



Brussels, 29.10.2019
C(2019) 7677 final

COMMISSION IMPLEMENTING DECISION

of 29.10.2019

**on the special measure 2019 in favour of Libya, including one action to be carried on in
2020, financed by the general budget of the European Union**

COMMISSION IMPLEMENTING DECISION

of 29.10.2019

on the special measure 2019 in favour of Libya, including one action to be carried on in 2020, financed by the general budget of the European Union

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012¹, and in particular Article 110 thereof,

Having regard to Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action², and in particular Article 2(1) thereof,

Whereas:

- (1) In order to ensure the implementation of the special measure 2019 in favour of Libya, including one action to be carried on in 2020, it is necessary to adopt a multiannual³ financing Decision, which constitutes the multiannual work programme for 2019 and 2020. Article 110 of Regulation (EU, Euratom) 2018/1046 establishes detailed rules on financing decisions.
- (2) The envisaged assistance is deemed to follow the conditions and procedures set out by the restrictive measures adopted pursuant to Article 215 TFEU⁴.
- (3) The country strategy paper and the multiannual indicative programme established for Libya⁵ for 2014-2016 has expired. As the political situation in Libya remains highly unstable, the European Commission has decided to adopt special measures since 2017.
- (4) The objectives pursued by the measure to be financed under the European Neighbourhood Instrument⁶ are to support the Libyan population in the achievement of the democratic transition, initiated in 2011, towards an equitable, transparent and

⁽¹⁾ OJ L 193, 30.7.2018, p.1.

⁽²⁾ OJ L 77, 15.3.2014, p. 95.

⁽³⁾ Multiannual financing Decision shall always constitute a multiannual action programme.

⁽⁴⁾ www.sanctionsmap.eu 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.

⁽⁵⁾ C(2015) 9164, 17.12.2015.

⁽⁶⁾ Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument (OJ L 77, 15.3.2014, p. 27).

accountable state and to promote stability through further development of the private sector economy.

- (5) The action entitled ‘European Union Mousanada for Libya – European Union support to Public Administration in Libya’ underlines the willingness of the European Union to ‘support’ or ‘accompany’ the Libyan institutions in building their capacities in the broader area of governance and with full respect for the rule of law. This programme aims to contribute to institution building in Libya in the context of stabilisation, conflict prevention and democratic transition. The programme will support public institutions at both national and sub-national levels, based on priorities identified and requests formulated by the institutions and/or identified by the European Commission as key areas for intervention to strengthen a culture of accountability, transparency, respect for the rule of law and overall good governance in Libya.
- (6) The action entitled ‘European Union for Private Sector Development in Libya – Phase 2’ aims to continue to improve the Libyan business environment in order to generate economic growth for private sector operations and create job opportunities. Activities under this programme will focus on the development of a Public-Private dialogue platform to promote a structured interaction between the public and private sector, thus contributing to the adoption and implementation of policies for economic recovery, diversification and sustainable growth. A second component will support the improvement of the competitiveness of targeted Small and Medium Enterprises.
- (7) Pursuant to Article 4(7) of Regulation (EU) No 236/2014, indirect management is to be used for the implementation of the measure.
- (8) The Commission is to ensure a level of protection of the financial interests of the Union with regards to entities and persons entrusted with the implementation of Union funds by indirect management as provided for in Article 154(3) of Regulation (EU, Euratom) 2018/1046. To this end, such entities and persons are to be subject to an assessment of their systems and procedures in accordance with Article 154(4) of Regulation (EU, Euratom) 2018/1046.
- (9) It is necessary to allow for the payment of interest due for late payment on the basis of Article 116(5) of Regulation (EU, Euratom) 2018/1046.
- (10) In order to allow for flexibility in the implementation of the measure, it is appropriate to allow changes which should not be considered substantial for the purposes of Article 110(5) of Regulation (EU, Euratom) 2018/1046.
- (11) The measure provided for in this Decision is in accordance with the opinion of the European Neighbourhood Instrument Committee established under Article 15 of the financing instrument referred to in recital 4,

HAS DECIDED AS FOLLOWS:

Article 1
The measure

The special measure in favour of Libya for 2019, including one action to be carried on in 2020, as set out in the Annexes, is adopted.

The measure shall include the following actions:

- (a) Annex I: ‘European Union Mousanada for Libya – European Union support to Public Administration in Libya’;
- (b) Annex II: ‘European Union for Private Sector Development in Libya – Phase 2’.

Article 2
Union contribution

The maximum Union contribution for the implementation of the measure for the years 2019 and 2020 is set at EUR 32 000 000, and shall be financed from the appropriations entered in the following lines of the general budget of the Union:

- (a) budget line 22.040102 EUR 22 000 000 for year 2019;
- (b) budget line 22.040102 EUR 10 000 000 for year 2020.

The appropriations provided for in the first paragraph may also cover interest due for late payment.

The implementation of this Decision is subject to the availability of the appropriations provided for in the draft general budget of the Union for 2020, following the adoption of that budget by the budgetary authority or as provided for in the system of provisional twelfths.

Article 3
Methods of implementation and entrusted entities or persons

The implementation of the actions carried out by way of indirect management, as set out in the Annexes, may be entrusted to the entities or persons referred to or selected in accordance with the criteria laid down in points 5.3.2, 5.3.3 and 5.3.5 of Annex 1 and point 5.3.2 of Annex 2.

Article 4
Flexibility clause

Increases⁷ or decreases of up to EUR 10 million not exceeding 20% of the contribution set in the first paragraph of Article 2, considering each financial year separately, or cumulated changes to the allocations of specific actions not exceeding 20% of that contribution, as well as extensions of the implementation period shall not be considered substantial within the meaning of Article 110(5) of Regulation (EU, Euratom) 2018/1046, where these changes do not significantly affect the nature and objectives of the actions.

The authorising officer responsible may apply the changes referred to in the first paragraph. Those changes shall be applied in accordance with the principles of sound financial management and proportionality.

Done at Brussels, 29.10.2019

For the Commission
Johannes HAHN
Member of the Commission

⁽⁷⁾ These changes can come from external assigned revenue made available after the adoption of the financing Decision.



This action is funded by the European Union

ANNEX 1

of the Commission Implementing Decision on the Special Measure 2019 in favour of Libya, including one action to be carried on in 2020

Action Document for European Union MOUSANADA for Libya – European Union Support to Public Administration in Libya

MULTIANNUAL¹ MEASURE

This document constitutes the work programme in the sense of Article 110(2) of the Financial Regulation and action programme/measure in the sense of Articles 2 and 3 of Regulation N° 236/2014.

1. Title/basic act/ CRIS number	European Union Mousanada for Libya – European Union Support to Public Administration in Libya CRIS number: 2019/042-170 financed under the European Neighbourhood Instrument	
2. Zone benefiting from the action/location	Libya The action shall be carried out at the following locations: Libya and Tunisia	
3. Programming document	N.A. – in view of the volatile security situation, the Country Strategy Paper 2014-2016 is no longer valid	
4. SDGs	SDG 16: Peace, Justice and Strong Institutions SDG 5: Gender Equality; SDG 10: Reduced Inequalities SDG 11: Sustainable Cities and Communities	
5. Sector of intervention/ thematic area	Governance	DEV. Assistance: YES
6. Amounts concerned	Total estimated cost: EUR 98 800 000 Total amount of European Union (EU) contribution: EUR 28 000 000	

⁽¹⁾ Within the maximum contribution of the European Union, the authorising officer responsible may adjust the allocation to the respective budget years subject to the availability of the commitment appropriations.

	The contribution is for an amount of EUR 18 000 000 from the general budget of the European Union for 2019 and for an amount of EUR 10 000 000 from the general budget of the European Union for 2020, subject to the availability of appropriations for the respective financial years following the adoption of the relevant annual budget or as provided for in the system of provisional twelfths.			
7. Aid modality and implementation modalities	Project Modality Direct management through Procurement Indirect management with United Nations Development Programme (UNDP) and other entities to be selected in accordance with the criteria set out in sections 5.3.2, 5.3.3 and 5.3.5.			
8 a) DAC code(s)	15110 – Public policies and administrative management – 40% 15112 – Decentralisation and support to subnational government – 20% 15113 – Anti-corruption organisations and institutions – 20% 15130 – Legal and judicial development – 20%.			
b) Main Delivery Channel	EU Member States organisations and international organisations			
9. Markers (from CRIS DAC form)²	General policy objective	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality and Women's and Girl's Empowerment ³	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Global Public Goods and Challenges (GPGC) thematic flagship	N.A.			

⁽²⁾ When a marker is flagged as significant/principal objective, the action description should reflect an explicit intent to address the particular theme in the definition of objectives, results, activities and/or indicators (or of the performance / disbursement criteria, in the case of budget support).

⁽³⁾ Please check the Minimum Recommended Criteria for the Gender Marker and the Handbook on the OECD DAC Gender Equality Policy Marker. If gender equality is not targeted, please provide explanation in section 4.5 Mainstreaming.

SUMMARY

Mousanada can be translated as ‘support’ or ‘accompaniment’. As the title indicates, the programme wants to support the Libyan population in the achievement of the democratic transition, initiated in 2011, towards an equitable, transparent and accountable state.

In order to achieve that goal, European Union (EU) Mousanada for Libya proposes to support a process of institution building in Libya, in the broader area of governance and respect for the rule of law. By rolling out technical assistance to improving capacities for participatory policy dialogue and policy development, by fostering peer exchange with third countries to identify best practices, by providing technical expertise to elaborate quality policy recommendations and regulations in combination with direct support to improve service delivery in selected locations and living conditions in correctional facilities, EU Mousanada for Libya seeks to have a positive impact on the way citizens view their administration and increase public confidence in elected authorities.

Activities deployed under this programme will contribute to an improved performance of Libya’s public administration at central and local levels, while respect for human rights, gender equality, youth engagement, transparency and accountability will also be strengthened.

1 CONTEXT ANALYSIS

1.1 Context Description

Libya, with an estimated population of 6 million, continues to face myriad challenges in its transition to a democratic rule in the aftermath of the 2011 revolution. The United Nations (UN) led political process under the leadership of the United Nations Special Representative Ghassan Salamé, fully supported by the EU and the international community at large, is trying to find an inclusive and sustainable solution to bring back stability, security and unified institutions. Recent surveys show a continued and increasing lack of public confidence in state authorities, with the judicial sector providing a remarkable exception. To date, the security sector remains fragmented and safety of citizens and respect for the rule of law are not guaranteed. Public service delivery remains lacking, despite efforts to re-establish services (mainly health, education, water, sanitation and waste management) at a municipal level. Events in 2018 have brought to the fore the main underlying issues that continue to plague the country. Among these, widespread frustrations over the unequal distribution of wealth, the development of predatory economy and the endemic plundering of national resources remain key. Re-eruption of violence with armed clashes in the Tripoli first in September 2018 and later in April 2019 as well as the increased military action both in the South and in the West of the country, clearly demonstrate the continued fragility of Libya.

1.2 Policy Framework (Global, EU)

The European Neighbourhood Policy (ENP)⁴, revised in 2015-2016, has stabilisation of the region at its core, addressing comprehensively and simultaneously political, economic and security factors. However, the ENP also puts a great emphasis on the need to respect and appreciate different aspirations of the EU’s neighbours. It thus wants to respond to needs and

⁽⁴⁾ Communication of 12 May 2004 COM(2004)373 and Joint Communication of 18 November 2015 JOIN(2015)50.

demands formulated by partner countries, while pursuing common interests of the EU and partner countries in the broader neighbourhood. Beyond the Neighbourhood, the EU has adopted global policy orientations, outlined in the EU Agenda for Change⁵, which advocates for a greater impact and results-oriented EU support and putting forward stronger links with civil society organisations, social partners and local authorities through regular dialogues. Similarly, the European Consensus on Development⁶ ‘Our World, Our Dignity, Our Future’ stresses the increasing interlinkages between societal and economic issues. The European Consensus fully reflects the objectives of the 2030 Sustainable Development Agenda⁷, adopted by the United Nations. The current proposal is fully supportive of the 5Ps promulgated in the Consensus: People, Planet, Prosperity, Peace and Partnership, as the programme strives to respond to legitimate Libyan demands for support to its institutions in order to improve service delivery and stability in the country and therewith contribute to increased prosperity.

The EU’s support to the broader governance sector in Libya has focused in the past 3-4 years on reinforcing the capacity of democratic and legitimate institutions at both central and decentralised levels. Institutional support has been provided to a wide range of sub-sectors, always with the aim to improve governance and ultimately contribute to state and institution building. Previous support has been focussing on the Ministries of Labour, Finance, Local Government, Health and Education but also the Central Bank, as well as local municipal councils directly, civil society actors and media professionals. The current action wishes to continue in this spirit, providing a flexible ‘facility approach’ to respond to the different needs identified by Libyan institutions and/or identified by the EU as key areas of intervention to strengthen a culture of accountability, transparency, respect for the rule of law and overall good governance in Libya.

1.3 Public Policy Analysis of the partner country/region

Against this background, the overall governance in Libya remains weak. The system is centralised, composed of national institutions lacking appropriate capacity to develop and implement citizen-centred, transparent and accountable policies and processes, several of which have been duplicated since 2014. Moreover, the central government has progressively become less capable of fulfilling its command, control and support roles as the conflict has intensified. Where possible, local authorities took over certain tasks⁸ of the national government (in particular with regard to providing local stabilisation and restoration of essential public services), thus increasing the pressure on the relationship with the institutions at the national level. The lack of adequate and regular financial transfers from central

⁽⁵⁾ Communication of 13 October 2011, COM (2011) 637 and Council Conclusions of 14 May 2012.

⁽⁶⁾ Communication of 22 November 2016, COM (2016) 740 final.

⁽⁷⁾ A/RES/70/1 - Transforming our world: the 2030 Agenda for Sustainable Development, adopted on 25-27 September 2015.

⁽⁸⁾ Based on Law 59 of 2012, municipal councils were introduced and started to take up a role in the organisation of local-level service delivery; Law 59 specifies limited competencies for municipalities (i.e. civil registry, public facilities (transportation, hygiene, parks, cemeteries etc.), urban planning, construction, local permits and small business incubators. However, no regulations were adopted on fiscal decentralisation and municipalities are – to date – not allowed to generate revenue directly. Specific social services (e.g. health and education, water and sanitation, garbage collection) remain under the control of central line ministries and/or public utilities' companies that deliver at local level but are steered centrally.

authorities to the municipalities has further weakened the vertical linkages between national and sub-national institutions. Internationally sponsored consultations and mediation efforts, in preparation of the National Conference, demonstrated that the Libyan people want clear and effective leadership by legitimate bodies, brought about by elections and fair representation. Technical preparations are under way for elections, although no dates have been confirmed, in the absence of a political settlement. In the meantime, the risk of further state disintegration remains real, unless the agreement on an inclusive governance system is addressed holistically by all parties.

Through the adoption of ad-hoc decrees and measures, the Government of National Accord (GNA) has so far managed to take steps towards limited but essential reforms, e.g.: i) initial implementation of parts of the Law 59 of 2012 on decentralisation; 2) introduction of a more robust child protection system (e.g. through creating a dedicated Family and Child Unit in the Ministry of Interior and the establishment of juvenile rehabilitation centres under the Ministry of Social Affairs); and 3) establishment of a national anti-corruption commission and asset management office.

Such limited reforms are expected to continue and officially endorsed decentralisation of service delivery (gradually rolled out in key sectors) looks likely. Implementation of more robust reform processes, necessary to strengthen the overall governance in Libya, will remain limited in the absence of a unified government, a clear vision for the future of Libya and a nationally adopted strategy for local governance. With regard to anti-corruption and promotion of transparency, the efforts taken so far have resulted in a very fragmented institutional landscape, with unclear relations between the National Anti-Corruption Commission (NACC), the Libyan Asset Recovery and Management Office (LARMO), the Prosecutor-General (PG) and other law enforcement agencies (including Ministry of Justice (MoJ) and Ministry of Interior (MoI)), and the Central Bank of Libya (CBL) that houses the Financial Investigation Unit (FIU). A justice-driven approach could be envisaged to ensure credibility of the anti-corruption legislation currently in place, but at present, agencies seem to be bogged down by competing mandates and unclear leadership.

1.4 Stakeholder analysis

Key stakeholders for this action are Libyan public authorities that need capacity building and peer exchange mechanisms to increase their ability to identify best practices, develop and roll out policies, as well as introduce evidence-based decision-making processes. Exact stakeholders will be identified through requests for support formulated throughout the implementation of the programme.

Key stakeholders to be involved in the specific actions relating to local governance include primarily the Ministry of Local Government (MoLG) and its municipalities. As indicated above, the partial implementation of Law 59 and the absence of the required specific bylaws to regulate the division of competencies between the central ministry, the provincial level (not yet established) and the local level are currently the key challenges for decentralisation. Generally, public services in Libya are characterised by a low level of (technical) capacities and overstaffing – this holds true at the central and local levels. The absence of a nationally owned decentralisation strategy, including provisions for financial decentralisation or local revenue collection/generation, impedes the municipalities from taking up the full control over the local government. The central level would like to retain control over the local level but is

incapable to do so due to the unstable political and security situation at present. The Ministry of Local Government and municipalities welcome continued engagement of the EU in this field, in particular with regard to the identification of best practices in European decentralisation models.

The component on stabilisation will directly involve the Ministry of Planning (MoP) as the key beneficiary, The Ministry of Planning is directly responsible for the identification and prioritisation of development planning at central and local level, whereas the Ministry of Local Government is responsible for the administration of municipal councils and local affairs. Collaboration between these two ministries is crucial to ensure a buy-in of local communities into the priorities for local stabilisation (that have to be confirmed by the central authorities). With development funds channelled largely through the Ministry of Planning, the local director of Planning is a key player for the determination of local stabilisation goals. As the head of the local office of the Ministry, he is not obliged to respond to requests of the elected mayor or the local municipal council and should therefore be involved in the decision-making. However, this component will also directly engage municipalities and local-level civil society to strengthen community-based peace-building initiatives. All initiatives developed in the area of local governance (including the component on community stabilisation) will be coordinated through the Local Governance Sub-Working Group that brings together all donors and foreign agencies working in the sector with the relevant Libyan authorities.

Other key stakeholders for this particular result area are European cities and regions that are targeted to provide peer support to their Libyan counterparts.

With regard to anti-corruption and transparency, the key stakeholders are the Ministry of Justice, the Department of the Prosecutor-General, the NACC and the LARMO as well as the Ministry of Interior and the CBL Financial Investigation Unit, who all have (partial) mandates in the follow-up on anti-corruption measures. Relations between these key stakeholders are unclear at present, as their mandates appear to be (partially) overlapping; the investigation of financial crimes remains split between the CBL and the Ministry of Interior, but also LARMO claims to have a role in the investigation of assets. The prosecution remains a judicial mandate, but clear coordination mechanisms or joint committees between the key stakeholders remain to be established.

Finally, with regard to justice, key entities are the Ministry of Justice, the Ministry of Interior and the Ministry of Social Affairs (MoSA), which both have complementary mandates to ensure that child-friendly judicial services are delivered across the country. Additional stakeholders in this area of intervention are the Ministry of Education, the Ministry of Health (MoH) and Libyan civil society. In order to establish a truly child-friendly criminal justice system in Libya, close collaboration is required with the Ministry of Education to strengthen awareness of young people about their rights (awareness campaigns) as well as the Ministry of Interior and Justice (in charge of prosecution, courts and correctional facilities) to ensure appropriate awareness at the level of criminal justice practitioners. The MoH and the MoSA are key interlocutors to ensure adequate service delivery in correctional facilities for youth as well as rehabilitation centres for juveniles (where they exist); both ministries would require to work together with civil society actors to establish community-based referral systems for

children in contact with the law. The recently established Family and Child Unit in the Ministry of Interior is expected to work closely with relevant departments of the MoJ⁹ and MoSA to ensure fair treatment for children and women throughout the criminal justice chain, be it as witnesses, victims or alleged perpetrators of criminal offences. Despite already implemented pilot projects, there is still no institutionalised approach to the creation of child-friendly spaces in police stations and judicial facilities. Juvenile rehabilitation centres operate under the control of the Ministry of Social Affairs, but there are too few centres and they have too limited capacities. Children and youth in conflict with the law are often detained in adult facilities and lack access to adequate services.

1.5 Problem analysis/priority areas for support

Local governance remains a key priority for Libyan politicians and citizens. In the absence of a strong central state that can guarantee equal distribution of wealth and deliver services, people are looking to intermediate levels of government to respond to their needs and demands. Far-reaching plans to start effective devolution of competencies to the municipalities (the lowest level of administrative decentralisation) are in place and should be rolled out in a limited number of municipalities for selected services in the course of 2019-2020. As the EU boasts many different systems of local governance and decentralisation, it has a wealth of expertise to share with Libya. Since 2014, the EU support has mainly been provided directly at the municipal level; this has however come at a cost, as activities at the municipal level remain scattered and do not always support a nationally-owned vision of local governance. It is crucial to start again linking up the local level with the national one to avoid further fragmentation of the country.

Another key area for improving overall governance in Libya is transparency and accountability. The World Bank supports capacity development for public finance management, which partially addresses unequal distribution of wealth in the country. However, corruption is widespread across the public sector and remains the main reason for lack of public confidence in the administration. In anticipation of a new constitution, Libya's central authorities should be encouraged to introduce specific anti-corruption and transparency measures by establishing adequate national-level procedures and legal frameworks to ensure a culture of openness. Such efforts have started with the introduction of the Libyan Authority for Recovery and Management of Assets (LARMO), a National Anti-Corruption Commission (NACC) and an assessment of the two parallel central banks by the United Nations Support Mission in Libya (UNSMIL), but further steps are needed to build a robust legal and institutional framework to address corruption and safeguard national assets at all levels.

Finally, the absence of respect for the rule of law also continues to undermine public confidence in the Libyan authorities. While public confidence in the judiciary remains high¹⁰ – as compared to other central state functions and bodies – the absence of a system of checks and balances leaves room for malpractice and abuse of authority. Various studies have pointed out the challenges related to access to justice for women and children in a largely

⁹⁾ At MoJ level a Women Empowering Office exists under the Ministries Under-Secretarie's Office.

¹⁰⁾ https://www.ifes.org/sites/default/files/ifes_2018_survey_on_voters_intent_libya.pdf; p. 10.

conservative society; the creation of special units¹¹ within the Ministry of Interior in 2018 is expected to partially remedy this challenge. While the legal framework for a truly rights-based justice system remains weak, the opportunity to introduce such a system – in the context of an overall security sector reform – with due attention to vulnerable groups should not be missed.

2 RISKS AND ASSUMPTIONS

The possible risks in the implementation of the proposed action remain relatively high given the volatile security and political situation in Libya. The main risks are summarised below:

Risks	Risk level (H/M/L)	Mitigating measures
Political instability and possible changes within/of government may interrupt existing relations and impede work at the national (central) level	H	Interventions will be designed in a flexible manner in order to enable adaptation to different circumstances (e.g. focus on different geographical areas and/or decentralised level if necessary). Regular analysis of the situational context and continuous policy dialogues will be carried out with a view to strengthen trustful relationships and allow for negotiation where required.
Security challenges may result in lack of access and/or inability to mobilize expertise and thus hinder programme implementation in Libya	M to H	The security situation is continuously evaluated, including through periodic risk re-assessment. Where needed, mitigation strategies will be developed to introduce remote management set-ups and/or consider arranging for training activities outside Libya (only as mitigation strategy).
Libyan partner institutions cannot engage with the programme, due to fear and/or insecurity	M	The EU Delegation is re-establishing its presence on the ground in Libya and is thus well equipped to maintain a regular (policy) dialogue with the relevant institutional partners to improve on trustful relationships and open dialogues.

(¹¹) In 2018, MoI announced the creation of a Family & Child Unit (dealing with children as witnesses, victims and suspected perpetrators of criminal acts) as well as a Women's Department (mainly dealing with the administrative situation of female staff of the MoI including a complaints mechanism for female employees). A 3rd unit is the Department of Human Rights that was established to receive complaints from Libyan individuals on human rights violations committed and which is expected to work together closely with the above Family & Child and Women's units. At MoJ level human rights are dealt with by the Office of Undersecretary, Rule of Law and Human Rights Office. It is an independent body from the executive branch within the ministry, which has different functions, such as receiving complaints, finding remedies to those complaints, do research and studies in association with human rights.

Programme activities overlap with other interventions by the international community	M to L	The EU is participating fully in the UNSMIL led co-ordination processes through the different technical working groups and is insisting for regular meetings; in addition, intra-EU co-ordination has been reinforced through both regular Heads of Co-operation meetings as well as informal sector co-ordination platforms.
Assumptions		
<ol style="list-style-type: none"> 1. Libyan public institutions (at national and sub-national levels) remain committed to deliver citizen-centred, rights-based (social) services in line with their primary mandate and have the requisite human and financial resources to deliver such services; 2. The security situation allows the mobilisation of technical expertise to the country; 3. Libyan public institutions are receptive to recommendations made as a result of programme interventions and are able to adopt the relevant policies. 		

3 LESSONS LEARNT AND COMPLEMENTARITY

3.1 Lessons learnt

The EU Mousanada for Libya programme builds on the work done since 2011 through the subsequent Public Administration Facility (PAF)¹² projects. While no dedicated evaluation has taken place to measure outcomes and impact of these programmes¹³ yet, the various PAF programmes have allowed the EU to respond in a flexible and demand-driven manner to requests formulated by Libyan entities in the past years. EU Mousanada for Libya strives to maintain that flexibility, which is considered the best way to respond to immediate needs and opportunities for reform as they arise, in the absence of a comprehensive national development policy or a fully legitimate and strong central government. While previous PAF projects were implemented through grant contracts, the Delegation of the EU to Libya is proposing a different implementation modality for the current EU Mousanada for Libya programme, which is more in line with the nature of the programme and takes into consideration the possibility of an improved security and political environment as compared to past years. A full evaluation of the previous support stages is scheduled to be rolled out in the 2nd half of 2019 and will provide more lessons learned. Preliminary conclusions drawn from the previous contracts point to the need to allow for a high level of flexibility to respond to emerging and unforeseen needs. The proposed approach, using a service contract, has the inbuilt flexibility to respond to ad hoc demands emanating from a policy dialogue between Libyan partners and the EU institutions in a variety of sectors. In order to ensure appropriate expertise in the different areas of thematic interventions, a number of smaller contracts is proposed instead of a single contract with a higher number of partners brought together in a consortium. Complex negotiations to ensure consortia are fully responsive to needs identified by the EU and the Libyan partners have resulted in delay of implementation in recent years and can be avoided through separate contracts. Similarly, separate contracts allow for more

⁽¹²⁾ Cf. DEC ENPI/2011/023-903; DEC ENI/2014/037-555; and DEC ENI/2018/041-351.

⁽¹³⁾ Evaluation is scheduled to take place in the 2nd half of 2019 and will inform implementation of the Mousanada programme.

flexibility to continue within a given area of engagement should others become blocked for reasons beyond the control of the programme implementers.

3.2 Complementarity, synergy and donor co-ordination

In the absence of a Country Strategy Document since 2016, joint programming remains a far prospect for the EU engagement in Libya. Yet, coordination within the EU as well as with the larger international community has intensified in recent months. Clear examples of an emerging willingness among donors to work towards a joint analysis and possible joint responses are surfacing, in particular in the area of decentralisation, where Germany has taken up a leading role in the technical working group on local government. In February 2019, the EU together with World Bank and the United Nations undertook a mapping exercise to assess whether conditions are in place to undertake a Reconstruction and Peace Building Assessment (RPBA) for Libya. The EU remains convinced that the current security and political situation in Libya is not conducive for a full RPBA, but the work done in the mapping exercise is a great step towards establishing joint analyses in a number of sectors. UNSMIL has in parallel prioritised work on developing a humanitarian/development nexus in a number of locations.

The current action has been discussed with EU development counsellors as well as other partners within the international community and is confirmed to be fully complementary to ongoing actions. The flexible nature of the proposed programme and a continuous dialogue led by the EU Delegation with the international community working for the benefit of Libya will ensure that complementarity and development of synergies remain key components of the action. Activities related to decentralisation will be coordinated within the Technical Working Group on Local Governance (co-chaired by the Libyan Ministry of Local Governance and the German Embassy), while activities around social service delivery will be coordinated in the relevant social sector working groups. Dedicated coordination is in place under the leadership of the UNDP to discuss the dynamics of local stabilisation through the ongoing Libya Stabilisation Facility and through the EU-initiated ‘Implementers Forum for Municipal Support’. From February 2019 onwards, the EU Delegation and European Union Border Assistance Mission (EUBAM) are intensifying coordination efforts in the rule of law sector (including justice), which provides an excellent framework for a stronger coordination on rule of law-related engagement to promote synergies and ensuring complementarity among all the actors of the international community in the field of justice.

4 DESCRIPTION OF THE ACTION

4.1 Overall objective, specific objectives, expected outputs and indicative activities

The overall objective of this action is to contribute to institution building in Libya in the context of stabilisation, conflict prevention and democratic transition. The programme will support public institutions at both national and sub-national levels, based on priorities identified and requests formulated by the institutions and/or initiated by the European Commission.

The programme will have several specific objectives (at outcome level), expected results (or outputs) and activities:

1. Specific Objective 1: Strengthened institutional, administrative and operational capacity of key public entities and institutions to efficiently and competently carry out public administration functions;

Expected outputs/results under Specific Objective 1 include:

- 1.1. Consolidation and expansion of existing networks for peer exchange and twinning-like set-ups to promote local governance, including through continued support to the Committee of the Regions' Nicosia Initiative, is achieved.

Indicative activities may include but are not limited to continued support to capacity development of municipality staff; study visits and exchange mechanisms between Libyan and European regions and cities; the elaboration of pilot programmes for youth engagement, local economic development and other areas of municipal concern.

- 1.2. A longer-term strategy around a viable nationally owned local governance system in Libya is elaborated and the roll-out of related policies and regulations is supported.

Indicative activities may include but are not limited to technical assistance to the Ministry of Local Government to elaborate appropriate regulations and policies to formulate and introduce a national decentralisation strategy in Libya; training and capacity building for Ministry of Local Government staff at central and decentralised levels.

- 1.3. Policy recommendations to strengthen overall governance in key areas of public administration are developed.

Indicative activities may include but are not limited to technical assistance to identify (international) best practices in (sector) governance and contribute to policy development, based on requests formulated by Libyan entities, e.g. in the areas of anti-corruption, social service delivery (health, education, water and sanitation, etc.), registration (civil register, land register, etc.) and public service reform, civil aviation, management of natural resources, etc.

- 1.4. Public institutions are capacitated to establish and/or use citizen-centred policy dialogue spaces to inform decision-making around service delivery policies.

Indicative activities may include but are not limited to the realisation of regular participatory processes, initiated by relevant line ministries to ensure popular consultation and ownership of new policies as well as the establishment of regular dialogues with stakeholders and civil society in preparation of policies to be adopted.

- 1.5. Policies and regulatory frameworks for combating corruption and promoting transparency are developed with a view to strengthen an overall response capacity to address, prevent, criminalise and prosecute corruption in the public sphere.

Indicative activities may include but are not limited to strengthening the capacities of Libyan authorities to map and document assets; provision of technical assistance and training to strengthen the legal and policy framework around anti-corruption and transparency.

- 1.6. Evidence-based decision-making is promoted and enabled through the roll-out of a robust third-party monitoring system for EU-financed interventions.

Indicative activities may include but are not limited to the design, introduction and roll-out of regular third-party monitoring visits to EU-financed activities as well as documentation of lessons learned from EU-financed interventions.

2. Specific Objective 2: Enhanced public trust among the Libyan population in legitimate and widely recognised state authorities.

Expected outputs/results under Specific Objective 2 include:

- 2.1. Local-level tailor-made stabilisation goals are developed following a participatory approach¹⁴.
- 2.2. Local-level investment plans for the rehabilitation of key (social) infrastructure are designed in line with the local stabilisation goals and support to their implementation is ensured.

Indicative activities may include but are not limited to identification of local (community-based or municipality-based) stabilisation goals in a participatory manner; organisation of community dialogues to identify key sources of conflict and propose locally-owned solutions; identification of key local rehabilitation needs through participatory approaches as well as contribution to selected key infrastructure rehabilitation works at municipal levels.

3. Specific Objective 3: Enhanced institutional and administrative capacity of relevant public institutions to deal with vulnerable groups in contact with the law.

Expected outputs/results under Specific Objective 3 include:

- 3.1. Stronger prevention, protection and rehabilitation initiatives for vulnerable groups in the justice system are put in place.

Indicative activities may include but are not limited to the establishment of child-friendly spaces within local police stations; the improvement of (living) conditions in juvenile and/or female correctional facilities; support to the identification of appropriate rehabilitation mechanisms (including referral mechanisms) for juvenile and female inmates of correctional facilities; strengthening performance and capacity building for staff associated with family and child protection units.

- 3.2. Coordination and response capacities of the judiciary, social welfare, education, law enforcement authorities, and CSOs dealing with children in contact with the law have improved.

Indicative activities may include but are not limited to capacity development of social workers, lawyers and criminal justice professionals to deal with women and children in contact with the law; the identification of appropriate and adequate referral mechanisms for victims of crimes (including domestic violence and gender-based violence); awareness raising activities on the rights of women and children in relation to criminal justice.

The above objectives (or outcomes) and results (or outputs) are expected to be achieved through various specific contracts (as outlined in section 5 below); indicative activities include technical assistance and peer exchanges (including study visits), based on requests to

⁽¹⁴⁾ The concept of local stabilisation goals is set out in the project document for the *Stabilisation Facility for Libya II: Stronger for Libya* in the following manner: 'The SFL starts from an explicit will to support the political dialogue initiatives that will guide stabilisation, encouraging government, communities and local authorities to jointly define and address root causes of conflict, agree a local stabilisation goal and identify local solutions and specific projects to achieve that goal. Local peace structures will then monitor the identified threats to the local stabilisation goal and respond proactively to mitigate them. Stabilisation activities require a basic level of security, at the same time, the very prospect of stabilisation activities may serve as an incentive for some actors to honour such agreements and refrain from taking action aimed at spoiling the process. The SFL acknowledges that power relations are more important than formal institutions for understanding the drivers of violence and how to address them.'

be formulated by Libyan beneficiary institutions at national and sub-national levels or needs and gaps identified by other international actors and/or the European Union Delegation to Libya. Activities may also include workshops and training opportunities, preferably organised within the territory of the State of Libya, to ensure a broader uptake of the ideas and policies developed. All activities are to promote the inclusion and participation of women and girls, boys and men to ensure a balanced and gender-sensitive approach throughout the programme.

4.2 Intervention Logic

The action is based on the assumption that Libyan public institutions – both at the national and sub-national level – are able to deliver citizen-centred, rights-based (social) services in line with their primary mandate. It is assumed that public entities and institutions have the requisite human and financial resources to deliver such services. In the context of the EU Mousanada for Libya programme, services should be understood in a broad manner to encompass not only social services (e.g. health, welfare or education), but also transparency and accountability as well as judicial and law enforcement capacities, among others. In fact, through a continuous dialogue with the EU Delegation the Libyan public institutions will be solicited and encouraged to submit specific requests to the programme. This will trigger the mobilisation of the most appropriate support measures, be it technical assistance/expertise, peer learning or specific training, etc.

The action also presumes that participatory, local and conflict-sensitive analysis will inform on priorities for service delivery, which will then be taken up by public institutions. Based on these assumptions, the programme offers to support rehabilitation of local infrastructure and to provide technical support and peer exchange opportunities for Libyan partner institutions to identify best practices (aligned with the international standards), which might be replicated or modified to suit the Libyan context. Such peer learning opportunities can be identified both within the European Union and a broader international context.

Following the identification of the best practices to follow, the programme intends to support Libyan partners in the formulation of related policies and regulatory frameworks – based on the assumption that Libyan authorities will be willing to adopt and implement such policies and frameworks at a political level. The establishment of such a body of formal rules and structures will support the completion of a democratic transformation. Libya's transition process – that started in 2011 and has seen various cycles of (armed) conflict since – intends to respond to the demands and desires of the Libyan population for a more equitable, transparent and accountable state.

4.3 Mainstreaming

The programme as a whole will contribute to an overall improved rights-based governance framework in Libya. This is expected to increase resilience of Libyan citizens towards conflict and radicalisation. All specific actions to be implemented under this programme will have to be designed following a rights-based approach, ensuring a gender, age and diversity-sensitive programming through participatory approaches.

Particular attention will be given to ensure gender mainstreaming in the design of projects to strengthen female participation in professional, social and political sectors at all levels. Specific attention will also be given to promote a child-friendly attitude among Libyan criminal justice professionals and to address participation of younger generations in activities to be implemented under this programme. A conflict-sensitive approach will be required in the selection of specific locations for programme interventions.

4.4 Contribution to Sustainable Development Goals (SDGs)

This intervention is relevant for the 2030 Agenda. It contributes primarily to the progressive achievement of SDG 16 'Peace, Justice and Strong Institutions', while also contributing to SDG 5 'Gender Equality' and SDG 10 'Reduced Inequalities' as well as SDG 11 'Sustainable Cities and Communities'. In particular, SDG 5 and 10 will be mainstreamed across all programme interventions, while SDG 11 is particularly relevant to the work related to local governance and interventions at the municipal level. The overall action aims at strengthening Libyan public institutions to improve their ability to provide peace and justice for all Libyans.

5 IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is not foreseen to conclude a financing agreement with the partner country.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4 will be carried out and the corresponding contracts and agreements implemented, is 60 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 Decision and the relevant contracts and agreements.

5.3 Implementation modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with the EU restrictive measures¹⁵.

5.3.1 Procurement (direct management)

The procurement will cover the specific outputs:

- 1.3 Policy recommendations to strengthen overall governance in key areas of public administration are developed;
- 1.4 Public institutions are capacitated to establish and/or use citizen-centred policy dialogue spaces to inform decision-making around service delivery policies; and
- 1.6 Evidence-based decision-making is promoted and enabled through the roll-out of a robust third-party monitoring system for EU-financed interventions.

An expression of interest might be launched prior to the adoption of this Decision under a suspensive clause. This is justified because an early contracting of the foreseen service contract in 2020 is required to be able to respond to increasing expectations for the EU support to the Libyan authorities, following an intensified policy dialogue as a result of an increased EU presence on the ground. Given the time delays for regular procurement

⁽¹⁵⁾ www.sanctionsmap.eu: 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.

processes, the launch of a procurement process after the adoption of this financing Decision would substantially delay the mobilisation of the required technical expertise with a possible result of the EU losing credibility as a reliable partner in the Libyan transition process.

5.3.2 Indirect management with a Member State organisation

A part of this action may be implemented in indirect management with an entity which will be selected by the Commission's services using the following criteria: (1) experience in implementation of programmes related to decentralisation and local governance systems; (2) experience in dealing with multi-national partnerships; (3) expertise in working directly with European regions and cities; (4) experience in working with technical assistance set-ups as well as peer exchange models. Previous expertise of working in Libya will constitute an added value to be considered in the selection of the specific entity.

The implementation by this entity entails the implementation of specific output 1.1 (consolidation and expansion of existing networks for peer exchange and twinning-like set-ups to promote local governance, including through continued support to the Committee of the Regions' Nicosia Initiative) and specific output 1.2 (contribution to the elaboration of a longer-term strategic vision around a viable nationally owned local governance system in Libya and contribution to the roll-out of related policies and regulations).

5.3.3 Indirect management with an international organisation

A part of this action may be implemented in indirect management with an entity which will be selected by the Commission's services using the following criteria: (1) experience in implementation of programmes related to anti-corruption and transparency; (2) experience in implementation of capacity building programmes in relation to asset recovery and management; (3) experience in working with technical assistance set-ups as well as peer exchange models. Previous expertise of working in Libya will constitute an added value to be considered in the selection of the specific entity.

The implementation by this entity entails the implementation of specific output 1.5 (combating corruption and promoting transparency are identified and taken up as key priorities by national and sub-national public institutions). The entity will be specifically requested to provide support in the development and adoption of related policies and regulatory frameworks with a view to strengthen an overall response capacity to address, prevent, criminalise and prosecute corruption in the public sphere.

5.3.4 Indirect management with an international organisation

A part of this action may be implemented in indirect management with the United Nations Development Programme (UNDP). More specifically, this method might be used for the implementation of specific objective 2 of this action that contributes to 'improved capacity among relevant Libyan institutions to design, develop and implement social policies that focus on quality social services' delivery for all women and girls, men and boys in Libya towards enhancing human security and reducing inequalities. The envisaged entity has been selected using the following criteria: (1) previous experience in implementing (community) stabilisation programmes; (2) ability to operate across the Libyan territory; (3) operational presence on the ground in Libya. The proposed objective will contribute directly to the implementation of the multi-donor basket fund established for the *Stabilisation Facility for Libya II – Stronger for Libya*.

In case the envisaged entity would need to be replaced, the Commission's services may select a replacement entity using the same criteria.

5.3.5 *Indirect management with an international organisation*

A part of this action may be implemented in indirect management with an entity which will be selected by the Commission's services using the following criteria: (1) experience in implementation of cross-sectoral programmes related to criminal justice; (2) experience in implementation of cross-sectoral programmes related to women and youth; (3) expertise in working with a variety of stakeholders and ensuring strong involvement of civil society; (4) experience in working with technical assistance set-ups as well as peer exchange models. Previous expertise of working in Libya will constitute an added value to be considered in the selection of the specific entity.

The implementation by this entity entails the implementation of specific objective 3 that aims to support 'enhanced institutional and administrative capacity of relevant public institutions to deal with vulnerable groups in contact with the law'.

5.3.6 *Changes from indirect to direct management mode due to exceptional circumstances*

If the action foreseen under section 5.3.2 (indirect management with a Member States organisation) cannot be implemented in this preferred modality due to circumstances outside of the Commission's control, such as due to lack of identification of a suitable entity for the implementation of the component described under, this part of the action may be implemented under direct management using a grant under direct management:

(a) Purpose of the grant(s)

The objective of this grant is to contribute to consolidation and expansion of existing networks for peer exchange and twinning-like set-ups to promote local governance, including through continued support to the Committee of the Regions' Nicosia Initiative (specific output 1.1 under specific objective 1 in section 4).

(b) Type of applicants targeted

European local authorities and specialised agencies dealing with territorial development

(c) Justification of a direct grant

Under the responsibility of the Commission's authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified because of continuing crisis declaration, as referred to in Article 2(21) of the Financial Regulation. This arrangement in a crisis situation takes account of the urgency of providing continuing support to Libya's transition process and the difficulty of finding Libya-experienced and competent implementing partners to implement EU support programmes.

If the action foreseen under section 5.3.5 (indirect management with an international organisation) cannot be implemented in this preferred modality due to circumstances outside of the Commission's control, such as due to lack of identification of a suitable entity for the implementation of the component described under, this part of the action may be implemented under direct management using a grant under direct management:

(a) Purpose of the grant(s)

The objective of this grant is to contribute to enhanced institutional and administrative capacity of relevant public institutions to deal with vulnerable groups in contact with the law (specific objective 3 in section 4).

(b) Type of applicants targeted

European non-for-profit civil society organisations with previous work experience in the area of rule of law and/or justice

(c) Justification of a direct grant

Under the responsibility of the Commission's authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified because of continuing crisis declaration, as referred to in Article 2(21) of the Financial Regulation. This arrangement in a crisis situation takes account of the urgency of providing continuing support to Libya's transition process and the difficulty of finding Libya-experienced and competent implementing partners to implement EU support programmes.

5.4 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 provision.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realization of this action impossible or exceedingly difficult.

5.5 Indicative budget

	EU contribution 2019 (amount in EUR)	EU contribution 2020 (amount in EUR)	Indicative third party contribution (amount in EUR)
Objective 1: Strengthened institutional, administrative and operational capacity of key public entities and institutions to efficiently and competently carry out public administration functions;			
Output 1.1: Consolidation and expansion of existing networks for peer exchange and twinning-like set-ups to promote local governance, including through continued support to the Committee of the Regions' Nicosia Initiative is achieved.	3 000 000		
+ Output 1.2: A longer-term strategy around a viable nationally owned local governance system in Libya is elaborated and the roll-out of related policies and regulations is supported.	2 500 000		300 000

Composed of:			
- Indirect management with a Member State organisation – cf section 5.3.2	5 500 000		300 000
Output 1.3: Policy recommendations to strengthen overall governance in key areas of public administration are developed. + Output 1.4: Public institutions are capacitated to establish and/or use citizen-centred policy dialogue spaces to inform decision-making around service delivery policies. + Output 1.6: Evidence-based decision-making is promoted and enabled through the roll-out of a robust third-party monitoring system for EU-financed interventions. Composed of:		5 000 000 1 500 000 2 000 000	
- Procurement (direct management) - cf. section 5.3.1		8 500 000	N.A.
Output 1.5: Policies and regulatory frameworks for combating corruption and promoting transparency are developed. Composed of:	2 500 000	0	200 000
- Indirect management with an international organisation - cf. section 5.3.3	2 500 000	0	200 000
Specific Objective 2: Enhanced public trust among the Libyan population with legitimate and widely recognised state authorities; Output 2.1: Local-level tailor-made stabilisation goals¹⁶ are developed	6 500 000	1 500 000	70 000 000

⁽¹⁶⁾ The concept of local stabilisation goals is set out in the project document for the *Stabilisation Facility for Libya II: Stronger for Libya* in the following manner: 'The SFL starts from an explicit will to support the political dialogue initiatives that will guide stabilisation, encouraging government, communities and local authorities to jointly define and address root causes of conflict, agree a local stabilisation goal and identify local solutions and specific projects to achieve that goal. Local peace structures will then monitor the identified threats to the local stabilisation goal and respond pro-actively to mitigate them. Stabilisation activities require a basic level of security, at the same time, the very prospect of stabilisation activities may serve as an incentive for some actors to honour such agreements and refrain from taking action aimed at spoiling the process. The SFL acknowledges that

<p>following a participatory approach, with clear links to the overall aim of national stabilisation.</p> <p>+</p> <p>Output 2.2: Local-level investment plans for the rehabilitation of key (social) infrastructure are designed in line with the local stabilisation goals and support to their implementation is ensured.</p> <p>Composed of:</p>			
<p>- Indirect management with UNDP - cf. section 5.3.4</p>	6 500 000	1 500 000	70 000 000 ¹⁷
<p>Objective 3: Specific Objective 3: Enhanced institutional and administrative capacity of relevant public institutions to deal with vulnerable groups in contact with the law;</p> <p>Output 3.1: Stronger prevention, protection and rehabilitation initiatives for vulnerable groups in the justice system are put in place.</p> <p>+</p> <p>Output 3.2: Coordination and response capacities of the judiciary, social welfare, education, law enforcement authorities, and CSOs dealing with children in contact with the law have improved.</p> <p>Composed of:</p>	3 500 000		300 000
<p>- Indirect management with an international organisation - cf. section 5.4.5</p>	3 500 000		300 000
<p>Evaluation (cf. section 5.8) Audit/Expenditure verification (cf. section 5.9)</p>	will be covered by another decision		
<p>Communication and visibility (cf. section 5.10)</p>	N.A.	N.A.	N.A.
Total	18 000 000	10 000 000	70 800 000

power relations are more important than formal institutions for understanding the drivers of violence and how to address them.'

⁽¹⁷⁾ Overall estimated programme cost will be USD 86 180 111 for which funding is being sought; at March 2019 exchange rates, this corresponds to roughly EUR 75 689 541; funding secured on 15/03/2019 is USD 45.6 million (constituted of remaining allocations initially pledged for SFL I with remaining funding gap of USD 40.6 million.

5.6 Organisational set-up and responsibilities

Implementing partners contracted in line with the foreseen contracts in section 5.3 above are fully responsible for the implementation of the action. Each partner contracted 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. Where feasible, such steering structures would also involve other implementing partners and/or key stakeholders (including international cooperation partners) involved in the sector to foster coordination and development of synergies between parallel programmes. Steering committees for individual actions will meet regularly (not less than semi-annually) 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 programme and its environment. Specific terms of reference for a steering structure per action will be elaborated in the specific implementation contract or agreement prior to signature of such contract and agreements.

5.7 Performance and Results monitoring and reporting

Performance measurement will be based on the intervention logic and the logical framework, including its indicators. For the final evaluation, the intervention logic will be the basis for the evaluation questions; the evaluation will focus mainly on the spheres of direct (outcomes) and indirect (impact) influence. As such, indicators defined for these levels of the intervention logic will be used in the evaluation. Depending on the scope and specific purpose of the evaluation, additional indicators may be defined.

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner's responsibilities. To this aim, the 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 results (outputs and direct outcomes), as measured by corresponding indicators, using as reference the Logframe matrix.

SDGs indicators and, if applicable, any jointly agreed indicators, as for instance per Joint Programming document, should be taken into account.

The report shall be laid out in such a way as to allow monitoring of the means envisaged to be used and results obtained and of the budget details for the action. Reporting will focus on results, rather than only listing activities and inputs. Where results remain limited due to a continued volatile situation in Libya, the reporting shall focus on progress made towards achieving expected results. The final report, narrative and financial, will cover the entire period of the action's implementation.

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). This project monitoring 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 additional monitoring exercises are aimed at ensuring sound follow-up on earlier recommendations as well as informing the EU management.

5.8 Evaluation

Having regard to the importance of the action, a final evaluation will be carried out for this action or its components via independent consultants, contracted by the Commission, following the provisions of DG NEAR guidelines on linking planning/programming, monitoring and evaluation¹⁸.

It will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that certain aspects of the programme are innovative and/or pilot actions. The Commission may, during implementation, decide to undertake additional evaluations for duly justified reasons, either upon its own decision or at the initiative of the partner.

The Commission shall inform the implementing partner at least 30 days in advance of the dates foreseen for the evaluation missions. The implementing partner 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. The implementing partner 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.

5.9 Audit

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 audits or expenditure verification assignments for one or several contracts or agreements.

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

5.10 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of the action implementation.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or

⁽¹⁸⁾

entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and contribution agreements.

The Communication and Visibility Requirements for European Union External Action (or any succeeding document) shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

6 PRE-CONDITIONS

Not applicable.

APPENDIX - INDICATIVE LOGFRAME MATRIX (FOR PROJECT MODALITY) ¹⁹

	Results chain: Main expected results (maximum 10)	Indicators (at least one indicator per expected result)²⁰	Sources of data	Assumptions
Impact (Overall Objective)	<i>To contribute to institution building in Libya in the context of stabilisation, conflict prevention and democratic transition;</i>	<i>Score in the Worldwide Governance Indicators</i>	<i>World Bank Worldwide Governance Indicators; http://info.worldbank.org/governance/wgi/#reports</i>	<i>Not applicable</i>
		<i>Score in the Mo Ibrahim Index of African Governance</i>	<i>Ibrahim Index of African Governance; http://iiag.online/</i>	
		<i>Score in the Economist Democracy Index</i>	<i>Economist Intelligence Unit Democracy Index; https://infographics.economist.com/2018/DemocracyIndex/</i>	
Outcome(s) (Specific Objective(s))	<i>1. Strengthened institutional, administrative and operational capacity of key public entities and institutions to efficiently and competently carry out public administration functions;</i>	<i>Perception of citizens in terms of efficiency, effectiveness and transparency of key government agencies and/or public service institutions</i>	<i>Public perception surveys (implemented by the programme or other (international) partners)</i>	<i>1. Libyan public institutions (at national and sub-national levels) remain committed to deliver citizen-centred, rights-based (social) services in line with their primary mandate and have the requisite human and financial resources to deliver such services. 2. Security situation in Libya allows the mobilisation of technical experts to the country. 3. Libyan public institutions are receptive to recommendations made as a result of programme interventions.</i>
		<i>Citizen's perception on the state's capacity to combat corruption</i>	<i>Public perception surveys (implemented by the programme or other (international) partners)</i>	
		<i>2. Enhanced public trust among the Libyan population in legitimate and widely recognised state authorities;</i>	<i>Degree of citizens' confidence in central and local level authorities</i>	
	<i>3. Enhanced institutional and administrative capacity of relevant public institutions to deal with vulnerable groups in conflict with the law;</i>	<i>Number of vulnerable individuals arrested, in pre-trial detention and/or in detention, segregated by sex and age</i>	<i>Ministry of Justice and Ministry of Interior records</i>	

⁽¹⁹⁾ Mark indicators aligned with the relevant programming document mark with '*' and indicators aligned to the EU Results Framework with '**'.

⁽²⁰⁾ Baseline and target values for the specific indicators will be established in the inception phase of implementation of the related activities.

Outputs	<i>1.1 Consolidation and expansion of existing networks for peer exchange and twinning-like set-ups to promote local governance, incl. through continued support to the Committee of the Regions' Nicosia Initiative is achieved.</i>	<i>Number of bilateral or multilateral exchanges established between Libyan and European cities or regions to promote local governance</i>	<i>Reports of the EU Committee of the Regions; programme reports</i>	<p>1. Libyan public institutions are able to adopt and implement relevant policies;</p> <p>2. Absence of (armed) conflict;</p> <p>3. Libyan public institutions are receptive to recommendations towards reform of the justice/detention system</p>
	<i>1.2 A longer-term strategy around a viable nationally owned local governance system in Libya is elaborated and the roll-out of related policies and regulations is supported.</i>	<i>Number of relevant/needed policies and regulations conering establishing effective local governance in Libya formulated with the assistance of the programme</i>	<i>Publications by the Ministry of Local Government; official communications by Libyan authorities</i>	
	<i>1.3 Policy recommendations to strengthen overall governance in key areas of public administration are developed.</i>	<i>Number of policy recommendations developed by key Libyan public institutions, as a result of programme interventions</i>	<i>Programme implementation reports; reports issued by public institutions</i>	
	<i>1.4 Public institutions are capacitated to establish and/or use citizen-centred policy dialogue spaces to inform decision-making around service delivery policies.</i>	<i>Number of government policies developed or revised in consultation with civil society organisations' participation through programme support**</i>	<i>Public perception surveys implemented by the programme or other (international) partners</i>	
	<i>1.5 Policies and regulatory frameworks for combating corruption and promoting transparency are developed with a view to strengthen an overall response capacity to address, prevent, criminalise and prosecute corruption in the public sphere.</i>	<i>Number of policies to combat corruption and promote transparency formulated as a result of programme interventions</i>	<i>Programme implementation reports; reports issued by public institutions</i>	
	<i>1.6. Evidence-based decision-making is promoted and enabled through the roll-out of a robust third-party monitoring system for EU-financed interventions.</i>	<i>Percentage of EU-financed interventions benefitting from regular third-party monitoring</i>	<i>Monitoring reports</i>	
	<i>2.1 Local-level tailor-made</i>	<i>Number of consultation events</i>	<i>Programme implementation</i>	

	<i>stabilisation goals are developed following a participatory approach.</i>	<i>organised for the design of local stabilisation goals prior to formulation and adoption by local communities</i>	<i>reports; reports issued by public institutions; reports issued by municipalities and local CSOs</i>	
	<i>2.2 Local-level investment plans for the rehabilitation of key (social) infrastructure are designed in line with the local stabilisation goals and support to their implementation ensured.</i>	<i>Number of locations in which the basic services are restored and infrastructure is upgraded</i>	<i>Programme implementation reports; reports issued by local CSOs</i>	
	<i>3.1. Stronger prevention, protection and rehabilitation initiatives for vulnerable groups in the justice system are put in place.</i>	<i>Percentage of individuals from vulnerable groups directly benefitting from legal aid interventions and/or improved service delivery (including rehabilitation) in the justice system, as a result of programme interventions**</i>	<i>Ministry of Justice and Ministry of Interior records</i>	
	<i>3.2 Coordination and response capacities of the judiciary, social welfare, education, law enforcement authorities, and Civils Society Organisations dealing with children in contact with the law have improved.</i>	<i>Percentage. of children benefiting from non-custodial measures, segregated by sex and age</i>	<i>Ministry of Social Affairs records</i>	

**** INDICATORS ALIGNED TO THE EU RESULTS FRAMEWORK (EURF)²¹:**

Indicator under output 1.4 is aligned to EURF indicator 2.25 '*number of government policies developed or revised with civil society organisations participation through EU support*'.

Indicator under output 3.1 is aligned to EURF indicator 2.27 '*number of people benefiting from legal aid interventions supported by the EU*'.

⁽²¹⁾ Commission Staff Working Document SWD(2018)444 of 11 October 2018 on '*A Revised EU International Co-operation and Development Results Framework in line with the Sustainable Development Goals of the 2030 Agenda for Sustainable Development and the New European Consensus on Development*'.



This action is funded by the European Union

ANNEX 2

of the Commission Implementing Decision on the Special Measure 2019 in favour of Libya,
including one action to be carried on in 2020

Action Document for European Union for Private Sector Development in Libya – Phase

2

ANNUAL MEASURE

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation and action programme/measure in the sense of Articles 2 and 3 of Regulation N° 236/2014.

1. Title/basic act/ CRIS number	European Union for Private Sector Development in Libya – Phase 2 CRIS number: 2019/042-170 financed under the European Neighbourhood Instrument	
2. Zone benefiting from the action/location	Libya The action shall be carried out at the following locations: Libya and Tunisia	
3. Programming document	N/A — in view of the volatile security situation, the Country Strategy Paper 2014-2016 is no longer valid	
4. Sustainable Development Goals (SDGs)	Main SDG 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all Secondary SDG 1 End poverty in all its forms everywhere Secondary SDG 12 Responsible consumption and production	
5. Sector of intervention/ thematic area	Economy	DEV. Assistance: YES
6. Amounts concerned	Total estimated cost: EUR 4 000 000 Total amount of European Union (EU) contribution EUR 4 000 000	
7. Aid modalities and implementation modalities	Project Modality Direct management through: Procurement Indirect management with the entrusted entity to be selected in accordance with the criteria set out in section 5.3.2	
8 a) DAC code(s)	DAC Code 25010 (Business support services and institutions); DAC	

	Code 33110 (Trade policy)			
b) Main Delivery Channel	International Organisations and competent legal entities			
9. Markers (from CRIS DAC form)¹	General policy objective	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	V	<input type="checkbox"/>
	Aid to environment	V	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality and Women's and Girl's Empowerment ²	V	<input type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	<input type="checkbox"/>	V
	Reproductive, Maternal, New born and child health	V	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity	V	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	V	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	V	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	V	<input type="checkbox"/>	<input type="checkbox"/>
10. Global Public Goods and Challenges (GPGC) thematic flagships	N/A			

SUMMARY

Libya is an oil-rich country with a population estimated at around 6.5 million and a Gross domestic product (GDP) per capita 12.5 thousand USD (2018). The existing economic policies, carrying the legacy of the past and promoting a dominant centralised economic model, give little room for sustainable economic recovery, diversification and growth. In sectors where the public sector is dominant, private enterprises suffer from unfair competition with public enterprises affecting their productivity and growth prospects. The private sector in Libya is dominated by the presence of small and medium enterprises. A survey and private sector mapping carried out by the World Bank in 2015 confirms this assumption: 82% of the sample companies are SMEs, out of which 59% considered small (5-19 employees), 23% medium (20-99 employees).

A new economic vision to transform Libya's economy is needed; this implies mobilising a large number of stakeholders to set the basis for a new social contract. Given the depth of changes necessary and the inherent weakness of state institutions, establishing a broad and a

- ⁽¹⁾ When a marker is flagged as significant/principal objective, the action description should reflect an explicit intent to address the particular theme in the definition of objectives, results, activities and/or indicators (or of the performance / disbursement criteria, in the case of budget support).
- ⁽²⁾ Please check the Minimum Recommended Criteria for the Gender Marker and the Handbook on the OECD DAC Gender Equality Policy Marker. If gender equality is not targeted, please provide explanation in section 4.5 Mainstreaming.

legitimate process for policy dialogue is necessary to support the urgently required economic reforms.

In Libya, private sector firms face a variety of constraints to enterprise growth, increased competitiveness, and job creation. While improvements to the business environment can help lifting these constraints, more often than not, the most significant constraints to growth are company-specific. At the same time, conflict-torn economies such as Libya's are complex, dynamic and full of business opportunities due to the collapse of traditional business models and technological disruption.

The activities proposed in this action document are designed to contribute to the development of the private sector in Libya through public-private dialogue (PPD) and support to private enterprises.

1 CONTEXT ANALYSIS

1.1 Context Description

Libya is an oil-rich country with a population of 6.5 million and a GDP per capita of 12.5 thousand USD (2018)³. The Libyan Political Agreement (LPA) signed in December 2015 aimed at bringing the two governments in Tripoli and Tobruk together by forming a Presidency Council (PC) in Tripoli and appointing an interim Government of National Accord (GNA). However, although installed in Tripoli since March 2016, the GNA has never been recognized by the House of Representative (HoR), based in Tobruk, which was one of the conditions set by the agreement. The internationally backed GNA continues to struggle for legitimacy and with it to restore security and build institutions that are able to provide basic services across the country.

In the post-revolutionary years, the Libyan economy suffers from acute political division that does not allow reaching its potential. Following four years of recession, the Libyan economy recovered in 2017, thanks to the resumption in the production of hydrocarbon products, after key oil fields were repossessed from armed groups last year, which allowed Libya to more than double its production of oil and to register a production growth rate of approximately 25%. However, this dynamic has not been sustained over the first half of 2018, where oil production stagnated around 1 million barrels per day (bpd), before dropping again to levels below that due to attacks and productions disruptions in key oil fields⁴. Natural resource wealth tends to expose resource-rich countries to higher political and economic risks. Libya is a clear demonstration of this posit.

The volatility of oil prices, unstable oil production, overvalued exchange rates, and political instability, all at the same time, discourage investments in non-resource traded goods. This in turn hinders the development of the Libyan private sector and overall economic diversification, creating a vicious circle leading to interrelated enduring macroeconomic volatility and low economic growth rates. Libya witnessed a sharp decline of activities in non-hydrocarbon sectors in the post-2011 period. Many jobs have been lost and most families depend on public sector salaries, with about 65% of all public expenditures in 2018 going towards wages, a figure which is expected to rise even further in 2019. In fact, more than 1.8 million employees, i.e. about half of the working-age population, are currently on the

⁽³⁾ https://www.imf.org/external/datamapper/NGDP_RPCH@WEO/LBY?year=2018.

⁽⁴⁾ <http://pubdocs.worldbank.org/en/966241538076849003/mpo-am18-libya-lby-ks-9-14-fin-new.pdf>.

government payroll. To compensate for the economic decline and inflation, public salaries have increased four-fold since 2011, which may have relieved short-term social pressures, but is likely to have further exacerbated inflationary pressures. Unemployment is the highest among young people of the 15-24 age range, estimated at 44%, according to the World Bank (International Labour Organisation (ILO) model estimates)⁵.

The existing economic policies, carrying the legacy of the past and promoting a dominant centralised economic model, give little room for sustainable economic recovery, diversification and growth. In sectors where the public sector is dominant, private enterprises suffer from unfair competition with public enterprises affecting their productivity and growth prospects. Government-controlled sectors such as oil and gas, defence, health, education, social services, and electricity, gas and water supply accounted for over 85% of the GDP in 2012. Many other sectors are mostly controlled by public enterprises, although they are small contributors to the GDP. These include transport, storage and telecommunications (3% of GDP), financial services (1.4%), and agriculture and fisheries (less than 1%)⁶.

Libya has one of the most undiversified productive structures in the world: hydrocarbons account for approximately 70% of the GDP, more than 95% of exports, approximately 90% of government revenue, and therefore they determine decisively the economic performance of the country. The lack of alternative revenue sources makes Libya very vulnerable to oil price fluctuations or oil blockades. Moreover, the reliance on import of goods makes the economy subject to currency fluctuations and inflationary pressures. Inflation, after hitting a record high of 28.5% during the first half of 2017 driven by acute shortages in the supply of basic commodities and speculation in the expanding black market, is expected to drop to 17,9% in 2019⁷.

At the same time, the macroeconomic environment in Libya remains volatile and unpredictable, with clear symptoms of an economy in decline and rapidly diminishing resources. Despite increased public revenues in 2018, the budget deficit remains large and is estimated at 40% of the GDP, while the public wage bill and subsidies amount to approximately 40% of GDP. Deficits are financed by the declining reserves of the Central Bank of Libya. Macroeconomic volatility is an important indicator for the performance of an economy and it has a direct effect on investment decisions and resource allocations.

1.2 Policy Framework (Global, EU)

The European Neighbourhood Policy (ENP)⁸, revised in 2015-2016, has stabilisation of the region at its core, addressing comprehensively and simultaneously political, economic and security factors. However, the ENP also puts a great emphasis on the need to respect and appreciate different aspirations of the EU's neighbours. Thus, it seeks to respond to the needs and demands formulated by partner countries, while also pursuing common interests of the EU and partner countries in the broader neighbourhood region. Beyond the ENP, the EU has adopted global policy orientations, outlined in the EU Agenda for Change⁹, advocating for inclusive and sustainable growth for human development, prioritising private sector

⁽⁵⁾ <https://data.worldbank.org/indicator/SL.UEM.1524.ZS?locations=LY>.

⁽⁶⁾ Calice, Pietro; Benattia, Tahar; Carriere, Adrian; Davin, Eric. 2015. *Simplified enterprise survey and private sector mapping: Libya 2015 (English)*. Washington, D.C.: World Bank Group.

⁽⁷⁾ <https://www.imf.org/en/Countries/LBY#whatsnew>.

⁽⁸⁾ Communication of 12 May 2004 COM(2004)373 and Joint Communication of 18 November 2015 JOIN(2015)50.

⁽⁹⁾ Communication of 13 October 2011, COM (2011) 637 and Council Conclusions of 14 May 2012.

development. Similarly, the European Consensus on Development¹⁰ ‘Our World, Our Dignity, Our Future’ stresses that the EU will promote an economic transformation that creates decent jobs, increases productive capacity and fosters sustainable value chains and diversification, including sustainable industrialisation. The European Consensus puts an emphasis on the interlinkages between economic and societal development, fully reflecting the objectives of the 2030 Sustainable Development Agenda adopted by the United Nations. In the member countries of the Organisation for Economic Co-operation and Development (OECD), small and medium enterprises (SMEs) are the predominant form of enterprises, accounting for approximately 99% of all firms. They are the main source of employment, providing on average about 70% of jobs, and major contributors to value creation, generating on average between 50% and 60% of value added. In addition, SME development can contribute to economic diversification and resilience. This is especially relevant for resource-rich countries that are particularly vulnerable to commodity price fluctuations¹¹. The relative contribution of SMEs in job creation accounts for much less in Libya, however the experience from the OECD countries is telling of the growth prospects and employment opportunities SMEs can create in an economy. A targeted policy intervention to improve the conditions for private sector development and employability in Libya should focus on the support to SMEs.

1.3 Public Policy Analysis of the partner country/region

There is no single institution in charge of SME policy implementation nor is there any national SME strategy in place. There are several institutions dealing with SME policies in Libya. The following ministries are involved in some aspects of enterprise development since the revolution: the Ministry of Industry and Economy as well as the Ministry of Labour and Manpower. The Libyan Programme for Reintegration and Development (LPRD, previously the Warriors Affairs Commission) within the prime minister’s office also works on SME development. Coordination mechanisms in this area are very complex and opaque in Libya, especially given its horizontal nature. Currently, as a result of the support provided by the EU-funded project ‘Support to Libyan for Economic Integration, Diversification and Sustainable Employment (SLEIDSE)’, four Chambers of Commerce (CoCs) develop new services for their members.

Support for SMEs, in recent years, has been characterised by a number of scattered national programmes and action plans. Before the events of 2011, the National Economic Development Board (NEDB) was established to advise the government on the elaboration and implementation of key economic reforms. The NEDB set up a national SME Programme in 2007 to boost the country's competitiveness through support to SMEs and entrepreneurship, innovative start-ups and human capital enhancement. After the revolution, this programme was transformed into an SME development agency called Libya Enterprise, operating since 2012 under the Ministry of Industry and Economy.

Interactions between the public and private sectors are not institutionalised. Their rare occurrence has so far had an informal character and lacked a systematic approach of consulting and developing a common understanding about policy problems. Libya does not have a policy to promote the participation of private sector in formulating state policies that affect the business environment and the economy as a whole. At the same time, the policy advocacy capacity of business support organisations, such as CoCs or business unions, is still

⁽¹⁰⁾ Communication of 22 November 2016, COM (2016) 740 final.

⁽¹¹⁾ [Enhancing the contributions of SMEs in a Global and Digitalised Economy](#); OECD (2017).

at very incipient stages. However, the Ministry of Economy and Industry has included public private dialogue as a key priority in its strategic planning for the next years and approached the EU for support in this field.

1.4 Stakeholder analysis

The main stakeholders to be involved in the action are the following: the Ministry of Planning (as the national authority coordinating international assistance, it facilitate co-ordination with the other Libyan institutions), the Ministry of Industry and Economy (MoE), the Ministry of Finance, the Libyan Central Bank, private companies and at local level, the municipalities, the Chambers of Commerce, commercial banks, and civil society organisations (CSOs) operating in economic sectors covered by the action. The role of these specific stakeholders is critical for the implementation of the action as some of them will be direct recipients of on the job training, technical assistance and peer-to-peer support. Their attitude towards the development of the private sector is positive given that they perceive such actions as an opportunity to improve their role and importance in the decision-making process and promote their agenda. The latter was confirmed in a consultation between the EU Delegation and a delegation of key Libyan businesses in April 2019. The delegation of Libyan businesses stressed the need to further support the private sector development, particularly in the areas identified in this action. The ongoing EU-funded actions concerning private sector development have worked closely with many of these stakeholders in improving their capacity and enlarging their understanding of the crucial role of the private sector in economic recovery and sustainable growth.

1.5 Problem analysis/priority areas for support

The priority areas identified by this action are consistent with the findings in key studies on private sector development in Libya by the Organisation of Economic Co-operation and Development (OECD¹², the World Bank¹³ and an EU-funded programming identification study. They build on the results achieved by the ongoing EU-funded action ‘Support to Libya for Economic Integration, Diversification and Sustainable Employment (SLEIDSE)’, ‘EU for Private Sector in Libya (EU4PSL)’, the SME Action Plan developed by the OECD and endorsed by Libyan authorities, as well as consecutive consultations with Libyan stakeholder and other donors.

The action will focus on two priorities:

- 1) Develop a public - private dialogue (PPD) platform to promote structured interactions between the public and private sectors, thus contributing to the adoption and implementation of policies for economic recovery, diversification and sustainable growth;
- 2) Improve the competitiveness of targeted Small and Medium Enterprises (SMEs);

Priority Area 1: Develop a platform for a public-private dialogue (PPD)

⁽¹²⁾ *SMES in Libyan Reconstruction*; OECD (2016).

⁽¹³⁾ Calice, Pietro; Benattia, Tahar; Carriere, Adrian; Davin, Eric. 2015. *Simplified enterprise survey and private sector mapping : Libya 2015 (English)*. Washington, D.C. : World Bank Group.

The economic transformation needed in Libya requires a new economic vision, which in turn implies mobilising a large number of stakeholders to set the basis for a new social contract. Given the depth of changes necessary and the inherent weakness of state institutions, establishing a broad and a legitimate process for policy dialogue is necessary to support the economic reforms. Libya lacks a suitable institutional format that has the capacity to bring together diverse social and economic actors whose role is instrumental in the success of policy reforms. Moreover, such a framework could benefit in a broader sense the process of post-conflict reconciliation and stabilisation.

PPD is an internationally accepted tool that can remedy institutional fragmentation and negative effects of a centralised administrative culture by creating reliable institutional actors with transparent roles and mandates in a participatory process of policy reforms. On one hand, the government should be involved at different levels, with the assumption that the political will, commitment and ownership are present. On the other hand, the private sector has to be engaged in an inclusive manner to ensure broad representation, while at the same time allowing for effective and targeted dialogue.

PPD plays a key role in promoting and implementing an enabling environment for reforms. Governments that consult with the private sector are more likely to promote sensible, workable and sustainable reforms¹⁴. Entrepreneurs who understand what their government is trying to achieve are more likely to support these reforms. Structured interactions are the best way for the public and private sectors to set right priorities and to support common interests.

Moreover, setting up regular meetings builds trust and understanding between the private and the public sectors. Often, policies do not succeed due to a failure to communicate and understand each other's interests, concerns and priorities, which in turn leads to distrust and non-cooperation. International development practice has shown that reforms designed to improve the business climate are more effective when dialogue between the public and private sectors involve final beneficiaries of those reforms in diagnostics, solution design, implementation and monitoring¹⁵. If designed inclusively, PPD should also create a structured mechanism for the EU to engage with the Libyan business community.

Priority Area 2: Improve the competitiveness of targeted Small and Medium Enterprises (SMEs)

The private sector in Libya is dominated by the presence of small and medium enterprises. A survey and a private sector mapping carried out by the World Bank¹⁶ in 2015 confirms this: 82% of the sample companies are SMEs, out of which 59% are considered small (5-19 employees) and 23% medium (20-99 employees). There is no official data on the number of SMEs in Libya. The 2006 Business Census¹⁷ reported a total of 117,828 enterprises, but the figure is likely to have changed drastically since then. In Libya, private sector firms face a variety of constraints to enterprise growth, increased competitiveness, and job creation. While improvements to the business environment can help lifting these constraints, more often than not, the most significant constraints to growth are company-specific. At the same time,

⁽¹⁴⁾ Williamson, Jon, “*The Political Economy of Policy Reforms*”, 1994, Washington DC.

⁽¹⁵⁾ <http://www.publicprivatedialogue.org/charter/>
Calice, Pietro; Benattia, Tahar; Carriere, Adrian; Davin, Eric. 2015. *Simplified enterprise survey and private sector mapping : Libya 2015 (English)*. Washington, D.C. : World Bank Group.

⁽¹⁷⁾ *SMES in Libyan Reconstruction*; OECD (2016).

conflict-torn economies such as Libya’s are complex, dynamic and full of business opportunities, due to the collapse of traditional business models and technological disruption.

Manifold opportunities therefore exist and can be identified, working effectively and directly with potentially competitive SMEs to rapidly expand sales and leverage large numbers of new, sustainable jobs. A facility for a private sector-led economic growth program in Libya, designed to improve firm competitiveness in high-potential sectors and sub-sectors of the Libyan economy, could generate undeniable benefits, going beyond the level of individual companies in positively influencing the sectoral value chains. By enhancing the competitiveness of large networks of viable SMEs, the massive youth unemployment and inclusiveness of women in the job market could be also addressed.

2 RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
Political instability and possible changes of governments may interrupt existing relations and impede work at a national level.	H	The interventions will be designed in a flexible manner in order to enable adaptation of activities to different circumstances. Regular analyses of the situational context and continuous policy dialogues will be carried out to enable negotiations and trust building.
Security challenges and a lack of access to the field may hinder the project implementation in Libya.	M to H	<p>The security situation is continuously evaluated and assessed. Periodic risk re-assessments will be carried out.</p> <p>Projects are designed in a flexible manner to adapt to different and changing situations. Certain activities (e.g. trainings) may be implemented abroad, depending on security assessment, focusing on Libyan nationals who will, in turn, be empowered to train other people back on Libyan territory.</p> <p>Implementing partners will rely on their networks and established presence on the ground to ensure solid buy-in and local ownership.</p> <p>An assessment of remote management modalities and third-party monitoring to provide best practice guidelines is currently ongoing and it will be fully taken into account in future contracts/grants/etc.</p>
Libyan partner institutions cannot engage with the action, due to fear	M	The EU Delegation is re-establishing its presence on the ground in Libya and is

and/or insecurity.		thus well equipped to maintain a regular (policy) dialogue with the relevant institutional partners to strengthen trustful relationships and open dialogues.
Activities overlap with other interventions by the international community.	M to L	The EU is fully participating in the United Nations Support Mission in Libya (UNSMIL)-led coordination processes through different technical working groups. In addition, intra-EU coordination has been reinforced through both regular Heads of cooperation meetings as well as informal sector coordination platforms.
Assumptions		
<ol style="list-style-type: none"> 1. Libyan public institutions are able to engage in a participatory and open process of policy reforms' design and implementation. 2. Security situation in Libya allows the mobilisation of technical expertise in the country. 3. Libyan public institutions are receptive to recommendations made as a result of programme interventions. 4. Libyan SMEs are receptive to recommendations made as a result of programme interventions. 		

3 LESSONS LEARNT AND COMPLEMENTARITY

3.1 Lessons learnt

The main lessons learned and experience developed from the implementation of previous projects on private sector development in Libya, such as the SLEIDSE and EU4PSL projects, include:

- Given the particular Libyan context, including an increased precariousness of the security situation since 2014, projects in Libya should be based on an adaptable and flexible approach. This is important to assure that activities are adjustable to different and changing circumstance on the ground as well as to avoid project failures or unforeseen obstructions.
- As a consequence of the volatility of the security context, most projects continue to be implemented remotely, exclusively through implementing partners. A regular in-depth dialogue with implementing partners is therefore indispensable, as is close (third-party) monitoring and risk analysis.
- Adopting a conflict sensitive approach is crucial to avoid association with sensitive cultural or political issues, which might jeopardize the implementation and readiness of an intervention. Maintaining trustful and participatory relations with CSOs and local actors is vital for minimising negative impacts and ensuring projects' legitimacy and efficiency.
- Implementing partners should provide an integrated management structure, share information with relevant stakeholders as well as clearly define and communicate on the

activities and objectives. This is important to ensure coherence of actions and projects' objectives, cost effectiveness of activities and synergies between different counterparts.

- National authorities are increasingly open to engage with international donors and to assume ownership of projects. However, limitations in capacity or a lack of mandate often hamper national authorities in performing such a role. Identification of niche institutional players who have the capacity and the mandate to perform the role of a project counterpart is important.

3.2 Complementarity, synergy and donor co-ordination

In the absence of a Country Strategy Document since 2016, joint programming remains a far prospect for the EU engagement in Libya. Yet, coordination within the EU as well as with the larger international community has intensified in recent months. Clear examples of an emerging willingness among donors to work towards a joint analysis and possible joint responses is surfacing in particular in the area of decentralisation, where Germany has taken up a leading role in the technical working group. In February 2019, the EU together with the World Bank (WB) and the United Nations (UN) undertook a mapping exercise to verify whether the relevant conditions are in place to undertake a Reconstruction and Peace Building Assessment (RPBA) for Libya. The EU remains convinced that the current security and political situation in Libya is not conducive for a full RPBA, but the work done in the mapping exercise is a positive step towards establishing joint analyses in a number of sectors. The United Nations Support Mission in Libya (UNSMIL), in parallel, has prioritised work on developing a humanitarian/development nexus in a number of locations.

Due to the fragile circumstances on the ground as well as the fact that the majority of the international community and implementing partners work via remote control from Tunis, donor coordination for interventions in Libya requires an additional effort. UNSMIL has the mandate for the overall coordination of the international support in Libya. Together with the Libyan Government, they agreed on the set up a number of coordination meetings and working groups, including the working group on Economic Recovery, which the EU Delegation to Libya follows closely and participates in.

Moreover, the EU Delegation to Libya holds regular coordination meetings with EU Member States, implementing partners and other donors working on the ground in Libya to make sure that consistent information-sharing is maintained. Those Coordination meetings with EU Member States and donors are an important tool to share information and work towards a more co-ordinated donor approach.

This action is complementary to the EU-funded SLEIDSE and EU4PSL actions that promote private sector development in Libya as well as to the component of support to entrepreneurship implemented by the EU-funded action 'Strengthening Local Capacities for Resilience and Recovery'. The action takes into account projects funded by other donors, such as the UK Department for International Development (DFID) on the establishment of a microfinance institution and a commercial business incubator in Tripoli. Moreover, it builds on the priorities identified by the OECD's work on formulating an Action Plan for SMEs in Libya, a project funded by the MENA Transition Fund.

4 DESCRIPTION OF THE ACTION

4.1 Overall objective, specific objective(s), expected outputs and indicative activities

The overall objective of the action is to contribute to the development of the private sector in Libya through a public - private dialogue and support to private enterprises.

The action has two specific objectives:

Specific objective 1: Develop a platform for a public - private dialogue (PPD) to promote structured interaction between the public and private sectors, thus contributing to the adoption and implementation of policies for economic recovery, diversification and sustainable growth.

Specific objective 2: Improve competitiveness of targeted Small and Medium Enterprises (SMEs).

Expected Outputs under specific objective 1:

O.1.1 PPD platforms are designed and established at national, subnational and sectoral levels.

O.1.2 PPD platforms identify and propose key priority reforms for economic recovery, diversification and sustainable growth.

O.1.3 A mechanism/framework for monitoring the implementation of key priority reforms is established at the PPD level.

Expected Outputs under specific objective 2:

O.2.1 Targeted SMEs increase their annual productivity rate.

O.2.2 Targeted SMEs increase their sales and turnover.

O.2.3 Targeted SMEs create new permanent jobs.

Indicative activities for outputs of specific objective 1:

1.1 Concept note for the definition and implementation of a PPD platform in Libya.

1.2 Creation of a PPD secretariat to support the development, implementation and national ownership of the platform.

1.3 Training of the secretariat's staff.

1.4 Launch of a PPD platform with a wide coverage of multi-sectorial private sector associations as well as local and national authorities.

1.5 Creation of an online platform to support communication about the PPD and enable transparency and participation.

1.6 National consultation to identify subnational and sectorial needs.

1.7 Mapping of Libya's subnational and sectorial needs: a process of consultation and validation to prioritise identified subnational and sectorial needs.

1.8 Support a development of a National Strategy for PPD.

1.9 Drafting of an action plan by policy dialogue focus groups under each of the selected priority areas.

1.10 Capacity building and policy dialogue focus groups on monitoring, project management, implementation mechanisms and technical knowledge related to the priority areas identified.

1.11 Trimestral coordination and monitoring meetings to assess and fine-tune the strategy's implementation.

Indicative activities for outputs of specific objective 2:

2.1 Identification of targeted enterprises following a set of geographical, sectoral and business-specific criteria.

2.2 Contact with potential partner enterprise, preliminary assessment, interviews with different departments, depending on context (management, finance, and production).

2.3 Definition of short/medium-term potential for business growth, competitiveness enhancement strategies, and prospective employment creation impact.

2.4 Together with the identified enterprises, definition of clear and quantifiable goals that will help the enterprises achieve measurable growth and employment creation.

2.5 Definition and agreement of individual action plans, timelines, types of intervention and specialised expertise required.

2.6 Provision of on-the-job advisory services, technical support and training for the selected enterprises.

2.7 Frequent monitoring via on-site and off-site staff and regular reporting.

4.2 Intervention Logic

The intervention logic behind the action structure is based on the gaps identified during the various needs assessments and consultations carried out with relevant stakeholders and donors, the experience from the ongoing EU-funded projects as well as the recommendations of the identification study conducted in February and March 2018.

The action will rely as much as possible on the inputs and expertise of Libyan institutions, considering that their cooperation is important for succeeding in the operational context of Libya. The action will seek the maximum possible consensus among Libyan institutions and help to motivate them to engage in a participatory and open process for the design and implementation of policy reforms.

The implementation will take into account existing bilateral and multilateral programmes, funded by EU and other Donors, as referred to in section 1.5.

This implies that operational sustainability is built-in, maximising ownership of the Libyan counterpart/partner institutions. Moreover, building on the experience gained while implementing other EU-funded actions, activities will take place both in Libya and Tunis, as appropriate, duly taking into account the evolving security conditions and political divisions in the country.

It is assumed that Libyan public institutions will be receptive to recommendations resulting from action interventions and that the political will and appropriate mandate will be assigned to the institutions able to champion the PPD. Likewise, from the private sector's perspective, it is assumed that the PPD will be perceived as an opportunity to positively influence the economic and structural reforms in the country. In addition, it is expected that SMEs,

beneficiaries of the Specific Objective 2, will effectively implement the advisory recommendations in view of improving their competitiveness.

4.3 Mainstreaming

The action will contribute to an overall improved rights-based and inclusive economic growth model. This, in turn, is expected to increase resilience of Libyan citizens towards conflict and radicalisation. All specific actions to be implemented under this action will be designed following a rights-based approach, ensuring a gender, age and diversity-sensitive programming through participatory approaches.

Particular attention will be given to ensure gender mainstreaming in the design of projects to strengthen female participation in professional, social and political sectors at all levels. A conflict-sensitive approach will be required in the selection of specific locations for action interventions.

The proposed action will contribute to the EU Gender Action Plan (GAP II), which provides a framework for the EU's engagement on gender equality through external action for the period 2016-2020. The GAP II is based on three thematic pillars, namely: 1) ensuring the physical and psychological protection of women and girls; 2) promoting social and economic rights and the empowerment of women and girls; and 3) strengthening the voice of women and girls. In addition, the GAP II is also based on a fourth, horizontal objective that seeks to incorporate a gender perspective in the EU's institutional culture.

4.4 Contribution to Sustainable Development Goals (SDGs)

This intervention is relevant for the 2030 Agenda. It contributes primarily to the progressive achievement of SDG 1 Zero Hunger and SDG 8 Decent Work and Economic Growth, while also contributing to SDG 12 Responsible consumption and production.

5 IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is not foreseen to conclude a financing agreement with the partner country.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4 will be carried out and the corresponding contracts and agreements implemented, is 60 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 Decision and the relevant contracts and agreements.

5.3 Implementation modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with the EU restrictive measures¹⁸.

5.3.1 Procurement (direct management)

Due to the specialised nature of the specific objective 2, a service contract will be awarded by the Commission's services to an entity that has the necessary expertise and country knowledge to implement the related activities.

5.3.2 Indirect management with an international organisation

A part of this action may be implemented in indirect management with an international organisation that will be selected by the Commission's services using the following criteria: a) adequate operational capacity and subject matter expertise in developing PPD platforms, b) experience of working with Libyan public and private organisations, c) regional experience in developing national policy frameworks and multi-stakeholder consultation platforms.

The implementation by this entity entails the necessary actions to achieve the expected outputs under specific objective 1, as described in detail in section 4.

5.4 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 provision.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

5.5 Indicative budget

	EU contribution (amount in EUR)	Indicative third party contribution, in currency identified
Specific objective 1 composed of:	2 500 000	
- Indirect management with an international organisation - cf. section 5.3.2	2 500 000	0

⁽¹⁸⁾ www.sanctionsmap.eu 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.

Specific objective 2 composed of:	1 500 000	
- Procurement (direct management) – cf. section 5.3.1	1 500 000	N.A.
Evaluation (cf. section 5.8) Audit/Expenditure verification (cf. section 5.9)	will be covered by another Decision	N.A.
Communication and visibility (cf. section 5.10)	N.A.	N.A.
Total	4 000 000	0

5.6 Organisational set-up and responsibilities

Implementing partners, contracted in line with the foreseen contracts in section 5.3 above, are fully responsible for the implementation of the action. Each partner contracted will be responsible for regular reporting to the EU Delegation – ideally through an establishment of a Steering Committee involving national counterparts for the specific action. Where feasible, such steering structures would also involve other implementing partners and/or key stakeholders (including international cooperation partners) involved in the sector to foster coordination and development of synergies between parallel programmes. Steering Committees for individual actions will meet regularly (not less than semi-annually) 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 relevant to the action and its environment. 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.

5.7 Performance and Results monitoring and reporting

Performance measurement will be based on the intervention logic as per the attached logical framework, including its indicators. For the final evaluation, the intervention logic will be the basis for the evaluation questions; the evaluation will focus mainly on the spheres of direct (outcomes) and indirect (impact) influence. As such, indicators defined for these levels of the intervention logic will be used in the evaluation. Depending on the scope and specific purpose of the evaluation, additional indicators may be defined.

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner's responsibilities. To this aim, the 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 results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the Logframe matrix (for project modality) or the partner's strategy, policy or reform action plan list (for budget support).

SDGs indicators and, if applicable, any jointly agreed indicators, as for instance per Joint Programming document, should be taken into account.

The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

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).

5.8 Evaluation

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

It will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that certain aspects of the action are innovative and/or pilot actions. The Commission, during implementation, may decide to undertake additional evaluations for duly justified reasons either on its own or at the initiative of the partner.

The Commission shall inform the implementing partner at least 30 days in advance of the dates foreseen for the evaluation missions. The implementing partner 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. The implementing partner 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.

5.9 Audit

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 audits or expenditure verification assignments for one or several contracts or agreements.

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

5.10 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures, which shall be based on a specific Communication and Visibility Plan of the Action elaborated at the start of implementation.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country (for instance, concerning the reforms supported through budget support), contractors, grant beneficiaries and/or entrusted entities.

Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and contribution agreements.

The Communication and Visibility Requirements for European Union External Action (or any succeeding document) shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

6 PRE-CONDITIONS

Not applicable.

APPENDIX - INDICATIVE LOGFRAME MATRIX (FOR PROJECT MODALITY) ¹⁹

	Results chain: Main expected results (maximum 10)	Indicators (at least one indicator per expected result)	Sources of data	Assumptions
Impact (Overall Objective)	Contribute to the development of the private sector in Libya through a public-private dialogue (PPD) and support to private enterprises.	Ranking in the Ease OF Doing Business Index*	<i>World Bank Ease of Doing Business Rankings; http://www.doingbusiness.org/en/rankings</i>	<i>Not applicable</i>
		Private sector as percentage of the GDP*	<i>IMF, World Bank, National Statistics</i>	
		Unemployment rate*	<i>IMF, World Bank and National Statistics</i>	
Outcome(s) (Specific Objective(s))	1. Develop a platform for PPD to promote structured interaction between the public and private sectors.	Number of policies adopted contributing to economic recovery, diversification and sustainable growth*	Action implementation reports	1. Libyan public institutions are able to engage in a participatory and open process of design and implementation of policy reforms. 2. Security situation in Libya allows the mobilisation of technical expertise in the country. 3. Libyan public institutions are receptive to recommendations made as a result of action interventions. 4. Libyan SMEs are receptive to recommendations made as a result of action interventions.
	2. Improve competitiveness of targeted Small and Medium Enterprises (SMEs).	Number of changed management practices and operational upgrades adopted and implemented by the targeted SMEs**	Action implementation reports	

(¹⁹) Mark indicators aligned with the relevant programming document mark with '*' and indicators aligned to the EU Results Framework with '**'.

Outputs	1.1 PPD platforms are designed and established at national, subnational and sectoral levels.	Competent authorities agree on an action plan.*	<i>Action implementation reports</i>	<p>1. Libyan public institutions are able to adopt and implement relevant action recommendations.</p> <p>2. There is no critical armed conflict impeding implementation..</p> <p>3. Libyan public institutions are receptive to policy reform recommendations and i priorities identified by the PPD platforms.</p> <p>4. Libyan SMEs implement effectively the operational recommendations of the action.</p>
		PPD platform is adopted and launched.*	<i>Decree signed</i>	
	1.2 PPD platforms identify and propose key priority reforms for economic recovery, diversification and sustainable growth.	Number of reforms identified and proposed by the PPD*	<i>Action implementation reports; Reports of the PPD Secretariat</i>	
		Number of coordination meetings held per sector/reform identified by the PPD*	<i>Action implementation reports; Reports of the PPD Secretariat</i>	
	1.3 A mechanism/framework for monitoring the implementation of key priority reforms is established at the PPD level.	Number of coordination and monitoring meetings to assess and fine-tune the progress of implementation*	<i>Action implementation reports; Reports of the PPD Secretariat</i>	
	2.1 Targeted SMEs increase their annual productivity rate.	Percentage of productivity improvement per targeted SME**	<i>Action implementation reports; Ex-post evaluations</i>	
	2.2 Targeted SMEs increase their sales and turnover.	Percentage of sales increase per targeted SME**	<i>Action implementation reports; Ex-post evaluations</i>	
		Percentage of turnover increase per targeted SME**	<i>Action implementation reports; Ex-post evaluations</i>	
	2.3 Targeted SMEs create new permanent jobs.	Number of new positions created cumulatively by the targeted SMEs**	<i>Action implementation reports; Ex-post evaluations</i>	
		Number of new positions filled cumulatively by the targeted SMEs**	<i>Action implementation reports; Ex-post evaluations</i>	