

ANNEX 1

to the Commission Implementing Decision on the Annual Action Programme 2013 Part 1 in favour of Libya, to be financed from the general budget of the European Union

Action Fiche for Support to Libya for Economic Integration, Diversification and Sustainable Employment

1. IDENTIFICATION

Title/Number	Support to Libya for Economic Integration, Diversification and Sustainable Employment CRIS number: 2013/24-852		
Total cost	Total estimated cost: EUR 10.2 million Total amount of EU budget contribution EUR 10 million This action is co-financed in joint co-financing by ADETEF ¹ for an indicative amount of EUR 200,000		
Aid method / Method of implementation	Project approach : Component 1: Direct centralised management Component 2: Indirect centralised management via ADETEF (France)		
DAC-code	25010 33110	Sector	Business support services and institutions Trade policy

2. RATIONALE

2.1. Summary of the action and its objectives

The action is intended to help develop and diversify the Libyan economy and create broad-based sustainable employment, through measures aimed at promoting the emergence of a strong micro, small and medium-sized enterprise (MSME) sector. The project will provide technical assistance in areas related to the planned future EU-Libya Framework Agreement. In addition, it will encourage increased economic integration both between Libya and the EU, and with other countries in the region. Measures will include development of national business support services, improved access to finance for MSMEs, and related policy support.

¹ ADETEF (Assistance au Développement des Échanges en Technologies Économiques et Financières) is the international technical assistance consulting agency and operator for the French ministries of Economy, Budget and Sustainable Development.

2.2. Sector context

Libya is undergoing complex political and economic transition in the aftermath of the conflict that overthrew the previous un-democratic regime. The first elections in over four decades took place in July 2012. Preparatory work on the future constitution of Libya as a democratic state is expected to be initiated following direct elections to choose the members of a constitutional drafting committee. However, there is uncertainty regarding the process and likely timeframe. The General National Congress has recently adopted the law for the election of the constitution drafting assembly but there is no date set yet for the elections. Libya could be classified as a high-income country but it is mostly a fragile state.

Libya is amongst the least diversified economies in the world, dependent on hydrocarbons for 90% of state revenues and 70% of its gross domestic product. The non-oil private sector is very small, and around 80% of employment is generated in the public sector, creating a patronage system for the distribution of economic opportunities. There is limited production in the agriculture and fisheries sectors, and some of the products are exported to neighbouring countries, especially Tunisia and Egypt.

Unemployment is estimated at 25% of the labour force, and is particularly concentrated among young people. A recent Investment Climate Assessment carried out by the World Bank identifies a number of constraints to business growth, including the regulatory framework, access to finance, access to land, and infrastructure challenges.

Unemployment and the lack of economic opportunities were at the core of the wave of discontent that triggered the Arab Spring in general, and the Libyan uprising in particular. After the fall of the former regime, expectations are high for jobs and new economic opportunities to be generated in the short term. The issue of creating employment opportunities for revolutionary fighters is of considerable political importance. However, significant reforms to the business environment will be needed if the non-oil sector is to generate the required levels of private sector employment.

Economic reform planning had been initiated before the revolution. However, implementation remained very limited, and relevant institutional capacity was not developed. The level of economic diversification declined in the last 15 years under the former regime, as the exploitation of oil and gas was prioritised. Simultaneously, Libya became heavily reliant on migrant labour, while development of national human resources was neglected.

The government now intends to pursue an agenda focused on jobs, economic opportunities and diversification. International support for Libya in this area should focus both on the policy level, assisting in the development of the legal and regulatory reforms with particular emphasis on access to finance and banking reform, and on micro, small and medium-sized enterprise development in both services and productive industries.

It is expected that stronger integration of the country within regional trade networks, and deeper trade and economic ties with the EU, can contribute over time to social and economic development. Negotiations on a framework agreement covering overall EU-Libya relations, including trade and economic cooperation, had already started before the revolution but were suspended with the outbreak of the uprising. It is now expected that discussions will be resumed with a view to developing an

agreement on trade and cooperation issues between Libya and the EU modelled on those with other European Neighbourhood partner countries.² This will provide a formal and lasting basis for the relationship between Libya and the EU. Technical assistance is expected to be needed to assist Libya with the implementation of various aspects of a future agreement.

2.3. Lessons learnt

A Trade Sustainability Impact Assessment (SIA) related to the planned EU-Libya Agreement was contracted by the European Commission in October 2009. The conclusions of the SIA included the following recommendations on priorities for EU cooperation with Libya:

- Offer cooperative assistance with the development and implementation of a Libyan industrial modernisation programme targeting SMEs, aimed at enabling industrial companies to respond positively to increased competition from European suppliers. EU assistance in other neighbouring countries has proved effective in upgrading technical equipment, transferring technical skills, and improving logistics and financial management.
- Introduce effective measures to strengthen financial services regulation, prior to implementing liberalisation measures.

Little practical experience of international cooperation supporting economic development in Libya has been acquired to date; it is therefore considered important to adopt a flexible, exploratory approach while drawing on positive experience and established best practice from within the European Neighbourhood region.

2.4. Complementary actions

EU Member States, other bilateral donors, the UN and the World Bank are beginning to prioritise support to Libya for economic development. Complementarities and synergies with these actions are anticipated:

UK: business skills training for students, recent graduates and young entrepreneurs in Tripoli and Benghazi; training support to Libya Enterprise for SME advisors (EUR 4 million).

UNDP/UK: job creation and critical infrastructure in central Libya (EUR 1.2 million).

MENA (Middle East and North Africa) Transition Facility: Finance and private sector development projects are expected to be developed in the coming months for implementation by the World Bank and OECD.

EU: Development of technical and vocational education in Libya, (including business skills) (EUR 6.5 million).

2.5. Donor coordination

In accordance with the agreements reached under the Deauville partnership, coordination on private sector development issues among Libya's international

² See the following documents for an indication of the issues to be covered by an EU-Libya Framework Agreement, and related technical assistance requirements:

1. Final Report, Trade Sustainability Impact Assessment (SIA) of the EU-Libya Free Trade Agreement - project financed by European Commission DG Trade, October 2009.
2. Final Report, Needs Assessment, Trade and Trade Related Assistance for Libya - consultant's report to European Commission, October 2010.

partners is led by the World Bank, which convenes regular donors' meetings in this area.

The EU Delegation holds coordination meetings on cooperation bringing together the EU embassies in Tripoli, covering all sectors covered by EU and Member States' assistance, including SME support and private sector development.

3. DETAILED DESCRIPTION

3.1. Objectives

EU-funded support has the overall objective of supporting Libya's economic transition through increased regional and international economic integration (notably World Trade Organization accession), and development and diversification of the MSME sector.

Two specific objectives have been identified:

- i. to support development and implementation of the planned EU-Libya Framework Agreement through technical assistance in specific institutional, trade and cooperation areas relevant to the planned agreement.
- ii. to develop economic opportunities and promote the development of a dynamic and diversified MSME sector in all regions of Libya, capable of creating employment and livelihoods for Libyans, and in particular for women and young people, through widely accessible and relevant MSME support services, inter alia through the implementation of the Small Business Act for Europe;

3.2. Expected results and main activities

The above objectives will be pursued through two distinct but interconnected components:

Component 1

Results:

Libyan administration's capacity to negotiation and implement the EU-Libya Framework Agreement strengthened

Activities:

Libya's capacity to prepare and implement the planned EU-Libya Framework Agreement will be strengthened through technical assistance, training and study visits to help build the necessary institutional capacity in relevant Libyan institutions, and through the mobilisation of expertise in various technical areas relevant to the Agreement. Priorities for support will be agreed between the Libyan authorities and the Commission on the basis of an action plan taking account of the main areas being negotiated and expected to be included in the Agreement, with reference to Libya's needs and opportunities and expected linkages to activities under component 2.

Component 2

Results:

- a. A sustainable and coordinated network of up to 10 MSME support centres established, supported by a national coordination structure.
- b. Economic activities and business opportunities for Libyan MSMEs increased and diversified.

- c. Dialogue between Libyan public and private stakeholders on reform of the policy, institutional and legislative framework for MSME development promoted.
- d. Access to finance facilitated for MSMEs.
- e. Capacity of intermediary institutions as service providers and dialogue partners strengthened.

Activities:

A sustainable Libyan national network of MSME support centres will be set up, with the capacity to provide mentoring, advisory support and consultancy services to entrepreneurs planning to start new businesses or expand operations. Specific attention will be given to enterprises with the potential to cater to domestic, regional and international markets, and to those with a high potential to create sustainable employment. Resources from the EU regional programmes will be considered where relevant, inter alia: recommendations of the Small Business Act for Europe and Libya's involvement in the Euro-Mediterranean Industrial Cooperation process coordinated by the European Commission.

Support may relate to business and financial management, production systems, logistics, marketing, or domestic, regional and international technical and SPS standards, for both manufacturing and service-sector enterprises. Advisory support will also cover improved access to finance. Up to 10 centres will be set up in different towns and cities across Libya, on the basis of partnerships with relevant local institutions: local councils, local chambers of commerce and industry, universities, civil society, etc. Linkages to relevant skills development and employment promotion activities (e.g. TVET) will be developed.

At national level, a coordination unit for the local MSME support centres will be set up. The project will aim to ensure that the unit is sustainable by working towards its future integration into a permanent national institutional framework. Both for the local centres and the national unit, activities will support the development of human resources and organisational structures.

The national unit will develop and mobilise relevant national consultancy capacity, prepare appropriate packages of advisory materials, and facilitate local access to appropriate technical resources. Networked solutions will be developed to facilitate local access to the advisory support needed. Where this is cost-effective, regional or international consultancy resources may also be mobilised. Appropriate cost-sharing arrangements will be made to promote the long-term sustainability of the national network. As well as providing services for enterprises, the support centres network should facilitate policy dialogue between the MSME sector and public authorities. In this context, the project will help strengthen Libyan business associations, not only in relation to their role in policy dialogue but also as partners contributing to the financial and operational sustainability of the enterprise support centres.

Taking into account other relevant donor-supported programmes, efforts will be made to develop advisory services to help enterprises access finance. These efforts could take the form of technical assistance for the commercial banking sector to develop capacity for MSME lending, support for the development/implementation of specific financial instruments to support MSMEs, training MSMEs to draft business plans to obtain finance from different sources, and support for developing access to finance from informal sources, including microfinance. Technical assistance with

policy advice on access to finance may be provided to the relevant national institutions.

Technical assistance with the policy, institutional and legislative framework for MSME development may be provided to the relevant national institutions, also taking into account other relevant donor-supported programmes. This support will focus on strengthening Libya's enterprise policy and regulatory framework, helping to clarify the roles of relevant institutions in drafting, implementing and monitoring policy. An analysis of Libya's regulatory framework will take account of EU and regional best practice as set out, for example, in the Euro-Mediterranean Charter for Enterprise, and Libya's position in the World Bank's 'Doing business' ranking.

During the inception phase, Libyan business associations, business support institutions and other stakeholders will be mapped to assess their capacity and potential role in the network of business support centres. Relevant studies on key constraints on private sector development should be taken into account, and specific constraints on MSME development will be assessed.

A detailed operational plan for the project, including qualitative and quantitative indicators and a logical framework matrix, together with a detailed budget, will be drafted in the inception phase of activities in close consultation with national stakeholders.

3.3. Risks and assumptions

Continuing political and social instability and conflict is a risk that has to be taken into account in the design of delivery mechanisms, which must take due consideration of the security environment.

It is assumed that Libya will continue to progress in reaching a political settlement and developing a system of constitutional government in the post-revolution period, and that public policy, as it begins to emerge more clearly, will be favourable to broadly-based development of private enterprise.

3.4. Cross-cutting issues

The project will explicitly ensure that SME advisory services are available to women, and that services cover business sectors likely to be of particular interest to female entrepreneurs. It will support good governance by fostering improved coordination among public institutions with responsibilities in the SME sector, and between central and local institutions. Support may be provided to companies operating in the environmental services sector; all specific support activities will be selected with a view to avoiding potential negative environmental impacts.

3.5. Stakeholders

The Ministry of Planning is the national authority with overall responsibility for the project, and will facilitate coordination with the other Libyan institutions concerned including, at national level, the Ministry of Economy and the Ministry of Finance, the Libyan Central Bank, and Libya Enterprise and at local level, local councils, chambers of commerce, and universities. The activities of the Warriors' Affairs Council in promoting employment opportunities for revolutionary combatants will be taken into account. Local councils will be encouraged to work with civil society on setting local priorities for the delivery of SME advisory services.

4. IMPLEMENTATION ISSUES

4.1. Financing agreement

No financing agreement with the partner country under Article 184(2)(b) of the Financial Regulation is foreseen.

4.2. Indicative operational implementation period

The indicative operational implementation period of this action, during which the activities described in sections 3.2. and 4.3. will be carried out, is 54 months, subject to modifications to be agreed by the responsible authorising officer in the relevant agreements.

4.3. Implementation components and modules

Component 1: Service contracts under direct centralised management

Component 2: Delegation agreement with a Member State agency under indirect centralised management.

4.3.1. Procurement (direct centralised management)

Subject in generic terms, if possible	Type (works, supplies, services)	Indicative number of contracts	Quarter in which the procedure will be launched (indicative)
Institutional and technical support to the Libyan authorities related to the future EU-Libya Framework Agreement	Services	1	1/2014

4.3.2. Indirect centralised management with ADETEF

Component 2 of this action has the objective of promoting development of a dynamic and diversified MSME sector in Libya. It will be implemented by ADETEF, the international technical assistance consultant agency and operator for the ministries of Economy, Budget and Sustainable Development, under indirect centralised management, in accordance with Article 54(2)(c) of Financial Regulation 1605/2002. This implementation arrangement is justified because ADETEF has relevant technical capacities in SME development and trade, and specific experience of implementation of projects in this field in the European Neighbourhood region.

The implementing agency will draft an overall implementation plan and budget for the project, in consultation with the relevant national authorities and the Commission, during an inception period of up to six months following signature of the delegation agreement. Subsequently, detailed annual implementation plans and budgets will be prepared. A project steering committee representing the relevant national authorities will approve the overall and annual implementation plans. The Commission's agreement will also be required. The delegated agency will contract specific activities in line with the project implementation plans, under its normal internal rules and procedures, including for example:

- mobilisation of expertise for preparation of implementation plan during the inception phase

- recruitment of a long-term project field operations team in Libya.
- mobilisation of EU, regional and Libyan short-term experts for missions related to all areas of activity within the project.
- contracting of supplies and works related to project set-up and establishment of MSME advisory centres network

Following approval of the implementation plan a permanent field operations team will be set up in Tripoli, with staff to be recruited by the implementing agency.

The implementing agency will manage the activities in line with the approved implementation plans. The field operations team will prepare the terms of reference for the required short-term experts, to be recruited and mobilised by the implementing agency, which will be responsible for monitoring the work of the field operations team and the short-term experts. It will also handle procurement of supplies and services, where such activities have been agreed through the implementation plan.

Policy supervision of this component will be ensured by establishing a steering committee involving the relevant national authorities. The EU Delegation will participate in the steering committee as observer.

Any change of method of implementation constitutes a substantial change except where the Commission "re-centralises" or reduces the level of budget-implementation tasks previously entrusted to the agency.

4.4. Indicative budget

Module	Amount in EUR thousands	Third party contribution (indicative, where known)
4.3.1. – Procurement (direct centralised)	2,000	N.A.
4.3.2. – Indirect centralised management with ADETEF	7,600	200
4.6. – Evaluations (direct centralised)	400	N.A.
Totals	10,000	200

4.5. Performance monitoring

The implementing partner will prepare a logical framework matrix (LFM) during the detailed project planning phase as part of the inception report and operational plan. The LFM will provide detailed indicators for all planned results, as the basis for performance monitoring.

The project steering committee set up with the participation of key national stakeholders will review monitoring reports drafted by the implementing partners.

4.6. Evaluations

The project budget includes a financial allocation for mid-term, final and/or ex-post evaluations. Evaluation missions will be contracted by the European Commission.

4.7. Communication and visibility

Communication and visibility actions will be taken in line with the relevant EU guidelines.

ANNEX 2

to the Commission Implementing Decision on the Annual Action Programme 2013 Part 1 in favour of Libya to be financed from the general budget of the European Union

Action Fiche for the Programme “Protection of vulnerable people in Libya”

1. IDENTIFICATION

Title/Number	Protection of vulnerable people in Libya CRIS number: 2013/024-899		
Total cost	Total estimated cost: EUR 7.8 million Total amount of EU budget contribution EUR 5 million. This action is co-financed with joint co-financing by the ICRC for an indicative amount of EUR 2.8 million		
Aid method / Method of implementation	Project approach Component 1: joint management – contribution agreement with the ICRC Component 2: direct centralised management - grant – direct award		
DAC-code	Social services	Sector	16010

2. RATIONALE AND CONTEXT

2.1. Summary of the action and its objectives

The aim is to promote resilience among vulnerable and at-risk populations through a community-based approach, with tangible deliverables for vulnerable groups and the host population alike. The specific objective is to address the protection needs of vulnerable, marginalised and at-risk groups by improving prison conditions and broadening access to psycho-social rehabilitation and socio-economic integration.

2.2. Context

2.2.1. Country context

2.2.1.1. Economic and social situation and poverty analysis

In 2012, GDP per capita for Libya’s population of 6.4 million averaged USD12.059 (2012 estimate). The country’s recovery post-revolution has been helped by a rebound in oil and gas production to pre-conflict levels observed in 2011. However, given the population growth and make-up¹ and the large influx of entrants to the labour market, per capita GDP has increased only modestly (IMF, 2012). Libya’s Human Development Index (HDI) value for 2012 is 0.769 placing the country in 64th

¹ The population is growing at around 2.1% per year (2010 estimate) and nearly 50 per-cent of the population is under 25 years of age.

place out of 187 countries and territories.² Between 2005 and 2012, Libya's HDI value increased from 0.746 to 0.769, which corresponds to an average annual increase of about 0.4 percent. Between 1980 and 2012, Libya's life expectancy at birth increased by 14.9 years, average years of schooling increased by 5.1 years and expected years of schooling increased by 3.6 years. By contrast, Gross National Income (GNI) per capita decreased by about 1 percent between 2005 and 2012 (Human Development Report, HDR, 2013).

Libya's 2012 HDI of 0.769 is above the average of 0.758 for countries in the high human development group and above the average of 0.652 for Arab countries. However, the HDI is an average measure, which masks **inequality in the distribution of human development** across the population at the country level. Improvement over the past decades has been uneven and unequally shared among different socioeconomic groups; Libya shows large urban-rural disparities, discrepancies between advantaged and disadvantaged regions and cities, and unacceptable differences between rich and poor.

2.2.1.2. National development policy

The 2013 budget totalled LYD 66.86 billion – about 2.39 per cent or LYD 1.64 billion less than the 2012 budget, which was LYD 68.5 billion and was massively underspent. A total of 5% of public expenditure was earmarked for education and 6% for health. Despite the increase in allocations to social sectors, concerns remain about the low efficiency of expenditure, poor absorption capacity, and the poor quality of and insufficient access to basic social services.

There is currently **no policy framework for the protection of vulnerable groups** or social protection. Preliminary discussions have taken place under the leadership of the National Centre for Disease Control (NCDC) to find a way forward on the development of a conceptual framework for action on the social determinants of health.

There is **no human rights strategy and no specific strategy to reform prisons**. However, a **National Justice Sector Strategy** has recently been drafted and it articulates a vision to enhance the performance, integrity, transparency, efficiency and independence of justice institutions. Law Number 5 of 1373 P.D. (2005) provides the legal framework for the management of the prison system. The Ministry of Justice regulates and manages the operation of prison facilities throughout the country. Over the course of 2012 and the first half of 2013, some progress has been recorded in bringing unofficial detention facilities under central control.

Libya has not signed up to key international conventions such as the Rome Statute, the African Union Kampala Convention for the Protection and Assistance of Internally Displaced Persons in Africa, the UN Guiding Principles on Internal Displacement and the UN Convention relating to the Status of Refugees and its Protocol. Currently, there is **no policy on internal displacement** per se. However, the Libyan authorities bear the responsibility for ensuring that all IDPs are afforded protection and assistance as long as they remain displaced, including through the provision of shelter that meets basic standards of adequacy, habitability and tenure security.

² The rank is shared with Malaysia and Serbia.

With regard to psycho-social rehabilitation, in August 2012 a proposal for a Mental Health Policy Framework was produced by a team of Libyan and Finnish mental health experts, coordinated by the WHO. The document reported that ‘the imperative for a reform is based on the high occurrence of mental health problems and their impact on health and on the quality of life of vulnerable groups in Libya’. It recommended increasing the availability and accessibility of quality mental health and psycho-social services through a community-based approach, while improving psychiatric in-patient care (THL, 2012). Building on the proposal described, a draft Mental Health Policy is currently under preparation and nationwide consultations are scheduled to take place in June 2013.

2.2.2. *Sector context: policies and challenges*

The EU Heads of Mission (HoMs) 2012 Report on protection of vulnerable groups in Libya noted that the situation is particularly dire for minority groups, such as the Tawergha, the Mesheshya and the Tuareg. As of March 2013, the Libyan Relief Agency (LibAid) reported 74.802 internally displaced persons (IDPs), most of whom of Tawerghan origin, living in urban and camp-like settings in and around Tripoli, the Nafusa Mountains and Benghazi, and in detention. While prospects for a return to their places of origin remain very limited, LibAid is addressing the most pressing concerns relating to protection during displacement, with special regard to food security and shelter. There are also reports of high demand for psycho-social rehabilitation and livelihood programmes among internally displaced adults and young people as well as the surrounding host communities.

Given the long-term nature of the displacement, the inadequate state of psycho-social rehabilitation services, the limited opportunities and the fact that the government has only recently assumed meaningful responsibility for IDPs, these needs deserve further attention. In line with this finding, key entry points for engagement are **in improving prison conditions and the psychosocial rehabilitation and socioeconomic reintegration** of vulnerable groups.

In this document, protection is defined as a set of actions ‘to improve legal and administrative capacity, enhance physical security, ensure that basic needs are met and access to essential services assured’. The following are identified as specific priorities for engagement: protection of detainees, and the psycho-social rehabilitation and socio-economic integration of vulnerable groups, in particular IDPs and hosting communities. The rationale for the choice of these entry points is as follows:

In the current context, Libyan prison systems are under-resourced and undergoing rapid change as regards jurisdiction and management. Given the acute vulnerability of most detainees and in particular those with a minority background, ensuring that detainees’ basic needs are met is key to addressing protection-related concerns. **Prison services in Libya have under their care one of the most vulnerable and unhealthy target groups**, including a high percentage of minority inmates. In 2013, over 8.000 people were reportedly being detained in 65 prisons countrywide. Despite progress in bringing these facilities under central control, the vast majority of inmates are being detained in poor conditions and at considerable risk of being discharged with a communicable disease and/or poor mental health.

With regard to minority groups and IDPs, serious concerns persist in terms of opportunities for their post-conflict psycho-social recovery and socioeconomic reintegration. Basic social services may nominally be available and free of charge for most but they are of very poor quality, which effectively serves to disenfranchise vulnerable groups unable to purchase services in the private sector. Psycho-social rehabilitation in particular is under-provided relative to need. Limited human resources for mental health, lack of training, and fragmentation within the Libyan health system also pose additional significant challenges. Prospects for return and long-term reparative processes related to housing, land and property are very limited at present. Considering that the period of displacement for most IDPs is likely to be protracted, the need for a comprehensive approach to psycho-social rehabilitation and socio-economic integration during this time is critical. In particular, two main areas merit further development: psycho-social rehabilitation including counselling and other psychiatric services and livelihoods support and empowerment. In addition, it is important to continue supporting awareness of humanitarian issues among the public and decision-makers.

An UNHCR Report issued in 2013 warned that voluntary lasting solutions remain out of reach for those displaced. In particular, it noted that *'a great deal of caution should be exercised in relation to targeted IDP groups such as the Tawerghans, who face staunch resistance to their return by the same local authorities that also enjoy physical control over both their property and the registry office holding evidence for their claims'* (UNHCR, 2013)³. In the present situation, thousands of IDPs and vulnerable groups face huge challenges in coping with post-traumatic stress disorders (PTSDs), mental disabilities and illness and all related hardships. The massive psycho-social needs and integration requirements of these vulnerable groups call for a comprehensive approach, which should include psycho-social support, protection, socio-economic reintegration, awareness-raising and dialogue.

2.3. Lessons learned

The following lessons were drawn from implementation, from consultation with a variety of local stakeholders and from feedback provided in the context of the Results- Oriented Monitoring (ROM) Mission in March 2013:

- Improving prison conditions effectively implements equitable and inclusive approaches that respect basic human rights and eventually builds the foundation for political resolution to long-standing conflicts and a durable peace.
- Addressing needs for psycho-social rehabilitation in post conflict settings is gradually being recognised as an important entry point to help foster peace and reconciliation.
- Direct targeting of particular minorities or IDPs may contribute to further stigmatisation of services they receive and/or them as a group and may pose high political risks and further exacerbate conflict.

³

As of June 2013, there are some plans for the return of the Tawerghan community to an area 40 kilometres away from the city of Tawergha, but it is uncertain how credible these plans are and how many IDPs are involved in such plans.

- A focus on needs and services of particular relevance to vulnerable groups may ensure greater chances for impact.

2.4. Complementary actions

The EU Protection Programme is fully complementary to other EU-funded-actions, in particular the following:

As part of a broader post-conflict stabilisation package of EUR 13.4 million, EUR 4 million were allocated under the **Instrument for Stability (IfS)** to meet urgent needs of IDP, non-Libyan refugees, other migrants and high risk vulnerable groups in August 2012. The EUR 2.2 million contracted to date fund an on-going 18 month action aiming to develop effective protection systems for children and adult IDP and to strengthen the capacities of Libyan government ministries and civil society actors to better support and meet the needs of these identified groups. Implemented by Mercy Corps Scotland and with an initial focus on Tripoli, Misrata, Benghazi and the Nafusa Mountains, the *Libyan Protection Governance Initiative* (LPGI) has resulted to date in protection monitoring across a large number of IDP sites; facilitation of effective protection responses from relevant stakeholders, including LibAid and nine local NGOs; establishment of a monitoring database for information of Ministries and other stakeholders; development of localised referral mechanisms and support to various children's recreational activities in IDP camps. In addition, Mercy Corps carefully monitored the process of the attempted return of the Tawergha in June 2013 preparing a contingency plan to respond to possible urgent needs. Much of the work of this IfS action stands to be capitalised upon as part of this project.

In the area of governance and the rule of law, the **Security Sector Reform Programme** implemented by the International Management Group (IMG) seeks to enhance physical and legal protection of people and communities, ensuring legal representation, access to justice and empowerment of communities and civil society. The programme has five components. Component 1 supports security sector reform from policing to prosecution. Component 3 aims to strengthen the capacities of the judiciary to handle criminal cases efficiently and fairly. Improvement in management standards in individual prisons will complement and reinforce broader reform processes such as those supported through Component 3.

In the **education sector**, the programme 'Better quality education and increased inclusiveness for all children' (EUR 2.4 million) implemented by UNICEF is supporting access to quality education for all children, including children with special needs and children affected by the conflict, in particular internally displaced children.

The EU Libya Health Systems Strengthening Programme (LHSS) – worth EUR8.5 million and implemented by the European Network of implementing development agencies (EUNIDA) with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) in the lead – supports comprehensive reforms for a complete overhaul of the system, in particular through developing and speeding up the delivery of primary health care services and through workforce analysis, planning and development. The planned development and upgrading of health cadres who will provide increased coverage and quality of mental health and psychosocial services will also leverage opportunities offered through this programme. In particular,

upgraded primary health care clinics will be used as a point of entry for delivering mental health services. A systematic method to determine the number of personnel and the mix of competencies required will be developed in the context of a broader strategic framework for workforce development, planning and training.

A 30-month **Physical Rehabilitation Programme** – worth EUR 2 million and implemented by IMC UK – aims to strengthen rehabilitation, community and outreach services for the war wounded and the disabled. The project started in June 2012 and is operational in four rehabilitation centres. The project has set up outreach services in two project locations to bring health services to those who cannot reach major health centres. It has also facilitated access to education for children with special needs and helped organise disabled people into a network to articulate demands for disability-inclusive policies. Since mental health conditions are also considered a disability when they are long-term, this experience will be leveraged in activities promoting the dynamic, innovative and versatile role that civil society organisations (CSOs) and representative organisations or groups of persons with disabilities can play in this respect.

As far as *other donors* are concerned, the UK and the Dutch governments have pledged support in the form of technical assistance to improve the management of the prison system and the professional qualifications of prison staff.

Through the Conflict Pool and the British Embassy in Tripoli, **the Foreign and Commonwealth Office (FCO)** has sent an expert adviser to work with the Libyan Ministry of Justice on prison reform. The FCO is also funding the International Centre for Prison Studies (ICPS) to provide training and advice to the Libyan Judicial Police to improve standards in Libyan prisons.

With funding from the Dutch government, in April 2013 **the Netherlands Helsinki Committee** (an NGO) launched the project ‘Enhancing Professionalism in the Libyan Prison Service’ with the aim of strengthening the penitentiary system in Libya and promoting adherence to international human rights standards. The 24-month project will organise an exchange of know-how between the Dutch Custodial Institutions Agency and its education department and the Libyan prison services. The project will assist in the development of a general vision and mission for the Libyan prison service with a specific focus on training prison staff.

The **United Nations Office on Drugs and Crime (UNODC)** is currently supporting the development of national strategies to prevent drug dependency and reduce HIV/AIDS transmission among injecting drug users in prison settings. Support is also provided to ensure that appropriate services such as treatment, rehabilitation and aftercare are available.

In 2012, **the ICRC** carried out 184 visits to places of detention. It registered and monitored 603 detainees, delivered more than 17.600 essential household items (blankets, hygiene kits, clothes, cleaning supplies, etc.) to 13 places of detention, and launched five repair projects for water networks in Benghazi, Al-Gharyan and Tripoli, benefiting approximately 3.500 detainees.

As far as **psychosocial rehabilitation** is concerned, Médecins Sans Frontières (MSF) and the International Organisation for Migration (IOM) provided training and supervision for psychologists in Misrata in 2011 and 2012 respectively. In

collaboration with the Ministry of Health and the NCDC, **the World Health Organisation** (WHO) is providing technical assistance to ensure that mental health and psychosocial professionals acquire the required skills. It has therefore launched two short diploma courses for General Practitioners and doctors. Much emphasis is placed on the need to adopt a community-based approach. Awareness raising on access to mental health care in communities is a complementary activity.

2.5. Donor coordination

In the area of governance, the rule of law and human rights, technical assistance embedded in the Ministry of Justice has launched a new coordination forum on justice and the rule of law, which will be chaired by the Ministry of Justice. The EU Protection Programme will endeavour to operate under its auspices. If conditions allow, a specific Working Group on Prison Reform will be established under this umbrella.

As far as mental health and psychosocial services are concerned, a coordination forum was established under the leadership of the NCDC and working in close cooperation with the WHO, but meetings have been infrequent. The EU will use this coordination structure as a forum for technical dialogue, where necessary strengthening the leadership role of the NCDC. With regard to broader protection issues, a Working Group on Protection meets regularly under the auspices of the UNHCR. The Working Group serves as a platform for information sharing among UN Agencies and international NGOs on protection-related issues. However, Libyan counterparts do not attend these meetings. A multi-sectoral forum will thus be established under the leadership of the Libyan government to facilitate the necessary dialogue around project implementation and in particular with regard to protection, psychosocial rehabilitation and socioeconomic integration of targeted groups.

3. DETAILED DESCRIPTION

3.1. Objectives

The **overall objective** is to promote resilience among vulnerable and at-risk populations through a community-based approach with tangible deliverables for vulnerable groups and the host population alike.

The **specific objective** is to address the protection needs of vulnerable, marginalised and at-risk groups by improving prison conditions and broadening access to psychosocial rehabilitation and socio-economic integration.

3.2. Expected results and main activities

Component 1

EU support in this area will **ensure that detainees are afforded treatment and living conditions, including respect for their judicial guarantees**, which meet internationally recognised standards.

In particular, the action will help **improve prison conditions by drawing on initiatives specific to individual prisons**. It will support the authorities in ensuring that detainees' treatment and living conditions meet internationally recognised

standards. It will encourage better respect for judicial guarantees by helping the authorities to identify individual cases requiring attention. It will help improve hygiene and sanitation conditions and offer expert input to the renovation of conflict-damaged or otherwise inadequate infrastructure where required. It will promote detainees' physical and mental well-being through technical support, training and advice to prison doctors and managers and through greater cooperation between prison health services and national health programmes, in particular primary health care and mental health programmes. It will facilitate medical screening of new detainees and help reduce prisoners' exposure to communicable diseases, thereby preventing prisons from becoming focal points of infection. In addition, it will raise awareness of humanitarian issues among the public, decision-makers and all those involved in armed conflict or violence, thus achieving greater respect for human dignity.

Component 2

EU support in this area will help **provide psychosocial rehabilitation, community mental health services and socioeconomic integration through a comprehensive approach reaching out to vulnerable and at-risk groups** including the economically and socially disadvantaged, IDPs and minorities.

Activities supported in this area will be organised around three main themes: psychosocial rehabilitation and mental health, including counselling and other psychiatric services and support for small-scale livelihoods and empowerment; the development and training of the necessary cadres; and awareness raising and dialogue through civil society organisations.

The partnership between EU-funded technical assistance and the NCDC will develop a strategy to address critical shortfalls in human resources for mental health and upgrade the skills of health workers, both specialists and non-specialist health workers such as doctors, nurses and lay health workers. It will help develop strategies to ensure that mental health care and psychosocial rehabilitation can be delivered effectively in primary health-care settings, through community-based programmes and task-shifting approaches (if and where appropriate). It will increase the coverage and quality of mental health and psychosocial services and establish adequate referral mechanisms where needed. It will also provide opportunities for socioeconomic integration through support for small-scale livelihoods and empowerment to those who have completed a cycle of successful psychosocial rehabilitation. In addition, it will promote awareness raising among civil society organisations about international standards on internal displacement, so as to sustain a process of bottom-up advocacy to address the specific protection needs of IDPs in Libya.

3.3. Risks and assumptions

Several risks can be identified:

Government stakeholders show hostility to initiatives aimed at improving the treatment and conditions of detainees. To address this important risk the project will develop a common understanding of priorities and entry points for improvement taking into account their political feasibility. Activities supported will draw on local initiatives and leadership. Particular attention will also be paid to strengthening

relations with government departments through regular dialogue to help create the mutual trust and understanding that enables subsequent debate, negotiation and decision-making to be more effective.

The gross inadequacy of human resources for mental health in Libya becomes an insurmountable barrier to improving outreach of mental health and psychosocial rehabilitation services for vulnerable and marginalised groups. To address this important risk a long-term approach will be adopted to train a wider range of mental health workers in much higher numbers. Task shifting seems to be an effective and feasible approach but it too will entail substantial investment, innovative thinking, and effective leadership. Besides, careful analysis of the policy context and its constraints is an important prerequisite for success. This analysis will further clarify expectations and resource support needs.

Risk analysis and risk management will be mainstreamed throughout project implementation.

3.4. Cross-cutting issues

Regarding gender, the action endeavours to **mainstream gender in programmes and projects supported**. Women will be a particular target group in the planned improvement of prison conditions and in the delivery of community mental health services and psychosocial rehabilitation. Other cross-cutting issues that the programme will contribute to are **good governance and human rights**. Improving prison conditions will effectively implement equitable and inclusive approaches that respect basic human rights. Good governance will be mainstreamed throughout project implementation, particularly as regards the delivery of training for prison managers based on international standards and rules.

3.5. Stakeholders

The **direct beneficiaries** of this action are prisoners in formal and informal prison settings and vulnerable and at-risk groups, including the economically and socially disadvantaged, IDPs and minorities.

Other key stakeholders include prison administrators, health workers, such as doctors, nurses, health care managers, psychiatric staff, social workers, security staff and specialists in infectious diseases operating in prison settings; health workers providing mental health services, such as psychiatrists, clinical psychologists, social workers, nurses and occupational therapists; and local Civil Society Organisations (CSOs).

Indirect beneficiaries include policy makers from the Libyan Relief Agency (LibAid), the Ministry of Social Affairs, the Ministry of Justice, the Ministry of Health, the Ministry of Higher Education, the NCDC, and the Ministry of Planning, representatives from the General National Congress (GNC), the media and the citizens of Libya.

4. IMPLEMENTATION ISSUES

4.1. Financing Agreement

In order to implement this action, it is **not** intended to conclude a Financing Agreement with the partner country, as referred to in Article 184(2)(b) of the Financial Regulation.

4.2. Indicative operational implementation period

The indicative operational implementation period of this action, during which the activities described in sections 3.2 and 4.3 will be carried out, is 48 months, subject to changes to be agreed by the responsible authorising officer in the relevant agreements.

4.3. Implementation components and modules

Component 1: joint management - contribution agreement with the ICRC

Component 2: direct centralised management – grant, direct award

4.3.1. *Component 1: joint management: contribution agreement with an international organisation*

The part of this action with the objective of **improving treatment and living conditions in selected detention centres** will be implemented through joint management with the ICRC. This method of implementation is justified as the ICRC is the only organisation which has access to Libyan detention centres. The ICRC opened an office in Libya in 2011 after the ‘social unrest’ escalated into an armed conflict. Currently, the ICRC has a staff of 34 expatriates distributed across four offices (in Tripoli, Misrata, Benghazi and Sebha) and engaged in visiting detainees, tracing missing persons, working with the Libyan Red Crescent (LRC) to help people injured or displaced by violence, and training Libyan Red Crescent and other volunteers to highlight the dangers of explosive remnants of war.

Joint management with this international organisation in accordance with Article 53d of Financial Regulation 1605/2002 is possible because the action has been developed jointly by the ICRC and the Commission and the action is a multi-donor action pooling funds which are not earmarked for specific expenditure.

The ICRC will be responsible for all budget implementation tasks required to carry out the activities related to Component 1 of the action.

A change in the method of implementation would constitute a substantial change except where the Commission ‘re-centralises’ or reduces the level of budget implementation tasks previously entrusted to the ICRC.

The Commission authorises that the costs incurred by the ICRC may be recognised as eligible as of 01/01/2013 because of the urgency to intervene in Libyan prisons on a wider scale with the bringing under central control of unofficial detention facilities since the end of 2012.

4.3.2. *Component 2: grant - direct award (direct centralised management)*

*(a) Objective: **Improved mental health, psychosocial rehabilitation and socio-economic integration for vulnerable and at-risk groups**, in particular the economically and socially disadvantaged, IDPs and minorities.*

Expected results:

- Increased coverage and quality of mental health and psychosocial services with a comprehensive approach including support for small-scale livelihoods and empowerment;
- Development and upgrading of cadres delivering mental health and psychosocial services in the context of a coherent and comprehensive framework addressing the number of personnel and the mix of competencies required;
- Awareness raising and dialogue through civil society organisations.

(b) Justification for a direct grant

Under the responsibility of the authorising officer by delegation, the grant may be awarded without a call for proposals to **International Medical Corps UK (IMC)**

IMC has been active in Libya since the time of the uprising in Benghazi. As the conflict has ended, IMC has shifted its approach from emergency towards longer-term responses aimed at supporting efforts to address primary health, mental health and rehabilitation needs. In 2011, it conducted a capacity assessment in the field of mental health and psychosocial support. Drawing on lessons learned in the framework of an EU-funded mental health programme in Gaza, in 2012 IMC provided training in psychological first aid to local health workers throughout Libya. Currently, it seeks to provide psychosocial support in the framework of other activities supporting primary health care and disability.

Under the responsibility of the authorising officer by delegation, the award of a grant without a call for proposals and with 100% funding is justified because the country is in a crisis situation referred to in Article 190(2) RAP, and because the component is one of those ‘actions with specific characteristics that require a particular type of body on account of its technical competence, its high degree of specialisation or its administrative power’. There is also a need to react rapidly to the situation.

(c) Eligibility conditions: not applicable.

(d) Essential selection and award criteria

The proposal to be submitted by IMC will be assessed against selection and award criteria communicated to them with the invitation to submit a proposal. The essential selection criteria are the financial and operational capacity of the applicant. The essential award criteria refer to the relevance, design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

(e) *Maximum rate of co-financing*: the maximum possible rate of co-financing for this grant is 100%⁴

(f) *Indicative quarter in which the potential direct grant beneficiary is to be contacted*: 4th trimester of the 2013

4.4. Scope of geographical eligibility for procurement in direct centralised and decentralised management

Subject to the following, the geographical eligibility in terms of place of establishment for participating in procurement procedures and in terms of origin of supplies and materials purchased as established in the basic act shall apply.

The responsible authorising officer may extend the geographical eligibility in accordance with Article 21(7) of the basic act on the basis of the unavailability of products and services in the markets of the countries concerned, for reasons of extreme urgency, or if the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

4.5. Indicative budget

EU Protection Programme	Amount in EUR	Third party contribution
4.3.1. – Component 1: Improved treatment and living conditions in selected detention centres	--	
4.3.1 - Contribution agreement (joint management)	2,000,000	2,800,000 ⁵
4.3.2. – Component 2: Improved mental health, psychosocial rehabilitation and socio-economic integration for vulnerable and at-risk groups	--	
4.3.2.– Direct grant (direct centralised management)	2,900,000	0
Total allocation under section 4.3.	4,900,000	
4.7. – Evaluation and audit	100,000	
4.8. – Communication and visibility	--	
Contingencies	--	
Totals	5,000,000	2,800,000

4.6. Performance monitoring

The programme will be subject to both internal and external results oriented monitoring using the log-frame as a tool to review progress and take corrective action. Progress towards stated objectives will be regularly monitored using a variety of methodologies, including desk reviews of narrative reports and other project outputs (i.e. analyses, draft policies and plans and draft documents), semi-structured

⁴ The maximum possible rate of co-financing may be up to 100% in accordance with Articles 192 of the Financial Regulation if full funding is essential for the action to be carried out. The essentiality of full funding will be justified by the responsible authorising officer in the award decision, in respect of the principles of equal treatment and sound financial management.

⁵ Indicative: the ICRC receives funds for its global operations from a wide spectrum of donors who stipulate varying levels of earmarking. This exercise can only be completed after the close of the financial year, when all expenses and all incomes are known. As an indication, the 2013 budget for 'People deprived of freedom in Libya' was EUR 2.4 million.

interviews with key stakeholders, and on-site assessments of project deliverables. In addition, the programme may be subject to results oriented monitoring (ROM) reviews against set criteria (relevance, efficiency, effectiveness, impact and sustainability). Indicators will be defined at the inception phase for each contract.

4.7. Evaluation and audit

An independent final evaluation will be carried out at the beginning of project year three and at the end of the programme. The final evaluation will be organised via specific framework contracts financed through an allocation of EUR 100,000. External audits will also be carried out as required by the European Commission procedures.

4.8. Communication and visibility

The EU Protection Programme will include information and communication activities in line with the Communication and Visibility Manual for EU External Actions (2010)⁶. All communication and visibility activities will be carried out by the respective implementing partners in close cooperation with relevant departments of the European Commission and the Delegation of the European Union to Libya. Exemptions from certain visibility requirements will be granted to the ICRC in recognition of the ICRC's long-standing rule of confidentiality. These will be specified in the contribution agreement.

Communication activities at the initiative of the Delegation of the European Union to Libya will include information on the objectives and expected results of the actions; essential eligibility, selection and award criteria; the maximum rate of co-financing; the indicative amount of each contract; and the indicative timetable for the conclusion of the contracts.

⁶ The Communication and Visibility Manual for EU External Actions replaces the EU Visibility Guidelines for External Actions (September 2005) and is available at: http://ec.europa.eu/europeaid/work/visibility/documents/communication_and_visibility_manual_en.pdf.