitation and rainwater drainage systems cover a linear distance of about 6,962 km with nearly 201 pumping and lifting stations. Sewage water is treated in 73 special plants with a total production capacity of 220 million cubic meters per year. Currently, of 24 functional stations, only 4 are operational. Treated water volumes represent 10% of total capacity, the equivalent of 22 million cubic meters, while water quantities that need treatment exceed 1,358 million cubic meters per day, which this represents 3% of production capacity. The rate of households connected to sanitation networks is 48% nationwide, with considerable supply disparities between the regions and environments (urban and rural).

The scale of management presents a particular problem. The General Water and Sanitation Company is in charge of operating water and sanitation facilities. By transferring part of these tasks to municipalities, the quality of service provided to citizens would improve. Local authorities are the closest to citizens and are required to respond to their basic needs in terms of commodities, the most important of which being water and sanitation. Nonetheless, the company's role remains crucial for the transportation and supply of water and sanitation. To ensure effectiveness and sustainability, decentralisation of part of the water services, to the lowest appropriate level and spatial scale, should be explored. The EU, through both the European Neighbourhood Instrument and the EU Emergency Trust Fund for Africa, as well as Germany, Italy and the Netherlands, have played a particularly active role in local development in Libya since 2017.

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

The Ministry of Water Resources in Libya includes all bodies and agencies associated with the water resource sector. This ministry consists of a group of independent bodies and subsidiaries, the most important of which are the following:

- **Ministry of Water Resources (MWR)** (Public Authority for Water until 2021): It has five branches that manage water resources in urban and rural communities. It develops strategies for the water resource

sector, determines priorities and allocations for the different sectors consuming water, conducts basic and applied research in the field of water management and water saving and management techniques, and ensures the sustainable use of available water resources. Consultations with the department of International Cooperation and the Strategic Office confirmed the strong commitment of the MWR in updating both the National Strategy on water resources (2020-2025) and the Water Security strategy (2015-2050). A clear set of priorities has already been identified. The institution confirmed its positive commitment in translating these priorities into a concrete work-plan touching at the regulatory framework, integrated water management, which includes the adoption of more efficient data gathering and monitoring systems. The MWR may play a key role in the implementation of the action; a high degree of ownership by the MWR is expected as major recipient of the technical assistance the EU will provide through this Action Document.

- **The Ministry of Local Government** is the leading actor for the decentralisation process, and the regulatory body of the work conducted at municipal level. In addition, relevant national institutions include the General Secretariat of the Supreme Council of Local Administration, the Municipal Development and Decentralisation Support Centre (MDDSC), as well as the Ministries of Finance and Planning. On the subnational level, key actors are the municipalities, represented by the local councils and mayors, as well as key municipal staff from relevant departments.

- Other institutions related to the water resource sector in Libya include the **Ministry of Environment, the Ministry of Agriculture, the Ministry of Public Works and Housing** and others. They participate in the assessment and calibration of water quality or affect the process of developing and managing water resource policies as stakeholders or primary users of the sector's resources.

- **The General Company for Water and Wastewater** (GCWW) works under the supervision of the Ministry of Water Resources. The General Company for Water and Wastewater provides drinking water to Libyan cities and manages wastewater and sewage treatment, operation and maintenance of infrastructure for domestic water supply networks and sewage networks. The company also collects water fees from the beneficiaries, individuals and companies, and also builds the infrastructure for water and sewage transmission networks in partnership with the Ministry of Housing and Utilities. The role of the General Company for Water and Wastewater as a supplier of liquid waste to wastewater treatment stations has recently become marginal due to problems in operation and maintenance and because it is not suitable for restoration and usage. The absence of land irrigated with treated water, and the preference for private sector farmers to use well water for irrigation, compounds this problem.

- **The General Company for Water Desalination** (GCD) is a semi-independent body affiliated with the state. It was entrusted with the management of seawater desalination plants on the coastal strip after its management was affiliated with the General Electricity Company. The General Water Desalination Company carries out tasks such as management, operation, maintenance and renewal of sea water desalination plants and related stations, water treatment, water testing and analysis laboratories, quality control and monitoring and control centres. It has carried out water desalination works in accordance with the plans and programmes prepared for this purpose in coordination with the relevant authorities. It has conducted technical and economic studies and research in everything related to its activities and plans future, and what this requires in terms of establishing and expanding water desalination plants. It has suggested policies for water desalination affairs and the necessary rules to regulate its activities. It has developed specifications and standards in the field of water desalination production, in coordination with the competent entity. It has cooperated on the exchange of technical and economic information and studies related to the achievement of its objectives with companies, institutions and bodies related to local, regional and international affairs. It has established water bottling plants and selling and distributing this potable water to cover needs in the local market. It has implemented transformation plan projects in the areas of sea water desalination.

- **Man-made River Project Management and Development Authority**: The Man-Made River (MMR) project was built to provide long-term solutions to water scarcity and is one of the largest reinforced concrete pipeline projects in the world. The project has expanded since its implementation began in 1984 to include hundreds of wells, pipelines of 3,500-4,000 km, reservoirs, monitoring structures and transfers more than 6 million cubic meters per day from field wells in the desert to densely populated centres on the northern coastal strip. It consists of five transportation systems, but not all have been fully implemented.

2.3. Lessons Learned

To consolidate the gain of the first phase, in 2022 the EU continued the funding of technical assistance to support the National Electricity Company to develop a plan of grid maintenance and secure its funding by the national budget. Based on sectoral assessments carried out by the EU, three main actions will be rolled out in 2023 under the 2022 Libya Special Measures: 'Technical support to Libyan institutions in the sectors of climate change and energy transition,' to be implemented by the United Nations Development Programme and the United Nation Environmental Programme; the Energy Transition Facility, implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ); and Support to the Decentralisation Process, also implemented by GIZ. A study funded by the EU on the Murzuq aquifer will start in 2023. The study is essential in the current state of affairs that involves not only the planning of a sustainable management system in Libya, but it would also shed light on the strategic positioning of the EU towards the support to Libya in the adoption of mitigation measure against the effects of climate change. The study would represent an important turning point in the adoption of the most effective mathematical and hydrological models allowing forecast and analysis of the causes of the depletion of the water resource. The inception phases of the three main actions in the fields of climate change, energy, water and decentralisation will provide guidance for the formulation and design of the actions contemplated under this action.

The action will also build on the encouraging outcomes of two consecutive projects Sharp (Shared Action on Rule of law Progress) and Sharp II, respectively funded through the Special Measures 2018 and 2021, having as primary objective: helping to stabilise Libya by supporting the role of active people throughout the country in raising awareness, and consolidating networks of community-based dialogue groups. With the support of civil society, synergies will be developed across communities and foster small scale concrete actions that allow people to participate as active citizens in policy making.

Support to this Action builds on and is informed by the lessons learnt from the EUTF-funded projects ''Recovery, Stability and Socio-economic Development in Libya – Baladiyati *I* and *II*, notably for the selection of municipalities. EU support has been instrumental in supporting local institutions to deliver critical services and improving livelihoods, notably in the East and South regions of Libya.

Owing to the devastation caused by Storm Daniel, the municipal component of this action will include municipalities in eastern Libya recently affected by this devastating natural disaster.

3. DESCRIPTION OF THE ACTION

3.1. Objectives and Expected Outputs

The Overall Objective/Impact of this action is:

1. Libya improves water resource management and water sector governance at national and local levels.

The Specific Objectives (Outcomes) of this action are as follows:

1. **The institutional capacity at national level in strategic planning, stakeholder engagement and data processing in the field of water resource management and governance is strengthened;**

2. **Local capacity to provide water and wastewater treatment services is enhanced resulting in enhanced access to safe and sustainable water and sanitation for local communities.**

The Outputs to be delivered by this action contributing to the corresponding Specific Objectives (Outcomes) are as follows:

1. Contributing to Outcome 1 (or Specific Objective 1) - *Stronger institutional capacity at national level in strategic planning, stakeholder engagement and data processing in the field of water resource management and governance:*

   1.1. The capacity to develop and implement a comprehensive national strategy for managing water resources, including digitalisation of data gathering and processing, concerning all aspects related to the provision, use and management of water resources is strengthened;

   1.2. Identified and proposed preventive measures to mitigate the negative effects of water scarcity;

   1.3. Short, medium and long-term plans are developed (and submitted for approval) at local level for investment in water resources.

2. Contributing to Outcome 2 (or Specific Objective 2) - *Local capacity to provide water and wastewater treatment services is enhanced, resulting in enhanced access to safe and sustainable water and sanitation for local communities:*

   2.1. Improved water service delivery and increased access to safe drinking water for local communities;

   2.2. Enhanced data management capacity of municipalities within the water sector;

   2.3. Improved operational capabilities of non-traditional water resources production methods.

3.2. Indicative Activities

Activities related to Output 1.1:

- Capacity building for line ministries to develop knowledge about water consumption and pollution in their respective sectors, including the collection, analysis and distribution of data relevant for water resource management, climate change, the environment and social welfare;
- Technical support through *ad hoc* expertise to develop regulation relevant for water resource management.

Activities related to Outputs 1.2 and 1.3:

- Studies on water resources, quantity and quality assessments, monitoring and the collection of data on natural, environmental, climate, economic, social and technical factors necessary for water resource management;
- Support for the adoption and application of appropriate technologies to enhance water supply, particularly efficiency in water use in agriculture and irrigation, improving leakage control and detection and enhancing water reclamation and recycling. This includes technical support for strategic planning and training on water distribution and natural and physical factors such as topography, soils and geology.

Activities related to Output 2.1:

- Supporting the Ministry of Local Governance, General Water and Wastewater Company, municipalities and other key stakeholders in conducting a needs assessment of water service delivery systems at municipal level, including institutional roles and responsibilities;
- Supporting the development, in a participatory approach, of integrated strategies to improve service delivery at local level, including the definition of roles and responsibilities for implementation;
- Improvement of water, sanitation and hygiene (WASH) services at home, school, work and in public spaces support gender equity. Municipalities and public entities will integrate women and girls 'central role in designing and implementing solutions, so that services respond to their specific needs;
- Strengthening municipalities' capacity to fulfil their responsibilities in water resource management, including access to safe drinking water, source diversification and developing public networks;
- Support municipalities in engaging local communities on water resource management, including public awareness of water scarcity and use. Access to water and sanitation will adopt human rights based approach. The action will support gender based approach of local strategies in order to expand educational and economic opportunities, as well as participation of women to policy making in the sector;
- Supporting the development of skills and knowledge of local water operators, as well as municipal and national staff. The action will also encourage broader involvement of women in the planning, decision-making and governance of services.

Activities related to Output 2.2:

- Conducting a review of current data availability and information management practices on water resource and waste water management (mainly at municipal level);
- Supporting the development and implementation of a plan to improve data management and reporting, including using relevant technologies and systems, e.g. geographical information systems;
- Supporting municipalities and improving the capacities of municipal staff in data management tools.

Activities related to Output 2.3:

- Identifying and assessing non-traditional water resource production methods suitable for implementation at the municipal level (e.g. in the agricultural sector);
- Developing and implementing a pilot plan to test identified methods in selected municipalities;
- Providing training to municipal staff and relevant stakeholders on the operation and maintenance of selected methods;
- Monitoring and evaluating the performance of pilot projects to inform future scale-up and replication;
- Supporting advocacy towards national stakeholders on the use of renewable sources of water.

3.3. Mainstreaming

Environmental Protection, Climate Change and Biodiversity

Outcomes of the Strategic Environmental Assessment (SEA) screening

A SEA shall be conducted for the management of water resources (SO 1.1) and local water sector strategy (SO 2) so that potential environmental and climate risks are properly identified, and environmental and climate concerns properly integrated. A Climate Risk Assessment shall be a part of it. If the CRA is to be prepared separately, the SEA and CRA processes will be synchronised.

Outcomes of the Environmental Impact Assessment (EIA) screening

The EIA screening classified the action as Category B (not requiring an EIA, but with environmental aspects to be addressed during design). However, specific EIAs could be elaborated in the course of action implementation. This action will include support for the development of a more conducive environment for investments in the renewable energy sector.

Outcome of the Climate Risk Assessment (CRA) screening

The CRA screening concluded that this action is high risk (further assessment might be carried out during the implementation of 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 action will incorporate a focus on the necessary cultural shift in water resource management. At present, women are almost exclusively employed in administrative and service positions throughout the male-dominated electricity sector.
A Gender Country Profile will inform all forms of contracts and actions carried out in the framework of this action. This action will support: a) increased access to employment related to the areas of focus, which translates into increased access of women to employment in non-traditional areas; b) increased participation of women in the decision-making process, especially for the component of local water management; c) the adoption of strategies and approaches (through technical assistance) that are more gender empowerment-oriented at national and local level; d) the acknowledgement of the work of women involved in climate change issues, to counterbalance the predominance of men in the decision-making process. This action will also focus on the intersection of gender and poverty reduction by supporting the adoption of strategies aiming at the increased access to safe water for women responsible for the household's budget.

Human Rights

This action will adopt a rights-based approach in implementation. The rights of communities at risk will be analysed, taking into account threats to their health, food security, water, sanitation and livelihoods.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D1. This implies that specific actions will examine the impacts of climate change on the rights of people with disabilities and make recommendations about Libya's human rights obligations in the context of climate action.

Project implementation will proceed in broad consultations with CSOs and non-state actors. A participatory approach will be used for key phases of the action, including a bottom-up consultation process.

Democracy

This action will be implemented by supporting a participatory approach in both policy-making (consultations with stakeholders) and local governance.

Conflict sensitivity, peace and resilience

This action will take into account the recent experience of attacks on and threats against the water infrastructure. This includes the politically-motivated closure of the Man-Made River Project in August 2021, which cut supplies to an estimated three million people.

Declining availability of water in arid regions, particularly in the south, has the potential to trigger migration towards the north, putting additional strain on urban centres. The fact that neighbouring countries already see impacts of climate change, water scarcity and desertification would also likely increase poverty and instability in the region and could drive further migration, including into and through Libya. Addressing the emerging environmental and climate change-related challenges, including water scarcity and desertification, will require significant time and resources to avert the potential of increased fragility and conflict.

Disaster Risk Reduction

Libya's vulnerability to the impacts of climate change and environmental degradation necessitates proactive measures against potential consequences. The development and implementation of national disaster risk reduction and climate change adaptation policies and strategies can help mitigate the worst impacts of climate change, including desertification and the protection of coastal urban centres. Various measures will be needed to address and to ensure equitable and stable access to water for domestic and economic purposes.

Accelerating the adoption of sustainable forms of consumption and production, including the expansion of renewable energy production, will minimise environmental impacts across all economic sectors. Climate smart agricultural methods should reduce the overuse of water resources and other environmentally damaging practices that contribute to soil erosion and desertification, which further impact productive sectors and food security. Strengthening national capacity for the implementation of international environmental obligations could also facilitate the protection marine and terrestrial habitats and ecosystems.

3.4. Risks and Assumptions

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
Risks related to external environment	Security problems across Libya, renewed conflict. Limited access to main cities for implementing partners.	M	H	Working by proxy, and maintaining contacts with Libyan institutions
	EU dependence on external partners for coordination with line ministries	L	M	Ensure coordination and timely information sharing with Libyan stakeholders and potential implementing partners already engaged in water management and decentralisation
	Lack of clear repartition of competences between the central government and municipalities in water governance	M	H	Constant monitoring and contact with both municipalities and implementing partners
	Limited decision-making autonomy of municipal governments, weak technical capacities and financial resources	H	M	Close collaboration with the Ministry of Local Government, the General Secretariat of the Supreme Council of Local Administration, and the Ministry of Foreign Affairs. Provide technical support and on-the-job training. Ensure that the selection of municipalities is an informed decision.

Risks related to planning, processes and systems	Lack of formulation of initial strategies per sector.	M	H	Constant dialogue with key line ministries and local administrations.
Risk related to people and organisation	Key ministries and other stakeholders fail to improve coordination and workflow	M	H	Dialogue with key line ministries and local authorities involved
	Poor level of engagement of national staff that may affect implementation	M	M	Trainings, confidence-building, information campaigns
	Gender discrimination	H	H	Coordination with ministries' gender units, support for internal dialogue within Libyan institutions. Constant coordination and training for women's affairs units in the municipalities of concern. Support for gender-balanced representation in implementation
Risks related to legality and regularity aspects	Risk of prolonged timeframe for implementation. Limited room for action for implementing partners.	M	H	Monitoring in cooperation with implementing partners
Risks related information sharing	No timely information sharing between the EU and implementing partners	L	M	Constant and timely coordination with implementing partners
Risks related to conflict sensitivity	Risks due to fluctuating situation and large number of militias, fluctuating coalitions, armed conflict	H	H	Paying particular attention to conflict sensitivity when selecting geographical areas and target beneficiaries. Ensuring that implementing partners make continuous assessments of their working environments.

External Assumptions

Key external factors that have to be considered are:

- Sufficient political stability of the country that allows constant dialogue and coordination with Libyan stakeholders;
- Libyan ownership of the intended actions concerning policy making, and effective governance principles;
- Openness of the key institutional stake-holders to cooperate, assist and contribute to a regular collection and information management system, which is actually hindering effective sectoral planning and development;
- Constant commitment, and capacity of key stakeholders already supporting the Libyan authorities in developing a strategic view on the Energy and Renewable Energy;
- Project partners and stakeholders are committed and willing to continue cooperation even in heated conflict areas;
- Travel of staff and partners between Tunis and Tripoli, and within the country remains possible despite the current visa restriction policy adopted by the Libyan authorities;
- Sufficient interest in decentralisation at the Ministry of Local Government.

3.5. Intervention Logic

The intervention logic for this action is that water resource management, its governance at national and municipal level and **climate change and the energy sector** are priorities that the Libyan government ignores at its peril. So far, climate change and protection of the environment have been overlooked at the expense of citizens. Ensuring access to basic services has been an important priority for a population enduring more than a decade of conflict while facing the growing shortage of supplies. The conflict has increased the demographic pressure on the main urban areas of the country causing an increase in energy and water demand that will be difficult to meet with the existing and inadequately operated infrastructures.

Enhancing water resource management through the strengthening of institutional capacity, including strategic planning and stakeholders' engagement, will prove essential for a well-developed national wastewater masterplan. Such a plan should be developed in accordance with adequate feasibility studies, to include environmental impacts and the reuse of treated wastewater.

A stronger role for municipalities and the private sector is needed for alternative water sources to meet citizens' needs. Technical assistance provided, in line with Specific Objective 1 and 2, will aim at the good management of water resources. It will address current deficiencies regarding documentation, measurements and effective analysis. Responsible water authorities will develop professional capacity to investigate alternative sources of water, including out-of-service desalination plants. It is expected that municipalities and the private sector will develop a strategic vision on water management.

If the government of Libya makes commitments regarding the fight against climate change, that may also inspire the much-needed regulation of the water sector. The creation of a sustainable and predictable legal environment is also key to the objectives of this action. Institutional restructuring and the strengthening of the water sector must include the restructuring of the subnational institutions to reflect the devolution of functions.

The key initial processes this action aims to trigger are the development of knowledge, increased technical capacity of key institutions, enhancing the regulatory framework, with the assumption that all the stakeholders will play a growing role in the identification of priorities and objectives. On such foundations, this action is expected to contribute to the establishment of a more sustainable use of water resources, a stable energy production system and an improved environmental policy. This action represents an important opportunity for further confidence-building between the EU and Libya.

3.6. Indicative Logical Framework Matrix

Results	Main expected results	Indicators	Baselines	Targets	Sources of data	Assumptions
Impact 1	Libya improves water resource management and water sector governance at national and local levels.	1 Degree of integrated water resource management (OPSYS indicator and SDG indicator) 2 Degree of decentralised management of water resources	1TBD 2TBD	1TBD 2TBD	1Reports and monitoring activities 2 Projects carried out at municipal level.	*Not applicable*
Outcome 1	Stronger institutional capacity at national level in strategic planning, stakeholder engagement and data processing in the field of water resource management and governance	1.1 Extent to which regulatory framework allows the sustainable use of land, water; mitigation of social and environmental impact of extractive activities; fair allocation of benefits, burdens and responsibilities of resource extraction 1.2 Number of beneficiaries trained by intervention with increased knowledge and/or skills in water and sanitation management, disaggregated by sex	TBD as soon as implementation begins	1 Studies and data gathering, analysis 1.1.2 Production of strategic documents in water management and governance 1.2 Number of trainings per key stakeholder	1.1 Line ministries 1.2 Local authorities/ municipalities 1.3 CSOs	Political stability that allows a medium or long-term dialogue with trained staff of key line ministries
Outcome 2	Stronger local capacity to provide water and wastewater treatment services, resulting in enhanced access to safe and sustainable water and sanitation for local communities.	2.1 Proportion of population using safely managed drinking water sources, disaggregated by sex 2.2 Number of people benefitting from improved sanitation services in urban areas, disaggregated by sex and age – OPSYS indicator	TBD as soon as implementation begins	2.1, 2.2 Improved, maintained or restored equitable access to essential services according to core human rights standards	2.1 Municipalities; 2.2 Implementing partners; 2.3 CSOs	Political stability that allows a medium long term dialogue with the trained staff of the key line ministries involved in the process.

Results	Main expected results	Indicators	Baselines	Targets	Sources of data	Assumptions
Output 1 related to Outcome 1	Stronger capacity to develop and implement a comprehensive national strategy for managing water resources, including all aspects related to the provision, use and management of water resources	1.1.1 Status of national and local regulatory framework in water sector; 1.1.2 Degree of integrated water resources management implementation (SDG 6.5.1) 1.1.3 Number of persons trained with enhanced skills or knowledge in improving access to energy provision, water services, disaggregated by sex, age, type of organisation	TBD as soon as implementation begins	1.1.1 Progress in definition of national water strategy; 1.1.2 Establishment of local work plans 1.1.3 Essential training identified and provided to key directorates and departments of line ministries, water related agencies and staff at municipal level	1.1.1, 1.1.2, 1.1.3: Project reports and monitoring	Political stability that allows a medium long term dialogue with the trained staff of the key line ministries involved in the process.
Output 2 related to Outcomes 1	Established preventive measures to mitigate the negative effects of water scarcity	1.2.1 Number of reported conflicts between communities over access to water in the last year # mitigation plan adopted 1.2.2 Proportion of important sites for terrestrial and freshwater biodiversity that are covered by protected areas, by ecosystem type (SDG 15.1.2) 1.2.3 Number of women integrated in the local strategies and regulations, both as decision makers and beneficiaries of services.	TBD as soon as implementation begins.	1.2.1 More gender-responsive, inclusive, climate- and conflict-sensitive and sustainable management of land, natural resources and ecosystems 1.2.2 Number of new local regulations 1.2.3 At least three municipalities will adopt fully fledged HR/Gender based approach in their tragedies and working plans.	1.2.1, 1.2.2: Project reports and monitoring	Political stability that allows a medium long term dialogue with the trained staff of the key line ministries involved in the process.
Output 3 related to Outcomes 1	Developed short, medium and long-term plans at local level for investment in water resources	1.3.1 Proportion of local administrative units with established and operational policies and procedures for participation of local communities in water and sanitation management (SDG 6.b.1)	TBD as soon as implementation begins	1.3.1 Strengthened capacities for durable solution of issues affecting communities.	1.3.1 Project reports and monitoring	Political stability that allows a medium long term dialogue with the trained staff of the key line ministries involved in the process.

Results	Main expected results	Indicators	Baselines	Targets	Sources of data	Assumptions
Output 1 related to Outcome 2	Improved water service delivery and increased access to safe drinking water for local communities	2.1.1 Number of people with access to improved drinking water source or sanitation facility with EU support 2.1.2 Number of functioning WASH committees with by-laws enforced with support of the action.	TBD as soon as implementation begins	2.1.1 TBD 2.1.2 TBD	2.1.1 Surveys and monitoring 2.1.2 Project reports and monitoring	Sufficient political stability allows constant dialogue and coordination with Libyan stakeholders. Sufficient interest in decentralisation at the Ministry of Local Government, municipalities targeted by the action have legitimate municipal councillors or are replaced in a transparent electoral process. Travel of staff and partners in Libya remains possible.

Results	Main expected results	Indicators	Baselines	Targets	Sources of data	Assumptions
Output 2 related to Outcome 2	Enhanced data management capacity of municipalities within the water sector	2.2.1 Number of people who have benefited from skills development programmes with EU support, disaggregated by sex, age and ethnicity when relevant 2.2.2 Percentage and number of districts supported by the action providing regular (annual) early warning monitoring data to the regions	TBD as soon as implementation begins	2.2.1 TBD 2.2.2 TBD	2.2.1 Project reports, surveys and monitoring 2.2.2 Project reports, surveys and monitoring	Sufficient political stability allows constant dialogue and coordination with Libyan stakeholders. Sufficient interest in decentralisation at the Ministry of Local Government, municipalities targeted by the action have legitimate municipal councillors or are replaced in a transparent electoral process. Travel of staff and partners in Libya remains possible.

Results	Main expected results	Indicators	Baselines	Targets	Sources of data	Assumptions
Output 3 related to Outcome 2	Improved operational capabilities of non-traditional water resources production methods	2.3.1 Number of people trained by the action on sustainable land and water management practices, disaggregated by sex, age and ethnicity when relevant 2.3.2 Number of people trained by the Action on Climate Smart technologies, disaggregated by sex, age and ethnicity when relevant	TBD as soon as implementation begins	2.3.1 TBD 2.3.2 TBD	2.3.1 Project reports, and monitoring 2.3.2 Project reports, and monitoring	Sufficient political stability allows constant dialogue and coordination with Libyan stakeholders. Sufficient interest in decentralisation at the Ministry of Local Government, municipalities targeted by the action have legitimate municipal councillors or are replaced in a transparent electoral process. Travel of staff and partners in Libya remains possible.

4. IMPLEMENTATION ARRANGEMENTS

4.1. Financing Agreement

In order to implement this action, it is not envisaged to conclude a financing agreement with Libya**.**

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 the adoption by the Commission of this financing Decision.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer in duly justified cases.

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[8].

4.3.1. Indirect Management with pillar-assessed entities

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

(1) specific technical competence and specialisation, (2) results achieved with previous cooperation in Libya and elsewhere, (3) mandate, (4) capacity to deploy in the field, (5) weight in policy fora.

The implementation by these entities entails the implementation of the outcomes under specific objectives 1 and 2 mentioned under section 3.

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, the action that is foreseen to be implemented in indirect management may be reconsidered to be implemented under direct management modality (grants).

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).

[8] 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.

4.5. Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)
Implementation modalities – cf. section 4.3	
Outcome 1: Stronger institutional capacity at national level in strategic planning, stakeholder engagement and data processing in the field of water resource management and governance, composed of	**5 000 000**
Indirect management with a pillar-assessed entity – cf. section 4.3.1	5 000 000
Outcome 2: Stronger local capacity to provide water and wastewater treatment services, resulting in enhanced access to safe and sustainable water and sanitation for local communities, composed of	**5 000 000**
Indirect management with a pillar-assessed entity – cf. section 4.3.1	5 000 000
Evaluation – cf. section 5.2 **Audit** – cf. section 5.3	will be covered by another Decision
Strategic communication and Public diplomacy – cf. section 6	will be covered by another Decision
Contingencies	N.A.
Totals	**10 000 000**

4.6. Organisational Set-up and Responsibilities

Implementing partners will be fully responsible for the implementation of the action. Each partner will be responsible for regular reporting to the EU Delegation - ideally through the establishment of a steering committee involving national counterparts for the specific action. Steering committees for individual actions will meet regularly and be mandated to (1) review implementation against prior established work plans and planned achievements, (2) review work plans where necessary; (3) facilitate the involvement of different stakeholders if pertinent and (4) discuss other issues as relevant to the action and its environment.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action.

4.7. Pre-conditions

Political stability.

5. PERFORMANCE MEASUREMENT

5.1. Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partners responsibilities. To this aim, each implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of

implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its Outputs and contribution to the achievement of its Outcomes, and if possible at the time of reporting, contribution to the achievement of its Impacts, as measured by corresponding indicators, using as reference the logframe matrix.

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).

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 evaluation 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 problem solving and learning purposes, in particular with respect to the progression in the three main sectors of focus: climate change, energy and renewable energy, and solid waste management. The final evaluation will be carried out for accountability and learning purposes at various levels and in view of greater engagement in policy dialogue.

The Commission shall form a Reference Group (RG) composed by representatives from the main stakeholders at both EU and national (representatives from the government, from civil society organisations (private sector, NGOs, etc.), etc.) levels. If deemed necessary, other donors will be invited to join.

The Commission shall inform the implementing partners at least 4 weeks in advance of the dates envisaged for the evaluation exercise and missions. The implementing partners shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the 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 the 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 contribution agreements.

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 or 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/Office fully informed of the planning and implementation of specific visibility and communication activities before the 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 identifies as:

Contract level (i.e. Grants, Contribution Agreements, any case in which foreseen individual legal commitments identified in the budget will have different log frames, even if part of the same Action Document)		
☒	Single Contract 1	One foreseen individual legal commitment (or contract)
☒	Single Contract 2	One foreseen individual legal commitment (or contract)