



This action is funded by the European Union

ANNEX 1

of the Commission Implementing Decision on the Annual Action Programme 2016 part 2 in favour of Libya to be financed from the general budget of the European Union

Action Document for Support to the democratic transition in Libya in the fields of Public Finance Management and Media development

INFORMATION FOR POTENTIAL GRANT APPLICANTS

WORK PROGRAMME FOR GRANTS

This document constitutes the work programme for grants in the sense of Article 128(1) of the Financial Regulation (Regulation (EU, Euratom) No 966/2012) in the following sections concerning grants awarded directly without a call for proposals: section 5.3.2

1. Title/basic act/ CRIS number	Support to the democratic transition in Libya in the fields of Public Finance Management and Media development. CRIS number: ENI/2016/ 039-371 Financed under European Neighbourhood Instrument
2. Zone benefiting from the action/location	Libya
3. Programming document	Country Strategy Paper and Multi-Annual Indicative Programme 2014-2016 for Libya
4. Sector of concentration/ thematic area	Sector 1: Democratic Governance
5. Amounts concerned	Total estimated cost: EUR 9,390,000 Total amount of European Union (EU) budget contribution EUR 6,400,000. This action is co-financed in joint co-financing by: - for component 1 by UK funds channelled through the Department for International Development (DFID) for an amount of GBP 2,100,000 (+/- EUR 2,500,000). - for component 2 by Deutsche Welle Akademie for an amount of EUR 490,000.
6. Aid modality and	Component 1: indirect management with an international organisation,

implementation modality	the World Bank; Component 2: direct management with direct award of a grant to Deutsche Welle Akademie.			
7. DAC code(s)	Component 1: DAC code 15120: Public Financial Management Component 2: DAC code 150 Government and Civil Society 15153 Media and free flow of information			
8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	×
	Aid to environment	×	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	×	<input type="checkbox"/>	<input type="checkbox"/>
	Trade Development	×		<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	×	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	×	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	×	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	×	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	×	<input type="checkbox"/>	<input type="checkbox"/>
	9. Global Public Goods and Challenges (GPGC) thematic flagships	N/A		

SUMMARY

The proposed activities are intended to support the process of national reconciliation by strengthening the institutions of democratic governance with a focus on Public Finance institutions, and to promote independent media in line with the needs and requirements of the continuing democratic transition.

Support for capacity development will be provided to key institutions in the areas of:

- i) Public finance and investment management implemented by the World Bank;
- ii) Good governance and media development, implemented by Deutsche Welle Akademie.

In 2014 the European Commission decided to work directly with the World Bank and to contribute to their Public Finance Management (PFM) Trust Fund along with funding from the United Kingdom. However, due to the deterioration of the political and security situation in Libya, as well as the absence of a unified government, the EU Delegation decided to postpone the signature of the administrative agreement with the World Bank. In 2015, the World Bank and the European Commission could not come to an agreement on the contract before the end of the year, therefore missing the deadline to commit the 2014 funding. Due to the current crucial importance of supporting the Libyan Government of National Accord (GNA) and more specifically the PFM sector, support to this Trust Fund is proposed again through this new Action Document.

Regarding the component on governance and media, the Deutsche Welle Akademie in cooperation with the Institute for War and Peace Reporting has been working since 2014 on the implementation of the EU funded grant “Media in Libya - Stability through Structure”. This aims to promote democratic reforms and institution building by supporting free press and media. The proposed component 2 of the Action will constitute the follow up of the first grant and it will concentrate on Libyan transitional governance, particularly at local level, by supporting the professionalism and independence of the media. The new grant will focus on: establishing and operationalising media regional hubs; supporting independent media products through the provisions of the grant; and when conditions allow it will continue work on legislative and regulatory mechanisms and on the development of a public service broadcast system as already foreseen under the first project.

1 CONTEXT

1.1 Sector/Country/Regional context/Thematic area

In the aftermath of the Arab Spring and the fall of the Gadhafi regime Libya has become highly unstable in both the political and security spheres. The creation of two competing governments during summer 2014 has led the country to total disarray, with the emergence of armed militias and the multiplication of local fights leading to loss of human life, material destruction, growing numbers of internally displaced people and eventually to a progressive standstill of the Libyan economy.

Since the end of summer 2014, no sector policies have been developed and the reforms initiated after the fall of the Gadhafi regime have been frozen, largely due to the polarisation of political life in Libya with two competing governments. In the meantime, the UN tried to bring the two sides to the negotiating table to find a political solution to the crisis. On 17 December 2015, these mediation efforts led to the signature of the Libyan Political Agreement, agreed to the formation of the Presidency Council whose main task is to prepare the ground for the creation of a future "Government of National Accord" (GNA) and which has been supported by the international community with the adoption of UN SCR 2259 on 23 December 2015. This process was strongly supported by the European Union (EU) which provided political and financial support.

The Presidency Council faces an enormous task and will have to address an extensive list of priorities. One of these is to uphold the proper management of public finances, as the improper management of public funds could cause the collapse of the entire reconciliation process. This is particularly the case in the context of the risk of state bankruptcy, due to lack of revenue, the enormous salary burden in the public sector and the lack of cash in the market. At the same time, it will be essential for the Presidency Council, and later the GNA, to communicate and promote its decisions as much as possible, reaching out to the entire population, across the whole country. The need for reliable, professional and independent media support that could help to link the government to the population is evident and of utmost importance. In order to enable the GNA to succeed, it is now crucial to provide accompanying measures such as technical assistance to the key Libyan national institutions. The quality of public media services also needs to be substantially improved in order to gain the support of the Libyan citizen.

When considering the prospects for public finance, Libya is still potentially a resource rich country with substantial revenues that could come from the energy sector. The oil sector used to contribute to over 90% of the total State budget. For many years, oil revenues and a generous redistribution system allowed the country to provide a high standard of living to its population, such that Libya's per capita gross domestic product (GDP) was one of the highest in Africa.

Since summer 2014, due to the political instability which followed the elections, the security situation deteriorated with the explosion of local fights all over the Libyan territory. In less than a year, oil production fell below a quarter of its potential to 400,000 barrels per day and eventually to 250,000 barrels in January 2016. In the meantime, the price of oil on the international market dropped from 100\$ per barrel to less than 35\$ in January 2016.

In this context the budget of the state became structurally unbalanced. Despite this, the Central Bank of Libya has managed to continue to pay salaries and subsidies to all Libyans by using its cash reserves. This situation is highly unsustainable and the risk of bankruptcy is growing. Finally, the banking system is also highly disorganised. Private and public banks are facing cash shortages, while most Libyan citizens and private companies do not trust them. As a consequence, problems with cash flow and liquidity are slowing down the activities of the private sector and thus hampering the chances of recovery for the country.

Several years after the revolution, the state of the media sector in Libya remains critical. Following the major role that media played during the 2011 uprising and the subsequent development of a favourable environment for media freedom, the media suffered a major setback after the 2014 crisis.

The new turmoil has had a strong adverse effect on the sector: it has interrupted the transition from an autocratic, state-owned and controlled media system to a professional and independent one; and it has also severely constrained the capacity of Libyan media to operate professionally and independently. Now, at the time when a central government could start taking its first steps, there is a strategic need to continue the overall process of reform of the sector if the media are to deliver the expected and needed support to democratic transition. Particular attention should be given to the establishment of a proper legislative framework (e.g. constitutional process and regulatory mechanisms) so that media and journalists can be protected to allow them to operate in the current situation in which the, media are often raided, attacked and controlled by militias, and in which journalists are seriously harassed, assaulted, receive death threats, defamed and criminally prosecuted.

1.1.1 Public Policy Assessment and EU Policy Framework

Libya's priorities in the coming period will continue to focus on the emergence of a stable democratic state, with efficient national institutions that can deliver the needed services in all sectors, including public finance management, information and media.

In particular regarding component 1: Public Finance Management

The centralised and opaque decision-making system of the Gadhafi regime has led to the creation of a cadre of civil servants that has limited capacity and skills to design and implement policies. Therefore, technical assistance as well as institution-building efforts will be needed at all levels of public administration institutions.

In 2012-2013, prior to the current crisis, the Ministry of Finance started to develop a work plan of priority measures in line with the dimensions of the Public Expenditure and Financial Accountability (PEFA) framework that, if implemented, should improve the capacity of public institutions to manage their expenditure and ensure better transparency and accountability.

The limited capacity of public servants is aggravated by the substantial overstaffing of all government agencies. The political polarisation of the country has worsened the situation; since 2014 the number of Libyan civil servants registered in the public administration has been artificially increased, with cases of double or triple registration of the same people. At the end of 2015, 1.8 million civil servants were officially registered for a total population of 6 million inhabitants.

Once a Government of Nation Accord (GNA) is fully in place, courageous but unpopular reforms, including restructuring of the public administration and downsizing of the number of staff, will be required. Public spending should be redirected away from salaries and subsidies towards public investments that can contribute to economic growth, diversification of the economy and long-term job creation in the private sector. Preconditions for such positive changes include improved capacities for decision-making at a political level, strengthened human resources, better management capacities and efficient administrative systems at operational level in all key public institutions.

Regarding component 2: Media Development

The development and establishment of a democratic state is firmly rooted in both freedom of expression and the right to information. These should be duly reflected in the constitutional and legislative framework and firmly embedded in relevant Governmental policies and activities. With specific reference to the Libyan media, taking into account the recent crisis and the political dialogue among the different political groups, this relationship between democracy and the operation of a free media is becoming increasingly important. More particularly, the ongoing process of transitional governance will be supported by this component not only by supporting the establishment of a legislative and regulatory framework but also by other activities such as the provision of technical assistance, notably capacity building, to the newly established Libyan institutions namely the Presidency Council, the Ministries of the GNA and the Constitutional Drafting Assembly.

Developing a coherent public policy with regards to the media will remain a major challenge for Libya in the current fluid political, institutional and security context. Nonetheless, independent professional media could and should play an important role in this crucial period. The media in Libya continues to be strongly politicised and polarised while, the few independent sections of the media operate under severe limitations and risks. Given the EU's commitment to support Libya in finding a democratic solution to the current crisis, support to media is considered of fundamental importance in this delicate moment of transition.

1.1.2 Stakeholder analysis

Regarding component 1: Public Finance Management

The Central Bank confirmed that it plays a very important role in Libya through its success in continuing to control all government Bank accounts, the cash reserve, and

accounts related to the oil sector during recent events. Since summer 2014, and during the absence of a unified government, the Central Bank has de facto taken over the role of both the Ministry of Finance and the Ministry of Budget. The main beneficiaries of the proposed programme are thus the Ministry of Finance, the Ministry of Budget and the Ministry of Planning.

In fact Ministries are in great need of technical support to enable them to carry out tasks that are currently de facto executed by the Central Bank. In addition, government institutions lack modern software and information management systems. For instance, the Ministry of Finance needs an upgraded financial reporting process as well as support in areas of government accounting and improvement of cash based reporting.

The National Audit Bureau as well as the Statistics Bureau will also benefit from the support of this project. When successfully reinforced, these two institutions could play a more prominent role in ensuring that Libyan government institutions have greater transparency and accountability.

The World Bank had already started work on PFM issues in Libya before the fall of the Gadhafi regime. At that time the World Bank cooperated directly with key institutions and signed a memorandum of understanding which is still valid today. Despite the deterioration of the situation in the country, the World Bank continued to deliver its support to those key institutions. Even with restrictions to sending international staff to Libya, the World Bank was able to continue working with the established contacts within those institutions and continued to provide training from abroad (mainly from Istanbul). Since no other institution capable of working on PFM issues with the same level of competence and leverage is present in Libya, the EU Delegation proposes directly supporting the work of the World Bank by contributing to their multi donor trust fund for Libya.

In the effort to promote more transparency in the actions of the Libyan institutions, Civil Society Organisations (CSO) will also be strengthened in order to play a more active role in, monitoring and analysing the conception and the execution of the State budget. The project will liaise with the EU funded project "Civil initiatives in Libya" in order to identify Libyan CSO to be reinforced.

Regarding component 2: Media Development

Relevant stakeholders for this component are: the central national institutions responsible for media such as the new Government of National Accord and relevant Ministries; national public broadcasting agencies such as the former Al Wataniyah TV and Radio; municipalities, local communities including local media and regional hubs; trade unions, civil society organisations and other social partners. Civil society will have a prominent role in all the project activities, starting from the inception phase and with particular reference to the development and operationalisation of the legislative and regulatory framework; the establishment of the media regional hubs; and the revision and implementation of the grant scheme supporting the content development of Libyan independent media products.

The UNⁱ and other international organisations are important stakeholders given the particular context in which this component will be implemented. Because the political and institutional situation in Libya is still undergoing major transition, the

EU Delegation proposes an in-depth mapping and analysis of the stakeholders during the inception phase of the grant. Given the specific context where the component will be operating, conflict sensitivity shall be thoroughly taken into consideration in the analysis.

1.1.3 Priority areas for support/problem analysis

Regarding component 1: Public Finance Management

Three main areas needing support have been identified as critical for the effective functioning of a democratic government and the delivery of public services to citizens and businesses:

i) Management of public (national/subnational) financial resources

At present, the capital and recurrent budgets are prepared on a two-year and one year line-item basis, respectively. Thus, it is difficult to ensure that future recurrent costs arising from investments today will be adequately catered for. This may threaten the sustainability of development projects. Linking the development and recurrent budget is therefore essential in order to gain a better understanding of government expenditure.

ii) Management of information and human resources

Currently the management of human resources in most of the ministries and official Libyan institutions is extremely poor. Capacity building is needed to manage human resources more transparently and fairly within the public administration. Basic concepts of public administration and human resource management are needed in order to move to more advanced concepts of professional growth.

iii) Coordination and collaboration among institutions (within the public administration) and between the state, both at central and local level, and its citizens:

In the coming months, the Government of National Accord will need to improve its capacity for decision-making and to make a smooth transition from crisis to development by building capacity to implement an effective and inclusive policy process. In order to do so, the following areas will need to be strengthened: 1) improving the policy process; 2) promoting communication and coordination between Prime Minister's Office and line Ministries, and among line Ministries; 3) improving technical skills and capacity of selected government agencies (e.g. National Audit Bureau) and ministries; and 4) strengthening leadership and leadership capacities;

Regarding component 2: Media Development

Three main areas have been identified as the focus for activities under this component:

i) Supporting transitional governance, by sustaining the development of a media legislative and regulatory framework and by strengthening the public service broadcasting system.

A proper legislative and regulatory framework for the media did not exist during the Gadhafi regime and it has not been possible to successfully put one in place so far; this is a fundamental element in supporting the establishment of a new democratic system and in helping to enforce its governance.

ii) Supporting the development and strengthening of professional and independent media at central and regional level across Libya.

As with the public sector, the Gaddafi regime and the more recent crisis have not yet allowed for the development of a professional, independent and pluralistic media sector, either at the sector level or at the level of individual journalists.

iii) Supporting independent media productions:

Independent media productions could be produced in Libya only during a very brief period, between the fall of the previous regime and the start of the 2014 crisis. Hence the need to establish a specific grant scheme to support independent media productions with particular attention to minor media, community media and media in remote areas across the whole country.

2 RISKS AND ASSUMPTIONS

Risk	Impact	Mitigating measures
GNA is not endorsed by the HoR and is unable to establish itself	High	The implementing partners can continue to work with independent institutions and in close cooperation with the Presidency Council (PC) based on Security Council Resolution 2259 (2015).
Unstable political context impeding work at the national level	High	Both components have been designed in a flexible manner to enable to adapt the activities to different situations. For the PFM component a double implementing scenario is foreseen: A, where the current political instability continues and there is no clear government counterpart for the World Bank to engage with; and B, where a government of unity is established and there is a clear counterpart for World Bank engagement.
The interventions inadvertently contributes to conflict ('do harm'), or fail to maximise their contribution to peacebuilding	Medium	The EU will ensure that the Conflict Sensitivity Principles ^[1] are implemented and will continue to analyse the situation throughout the implementation of the project and adapt where necessary.
Security challenges leading to a halt in the execution of the projects inside Libya.	Medium	Implementing partners rely on their established presence and networks of contact; Both components are designed in a flexible manner to adapt to different scenarios and as such enable continuation of activities, if needed in remote management and with certain activities (e.g. training) implemented abroad.
Adverse public reaction to international support to GNA	Low	Implementing partners and relevant representatives of the GNA will ensure that all activities will be properly communicated; Appropriate media response will be provided based on emerging needs.
Project activities overlap with	Low	Implementing partners utilise existing coordination

^[1] The principles state that assistance should: i) be delivered as inclusively as possible; ii) strengthen the ability of our partners to be equally accountable across communities and constituencies; iii) strengthen the connection between state institutions and communities across the country, by delivering tangible improvements.

actions by other members of the international community		mechanisms (United Nations Support Mission in Libya (UNSMIL), EU/Member States Joint coordination) to ensure complementarity and coordination of project activities with other interventions.
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Assumptions
<ul style="list-style-type: none"> • The very volatile political and security situation remains permissive to the implementation of activities. • The political situation continues to evolve in a positive way leading to the full establishment of a GNA able to execute its core functions. • Libyan counterparts are willing to take ownership of the projects and have adequate resources and capacity building absorption capacity. • Relevant Libyan authorities remain committed to collaborate with implementing partners. • The capacity of the project to identify, develop and implement specific activities across a range of different technical areas in a timely manner, and to mobilise qualified expertise in line with evolving needs over the life of the project.

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

Since 2014 the volatility of the political and security context in Libya has demonstrated that programmes and projects need to be conceived in a flexible manner in order to adjust to unexpected changes in the situation on the ground and to avoid blockages leading to administrative suspension. Projects and programmes should be designed along a double scenario, where a) the political instability continues and there is no clear Libyan government counterpart or b) where a Government of National Accord is introduced.

Since 2011, the EU has supported several projects in Libya including a "Public Administration Facility" programme aiming at providing, on a demand-driven basis, support to key public institutions. This experience has highlighted several issues: first, that the capacity, the skills and the motivation of most Libyan staff in public administration are in general lower than expected; second, that Libyan institutions have significant difficulties in effectively absorbing international technical assistance; and third that a relationship of trust has to be established with Libyan counterparts before implementation can effectively start.

However with regards to Public Finance Management, the experience of the World Bank in Libya in this field shows that despite the deterioration of the political and security situation, it is possible to work with the public administration at the technical level in several key institutions.

By continuing to work with Libyan technical staff despite the absence of a centralised government, the World Bank has proven that the political difficulties are not necessarily an impediment to provide advice and support to the core functions of

government such as the Ministry of Finance, the Ministry of Planning, the Central Bank of Libya, the National Audit Bureau, etc. The strategy of the World Bank is to dissociate the Ministerial level, by definition a political level, from the administrative staff of the ministry. The administrative staff is by definition a technical level, where civil servants are supposed to be neutral and remain in place even when political changes occur.

Taking into consideration that systemic improvements of the public administration will require effort over the long-term, and that the needs of the Libyan administration are extremely important, technical support should not be delayed or stopped due to the political circumstances.

Based on the elements mentioned above and the persistent needs in Libya, it is crucial to continue the efforts to strengthen Libyan public institutions by providing technical assistance to key technical staff. In addition to this general support to the Libyan administration, a more specific programme targeting Public Finance Management issues is also needed due to the very specific and technical support required, and to ensure these key institutions continue to function independently in this fluid context.

Regarding component 2: Media Development

One of the main lessons learned so far is that the commitment and support of relevant Libyan actors is of fundamental importance to the implementation of the media component. Moreover given the country's regional structure and the growing importance and independence of the local administrative levels (municipalities), the future possibility of de-centralisation should also be taken into consideration. Finally, given the particular Libyan context, the design of any intervention in this sector should also reflect the complexity of the situation, and interventions should be based on flexible and adaptable arrangements.

3.2 Complementarity, synergy and donor coordination

Regarding complementary actions for component 1: Public Finance Management:

The World Bank is currently the only actor directly supporting Public Finance Management in Libya. However some complementarities exist with other projects. For instance since 2011, the EU has financed two "Public Administration Facility" programmes which aim to provide Technical Assistance (TA), training and study visits for Libyan institutions including the Prime Minister's office, the General National Congress, The High National Electoral Commission, and the Ministry of Planning. The second part of this facility started in January 2016 and will run for three years.

Other institution-building initiatives are on-going such as the "Libya local governance and stabilisation project" implemented by *Vereniging van Nederlandse Gemeenten (VNG international)*. The aim of the project is to reinforce the capacities of the local administration, to strengthen municipal service delivery to the population and to foster the interaction between the local administration and civil society organisations. *Acted* is implementing a similar project in the city of Benghazi, focusing on local development plans, with a specific focus on damage assessment. The German Federal government is also financing a project implemented by *Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)* focusing on support

to small and medium size municipalities. The project will provide: i) capacity building trainings for the municipalities focusing on strategic planning, project management and improving local administration efficiency; ii) provision of basic municipal services (e.g. waste management); iii) fostering dialogue among municipalities from different regions in Libya.

Finally, an important economic diversification project focuses on job creation and support to small and medium enterprises (SMEs). This is the largest project financed by the international community in Libya in this field (EUR 6.7 million). This EU funded project is implemented by *Expertise France* and was reactivated in March 2016 after 15 months of suspension. A strong interaction is foreseen between this project and component 1 of the proposed decision, especially on institutional reform, job creation in the private sector and efforts to downsize public administrations.

Other relevant programmes managed by international partners such as the UN mission in Libya (UNSMIL) implemented through United Nations Development Programme (UNDP) also aim at strengthening the public administration, supporting the constitutional process, or building the capacities of the electoral commission.

All these projects encompass activities related to public finance management such as management of public funds, transparency, etc. Wherever possible, interactions and synergies between these projects and the proposed action programme will be actively promoted.

Regarding component 2: Media Development

Several media programmes have been implemented in Libya since 2011 and some are still running. This component will endeavour to build on and seek coordination and complementarity with all existing programmes wherever possible.

The programme "Media in Libya: Stability through Structure"¹ is currently implemented by a consortium composed of the Deutsche Welle Akademie and the Institute for War and Peace Reporting. In 2013 the EU supported the project "Protection and promotion of the freedom of information" implemented by "Reporters without Borders", which aims to increase the capacity of Libyan journalists to work in difficult situations. The proposed action will expand and strengthen the results achieved by this project.

UNESCO is also working in this sector, focusing on reinforcing the capacity of Libyan media to contribute to reconciliation and peace in the country as well as promoting freedom of expression and independent media. BBC Media Action is another international partner very active in Libya in this sector, where it has been working since 2011 to develop programming that will improve Libyans' access to information and encourage debate and participation in the country's transition. *El Kul* (For Everyone) aims to train Libyan media in journalism and production skills through hands-on training. The [El Kul website](http://www.elkul.ly/)² and social media channels such as [Facebook](https://www.facebook.com/elkul.libya/)³ provide spaces for voices and viewpoints from all sections of society. BBC Media Action is working with the Institute for War and Peace Reporting to

¹ The implementation of the project is expected to be finalised by June 2016.

² <http://www.elkul.ly/>

³ <https://www.facebook.com/elkul.libya/>

produce *El Kul* radio content. BBC Media Action is also engaged in the Libyan constitutional process, promoting TV, radio and on-line debates under the banner *Saloan Al Libyeen* (The Libyan Sofa). More recently, it launched the mobile application *Dustour Jay Wahtah* (It is Time to Talk about the Constitution), which is providing a space not only for sharing information and videos but also for participation in opinion polls. With specific reference to public debates on current affairs, BBC Media Action, along with CSOs, has also been producing and broadcasting 5 episodes of *Hiwar Mushtarak*. At regional level, the EU funded Programme MED-Media is dedicated to networking, coordination and capacity building activities, which also include the participation of Libyan partners while the EU funded project Media-Hub is dedicated to networking, on job training and support to media professionals across the EU Neighbourhood area..

Donor coordination:

The United Nations Support Mission in Libya (UNSMIL) has the official mandate to coordinate international efforts to support the peace process and cooperation support to the Libyan institutions and administrations. The EU Delegation to Libya is actively participating in the coordination meetings organised by UNSMIL in areas such as the constitutional process, elections, youth, media, public administration, local governance and security.

Since 2015, the EU Delegation has also been conducting regular coordination meetings with EU Member States representatives in Tunis to ensure that information regarding EU funded programmes and EU Member State activities is shared. The April Joint Coordination meeting focussed on ongoing programmes in the area of local governance, media and migration. In the long run, and once a unified Government is in place, these coordination efforts could lead to an EU/Member States joint programming exercise for Libya.

Coordination in the area of local governance is already assured through regular meetings with active donors in this sector under the leadership of the German Embassy in Tunis where the EU Delegation actively participates: a dedicated IT platform has been created by the EU delegation to better share relevant information on local governance programmes in Libya. Regarding Public Finance Management, coordination with DFID, which is currently financing the World Bank project in Libya, has already started. It is foreseen that this cooperation will increase with the proposed project.

With specific reference to the media sector, international fora for the future of media in Libya are periodically held in Tunis under the umbrella of the MED-MEDIA Programme, which is currently implemented by BBC Media Action. The most important relevant actors active in Libya are participating in these meetings such as UNSMIL, UNESCO, Deutsche Welle Akademie, France TV, international and Libyan civil society organisations and also private media such as The Libya Herald. Within this forum the opportunity to strengthen cooperation through the establishment of a technical secretariat or other appropriate mechanism has been discussed.

3.3 Cross-cutting issues

The action will be designed and implemented following a rights-based approach, e.g. by identifying and promoting the participation of vulnerable groups, with a particular focus on women and all Libyan communities. The issues will also be addressed, mainly by including specific indicators in the activities implemented with key partner institutions, and in the design of activities supporting the role of civil society in strengthening oversight of democratic governance and the constitutional process.

4 DESCRIPTION OF THE ACTION

4.1 Objectives/results

The global long-term objective of the programme is the consolidation of Libya's democratic transitional process.

This would be achieved, among other, by reinforced governance in Libyan Public Financial institutions as well as through the support of a free and pluralist media sector in Libya.

The two specific objectives are as follows:

COMPONENT 1: PUBLIC FINANCE MANAGEMENT

Strengthened Public Finance Management systems comply with selected PEFA criteria in line with sound management principles, transparency and accountability and reinforce the governance efforts of the Libyan government.

COMPONENT 2: MEDIA DEVELOPMENT

Increased professionalism and independence of the media sector in Libya both at central and local level.

The main results will be:

COMPONENT 1:

R1.1 Fiscal discipline, budgeting capacities and accountability of Public Finance Management systems are reinforced;

R1.2 Professionalisation of Human Resources management of the main Public Financial Institutions has improved;

R1.3 Management of information systems are put in place and used by the main Public Financial Institutions;

R1.4 Inter-institutional collaboration between the main Public Financial institutions has been enhanced.

COMPONENT 2:

R2.1 Libyan public institutions, at central and local levels, have been strengthened in their capacities to develop and manage the media sector;

R2.2 Libyan media and journalists have been strengthened in their capacities with particular attention to their professionalism and independence;

- R2.3 Regional Media hubs have been established and are functioning across the Country;
- R2.4 Phase II of a grant scheme for content development of independent Libyan media products has been successfully implemented.

4.2 Main activities

Activities in relation to the above result areas are envisaged as follows:

COMPONENT 1: PUBLIC FINANCE MANAGEMENT

The main activities foreseen are:

Regarding result 1.1:

- Development and publication of public investment and public financial management training manuals;
- Development of new accountability standards
- Development of standards on public procurement system
- Revision of the "Budget call Circular"

Regarding result 1.2:

- Design of new workforce management procedures.
- Drafting of handbook on human resources management.
- Development of a promotion system based on performance.
- Specific recruitment targeting women.

Regarding result 1.3

- Needs assessment study for introducing Management Information System (MIS)
- Definition of new procedures on data gathering and analysis as well as on flow of information
- conception of new financial management information system and related to trainings to use them

Regarding result 1.4

- trainings on public awareness for the communication units staff in line ministries
- Drafting of Handbook on intra-institutional communication
- Technical assistance for the creation of Web-portal for PMO and ministries

COMPONENT 2: MEDIA DEVELOPMENT

The main activities foreseen are:

- i) Provision of technical assistance and capacity building on behalf of Libyan national institutions, at central and local level, on media and journalism including supporting the establishment of a legislative and regulatory framework;
- ii) Provision of capacity building on media professionalism and independence;
- iii) Provision of technical assistance and capacity building on Libyan social dialogue in the media sector;
- iv) Provision of technical assistance and capacity building for the establishment and functioning of regional media hubs;
- v) Revision of Phase I and implementation of Phase II of the Libyan Content Development Fund (Grant Scheme).

5 IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, in view of continuing political instability, it is not foreseen that a financing agreement will be concluded with the partner country, as per Article 184(2)(b) of Regulation (EU, Euratom) No 966/2012.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4.1 will be carried out and the corresponding contracts and agreements implemented, is 48 months from the adoption by the Commission of this Action Document.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014.

5.3 Implementation modalities

5.3.1 Indirect management with the World Bank

Component 1 of this action may be implemented through indirect management by the World Bank in accordance with Article 58(1) (c) of Regulation (EU, Euratom) No 966/2012. This implementation entails 3 main area of support i) management of public (national/subnational) financial resources; ii) management of information and human resources; and, iii) coordination and collaboration among government institutions and between government and citizens

This implementation modality is justified because rebuilding the Public Finance Management system is of high priority for Libya and because the Libyan authorities wish to be supported by a single coherent international assistance programme. The World Bank has a proven record of effective support over the last decade. It started collaborating with Libya soon after the 2011 revolution and assistance to Libya continues with support provided under United Kingdom DFID financing from 2013.

The entrusted entity would carry out the following budget implementation tasks. The World Bank has already established a multi-donor trust fund to receive funding

provided by the EU, UK DFID and other donors. The resources of the trust fund are used to contract specialised technical assistance to work with the Libyan Ministry of Finance, Ministry of Planning and other relevant government bodies on key PFM functions in order to improve the comprehensiveness and transparency of budget processes, to develop policy-based budgeting and multi-year budgetary perspectives, to strengthen public procurement and public investment management, to develop internal controls, and to improve legislative scrutiny. In addition, PFM trainings and capacity building for specialised training bodies in public finance and accounting will be provided.

EU funding for the trust fund will be provided under the relevant Framework Agreement covering trust fund arrangements concluded between the Commission and entities of the World Bank Group.

The entrusted entity is currently undergoing the ex-ante assessment in accordance with Article 61(1) of Regulation (EU, Euratom) No 966/2012. The Commission's authorising officer responsible deems that, based on the compliance with the ex-ante assessment based on Regulation (EU, Euratom) No 1605/2002 and on the long-standing and problem-free cooperation, the World bank can be entrusted with budget-implementation tasks under indirect management.

Due to the complexity of the situation on-the-ground and the broad set of activities proposed, some activities may be implemented by other organisations under the supervision and responsibility of the World Bank.

5.3.2 Grant: direct award "Media Development" (direct management)

(a) Objectives of the grant, fields of intervention, priorities of the year and expected results.

The objective of the grant is to support Libyan transitional governance by developing and strengthening the professionalism and independence of the Libyan media. The period for the implementation of the activities will be a maximum of 36 months and it will cover: the establishment and operationalization of a legislative and regulatory framework, including building the relevant and needed capacity within the Libyan system; strengthening the professionalism and independence of Libyan media at the regional level through the establishment of media hubs; supporting the production of independent media through the design, launch and implementation of a dedicated grant scheme to be implemented across the whole of Libya.

(b) Justification of a direct grant

Under the responsibility of the Commission's authorising officer responsible, the grant for the implementation of Component 2 of this action may be awarded without a call for proposals to Deutsche Welle Akademie. The recourse to an award of a grant without a call for proposals is justified because of the persisting crisis situation, referred to in Art 190(2) RAP, in Libya limits the possibility of attributing grants through a call for proposals.. The direct award of a grant to Deutsche Welle Akademie is recommended for the continuation of support to the present process of political and institutional transition. Working with Libyan counterparts, notably with the national institutions requires the development and establishment of an excellent relation of confidence and trust. Such relation of confidence and trust has already been established between Deutsche Welle Akademie and the established Libyan

institutions. as they already have been delivering capacity building to the Presidency Council and to the Constitutional Draft Assembly. Both institutions already contacted Deutsche Welle Akademie requesting support for the building and strengthening of their capacities with reference to the media sector (and communication) in general. Moreover, with the implementation of the "Media in Libya Stability to Structure" Programme Deutsche Welle Akademie has demonstrated to have the administrative capacity, the technical expertise and the specific competences required to successfully implement the component on media in Libya. The support to an independent and professional media and information system can have a major driving role in this extremely delicate transitional period. Component 2 of the proposed action will build on relations that have been carefully established with the administration to ensure the natural follow up of the existing project. Changing the implementing partner may interrupt and/or slow down the overall reform process of the Libyan media sector, which is currently already underway with the support of existing projects implemented by the consortium led by Deutsche Welle Akademie.

(c) Essential selection and award criteria

The essential selection criteria are the financial and operational capacity of the applicant.

The essential award criteria are relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

(d) Maximum rate of co-financing

The maximum possible rate of co-financing for this grant is 90%.

(e) Indicative trimester to conclude the grant agreement

Fourth trimester 2016

(f) Exception to the non-retroactivity of costs

To ensure the continuation of EU funded activities in the media sector, covered by the ongoing Deutsche Welle Akademie project, the Commission authorises the eligibility of costs prior to the submission of the grant application as of 1 September 2016.

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 provisions.

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Budget Article 9(2)(b) of Regulation (EU) No 236/2014 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

MODULE	EU contribution (amount in EUR)	Indicative third party contribution, (EUR)
Component 1: Public Finance Management (indirect management with the World Bank)	2,000,000	2,500,000 (+/- GBP 2,100,000)
Component 2: Media development (Grant - direct award)	4,400,000	490,000
Total	6,400,000	2,990,000

5.6 Organisational set-up and responsibilities

Regarding the component 1: Public Finance Management

The World Bank will be fully responsible for the implementation of the PFM component of the action. Some of the activities will be implemented directly by World Bank staff while some could be delegated by the Bank to other organisations, depending on the specific part and in order to ensure the highest quality of the products delivered. The World Bank will have to provide an annex to the description of the action describing in detail the proposed implementation arrangements for each of the 3 specific components.

Regarding component 2: Media Development

Deutsche Welle Akademie staff will provide: the general oversight of the programme, technical support, liaison with the partners and monitoring. Two Projects Directors will be appointed to supervise the implementation of this component; one of them shall be of Libyan nationality. A Project Manager with very strong management and coordination skills will also be appointed and the appointment of Deputy Project Managers at regional level will also be taken into consideration. A Project Management Unit will be established and operationalised with the relevant administrative staff. Experts and other relevant human resources will be mobilised as needed. Regarding the relationship between the GNA and Deutsche Welle Akademie, a Memorandum of Understanding will be signed by the two parties to ensure proper ownership and structure to the activities to be implemented⁴.

In order to ensure transparency, accountability and provide strategic guidance on the programme implementation, the establishment and preparation of Terms of Reference (ToR) for a Steering Committee will be discussed with all stakeholders during the programme's inception phase. The Steering Committee will meet regularly to review the progress of the Action against the planned achievements,

⁴ Within the EU funded project "Media in Libya: stability through structure", Deutsche Welle Akademie had already signed a Memorandum of Understanding with the Libyan interim government for the implementation of the project' activities in June 2013.

review and endorse changes to the work plan where necessary, facilitate the involvement of other stakeholders and discuss any issues. Civil society will be particularly involved both in the process of preparation of the Terms of Reference and in the meetings of the Steering Committee where it will take part as a member.

5.7 Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner's responsibilities. To this end, the implementing partners shall establish a permanent internal, technical and financial monitoring system for the action and will 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 log frame matrix (for project modality) or the list of result indicators (for budget support). Each 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 reports, 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

A mid-term and final evaluation will be carried out for component 2 of this action via independent consultants contracted by the Commission. The Commission shall inform the implementing partner at least 3 months 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. One contract for evaluation services shall be concluded in June 2018. 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.

Indicatively, 2 contracts for audit services shall be concluded under a framework contract starting at the beginning of 2018. 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 for the two components which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the respective component budgets indicated in section above.

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 entrusted entities. Appropriate contractual obligations shall be included in, respectively, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

[APPENDIX - INDICATIVE LOGFRAME MATRIX (FOR PROJECT MODALITY) ⁵]

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action without an amendment to the financing decision. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for listing the activities as well as new columns for intermediary targets (milestones) when relevant and for reporting on the achievement of results as measured by indicators.

	Intervention logic	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Overall objective: Impact	Contribute to support Libya's democratic transitional processes	1. Worldwide Governance indicators for Libya 2. development of the media sector.	1. assessment in 2014 by the World Bank	1. the "Governance indicator" for Libya improved (+10 percentile over the next 2 years)	1. Worldwide Governance Indicators (WBI) - Bertelsmann indicators.	
Specific objective(s): Outcome(s)	1. Strengthened Public Finance Management systems comply with selected PEFA criteria in line with sound management principles, transparency and accountability reinforce the governance efforts of the Libyan government. 2. Increased professionalism and independence for the media sector in Libya at central and local level.	1. The 7 seven broad areas of PEFA 2. The process of transitional governance in Libya is supported and facilitated by an increased professionalism and independence of media and journalists.	1. The current PFM systems are extremely weak 2 Existence of a very weak media sector in both public and private media in the areas of the legislative framework; public and private broadcasting; and capacity and independence of media and media professionals.	1. improvement of the 7 indicators (precise targets will be defined during the inception phase). 2. Legislative framework in place; public and private broadcasting operating appropriately; capacity of media and media professionals increased.	1. PEFA report 2. Periodical and ad hoc reports from implementing partner; thematic reports from international and civil society organisations. Meetings with Libyan counter parts int. org and CSO. Reports and data from national institutions.	The security and political situation will allow the proper implementation of the action. If the unity government does not manage to be fully established and operational during the project's life-time, then operations will be conducted remotely.

⁵ Mark indicators aligned with the relevant programming document mark with '*' and indicators aligned to the EU Results Framework with '**'.

Outputs	<p>ER1.1 Fiscal discipline, budgeting capacities and accountability of Public Finance Management systems are reinforced;</p> <p>ER1.2 Professionalisation of Human Resource management of the main Public Financial Institutions has improved;</p> <p>ER1.3 Management of information system are put in place and used by the main Public Financial Institutions</p> <p>ER1.4 Inter-institutional collaboration between the main Public Financial institutions has been enhanced.</p>	<p>PEFA indicators on predictability and control in budget execution and accounting and reporting improved</p> <p>Good practices of Human Resources Management are implemented by the line ministries including a promotion system and access for women to Management positions.</p> <p>Management information system are created and used by the line ministries</p> <p>Improvement access to information and coordination/ collaboration between institutions; increased communication</p>	<p>1. Baseline situation has been assessed by the World Bank in 2014 and 2015</p>	<p>1.1 i) Reduction of discrepancy between planned and executive budget outturn; ii) increase effectiveness in Budget development iii) At least 2 of six documents listed in Performance Indicator 10 (PI-10) in PEFA) are published and disseminated</p> <p>1.2 i) 10% of HR unit staff are trained and implement knowledge ii) number of women in government institutions increased by >3%; iii) monthly evaluation reports are produced by the line ministries</p> <p>1.3 at least 5 Public Financial Institutions are using a MIS</p> <p>1.4 i) Set of new standards on intra/inter institutional communication adopted and implemented by the PMO and line Ministries ii) Web portal for PMO and ministries set up and information on government activities frequently posted (measures taken to set up a PMO portal for citizens to provide feed-back)</p>	<p>1.1 National Audit Bureau Ministry of finance data</p> <p>1.2 Prime Minister Office Ministry of Labour and line Ministries National statistical agency</p>	<p>Libyan institutions and other national stakeholders remain committed to co-operation with the international donor community.</p> <p>The international donor community continue to provide support and assistance.</p> <p>Libyan institutions are sufficiently staffed and funded as to be able:</p> <p>i) to implement change. ii) to absorb international aid.</p>
	<p>ER 2.1 Libyan public institutions, at central and local levels, have been strengthened in their capacities to reform and manage the media sector;</p>	<p>2.1 Libyan public administration is supported in the reform and management of the media sector;</p>	<p>2.1 2016 No legislative and regulatory framework in place.</p>	<p>2.1 By 2019, a legislative and regulatory framework is in place.</p>	<p>2. Periodic and ad hoc reports from implementing partners. Copy of media and journalistic production (e.g. paper. radio.</p>	

i UNSMIL has a coordinating role with reference to the international aid and cooperation provided to Libya as per its mandate.