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Recovery, Stability and Socio-Economic Development  
in Libya – “Baladiyati” – Italian Cooperation Component  
T05-EUTF-NOA-LY-13 (T05.1849)  
CUP H99J71003980006



## Recovery, Stability and Socio-economic Development in Libya *Baladiyati* Phase 2\_Programme

Italian Cooperation Component  
T05-EUTF-NOA-LY-13 (T05.1849)

### INCEPTION REPORT

10 June 2021 – 31 March 2022

Reference Number	T05-EUTF-NOA-LY-13 (T05.1849)
Framework	EU Emergency Trust Fund for stability and addressing root causes of irregular migration and displaced persons in Africa
Beneficiary country	Libya
Contracting Authority	European Union - EU
Implementing Partner	Italian Agency for Development Cooperation (AICS)
Period of execution	36 months
Starting date	10/06/2021
Inception reporting period	10/06/2021 – 31/03/2022 <sup>1</sup>
Location of the Action	14 Municipalities in southern Libya (Fezzan Region)
Municipalities already included in Phase 1	AlKufra, Ribyana, Brak Alshafi, Sebha, Ghat/Tahala, Murzuq, Shwerif, Alqatron
Additional Phase 2 municipalities	Ubari, Algarefa, Algorda Ashshafi, Shargya, Hent Baya, Darj – as endorsed by the Technical Committee meetings n. 10 on 25 January 2021 and n.11 on 31 May 2021
Contact person:	AICS Rome

<sup>1</sup> During the Technical Committee meeting No. 15 held on 7 February 2022 the partners - EU, AICS, UNDP, UNICEF and MoLG – agreed to extend this period up to 31 March 2022. The original inception period ending date was 31/12/2021.



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## Geographical scope for Phase II





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## ABBREVIATIONS

**AICS:** Italian Agency for Development Cooperation

**CFP:** Call for Proposals

**CSO:** Civil Society Organization

**DoA:** Description of the Action

**EC:** European Commission

**EU:** European Union

**EUD:** European Union Delegation to Libya

**EUTF:** European Union Emergency Trust Fund for stability and addressing root causes of irregular migration and displaced persons in Africa

**GNA:** Libyan Government of National Accord

**GNU:** Libyan Government of National Unity

**INGO:** International Non-Government Organization

**MAECI-DGCS:** Italian Ministry of Foreign Affairs and International Cooperation – Directorate General for Development Cooperation

**MoLG:** Libyan Ministry of Local Government

**MoFA:** Libyan Ministry of Foreign Affairs

**MoP:** Libyan Ministry of Planning

**PMU:** AICS Programme Management Unit

**UNDP:** United Nations Development Programme

**UNICEF:** United Nations Children's Fund



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## EXECUTIVE SUMMARY

This report summarises the activities and outcomes of the inception period for the ‘Recovery, Stability and Socio-economic Development in Libya – Italian Cooperation Component’ Baladiyati Programme Phase 2 that is funded by the European Union. The EUR 16 million AICS Programme<sup>2</sup> is part of a wider action implemented in partnership with UNDP and UNICEF with a EUR 26.2 million total budget – as endorsed by the Baladiyati Steering Committee meeting No. 4 on 15 June 2021.

The AICS Programme inception phase started on June 10 2021 after the signing of a Contribution Agreement between the European Union and AICS on June 09 2021. However, during the Technical Committee meeting No. 15 held on 7 February 2022 the partners – EU, AICS, UNDP, UNICEF and MoI.G – agreed to extend this period up to 31 March 2022. The current report covers the period 10 June 2021 – 31 March 2022, and it includes activities and results exceeding the standard inception phase.

In the inception period, the political situation in Libya was confirmed to be extremely volatile. The political elections scheduled on December 24 by the Government of National Unity (GNU) were formally postponed just a few days before the election day and then cancelled. In February the Tobruk-based House of Representatives appointed a new Prime Minister to form a new government. The refusal by the GNU Government to step aside has caused a situation with two de facto parallel governments and rising political tensions.

On the ground, the security situation has remained relatively stable despite the risks of armed confrontations between militias loyal to the two governments. Importantly, southern Libya, where the programme will be focalised, is a particularly volatile political/security context, even more so under the current political divide with its rapidly shifting alliances impacting the operation landscape. As the protracted crisis is likely to continue, AICS will maintain a flexible approach to institutional aspects and field operations, focusing on results and deliverables at municipality level. The presence of two separate governments poses a serious hindrance to the Programme Governance bodies’ functions as partners need to maintain a balanced stand between the parties.

Civil society and international organizations continue to report violence against migrants and refugees, and limited access to basic services, economic opportunities, and social cohesion, all of which are caused by the Government’s inadequate resources and capacity to intervene and address long-standing priorities. What is more, COVID-19 case numbers decreased slightly between December 2021 and January 2022 only to rise again in February due to the spread of the Omicron variant, which placed the health system under stress, particularly in the south and east of the country where the health care system remains overstretched. Additionally, bureaucratic restrictions on the movement of humanitarian staff and relief suppliers hamper aid delivery.

The inception phase confirmed the relevance of the Action as long as it flexibly adapts its stabilization focus to the needs of the intended beneficiaries, i.e., local communities of municipalities in the south of the country, including IDPs, returnees, migrants, and non-Libyans. This implies that longer-term and developmental goals be adjusted to the local absorption capacity and IPs’ access constraints. AICS will continue working closely with the Embassy of Italy in Tripoli, EU, UN partners, and INGOs to monitor risks and changes in the socio-political arena likely to impact the operational environment and related contingency planning. This will allow for prompt adjustments to be made to affected interventions as necessary. However, the Libyan context is such that the occurrence of severe shocks is to be expected, impacting the long-term sustainability of the interventions.

<sup>2</sup> In this report, ‘Action’ refers to the entire EUTF initiative, with a EUR 26.2 million budget; while ‘Programme’ refers solely to the AICS component.





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Moreover, the analysis carried out during the inception phase showed the continuing central authorities' weak coordination capabilities. Such a weak coordination capacity is having an impact also on international aid agencies, which strive to deliver a proper coordination mechanism. The initial number of 14 municipalities is already growing, with MoLG decrees establishing new administrative units, although their viability is questionable. Furthermore, the number of interlocutors is expected to increase as some groups shall claim control over specific areas and resources as a consequence of the politically divided arena, and, also, as a reflection of shifting alliances. Consequently, as in Baladiyati Phase 1, the IPs need to directly engage with multiple local actors, which implies a cumbersome and lengthy trust-building and consultation process. However, the IPs have already established robust cooperation with the 8 municipalities included in Baladiyati Phase 1 and that experience and lessons learned shall facilitate the engagement with the six additional municipalities of Phase 2.

Hence, AICS is adopting an adaptive management approach that is informed by ongoing risk analyses and focuses on direct dialogue with local authorities and stakeholders. Building on the Baladiyati Phase 1 positive experience, AICS plans to mobilize INGO partners to bridge the gap with local actors and expand the cooperation outreach. AICS has also mobilized an international inter-governmental organization, the International Centre for Advanced Mediterranean Agronomic Studies (CIHEAM), for the purpose of creating alternative livelihoods opportunities in the agro-food sector. Moreover, AICS is renewing the partnership with Voluntas Policy Advisory to ensure consistent third-party monitoring services, while continuing to co-operate closely with the EUTF Third-Party Monitoring entities.

The AICS operation was promptly established and brought to full functionality. The Programme Management Unit (PMU) is gradually being strengthened as per the staffing plan and keeps operating from offices in Tripoli and Tunis. Additional office equipment was/is being procured along with additional service contracts, e.g., third-party monitoring, a Human Resources management service, Logistical services for travel and events, car rental etc. During the Phase 2 inception period, the EU granted the 3 IPs a 9-month No-Cost Extension for Phase 1, from Sep. 30 2021 to Jun. 30 2022. Accordingly, AICS revised the cost-sharing arrangements, including the staffing plan, generating an unspent balance amounting to EUR 455,994. This amount is proposed to be reallocated to Phase 2 activities as per the plan projected in chapter 11 of this report.

The overall Action governance architecture is well established and has proven resilient to external shocks caused by insecurity and instability in Libya. The inter-partner governing bodies consist of a Steering Committee, a Technical Committee and a Technical Secretariat. In all of them, AICS plays a key role.

In continuity with Baladiyati Phase 1 management and coordination structures, AICS channelled efforts into maintaining close consultations and a strategic dialogue with stakeholders, including the Action implementing partners (UNDP and UNICEF), the European Union Delegation and Libyan authorities at the central level, namely the Ministry of Local Governance and Presidential Council and across the 14 target municipalities in southern Libya. In this framework, AICS continues to co-ordinate the Joint Communication Initiative, including a blog with human interest stories, regular posting on the Baladiyati social media pages, and visibility around Action landmark events, such as the high-profile Kick-Off meeting held in Tripoli on November 3 2021 with the presence of the Presidential Council vice-president, the Minister of Local Governance, the 14 Mayors, the EU Ambassador, the Ambassador of Italy, [REDACTED], and the AICS Regional Representative.

Thanks to synergies among the 3 IPs and a collaborative approach with the local stakeholders, the inception phase resulted in the successful identification of priority interventions at municipality level. Regarding the AICS Programme with a total budget of EUR 16 million, Component 1 Support to Municipalities (Basic Services + Agricultural Livelihoods) has an allocation of approx. EUR 10 million budget – i.e., 67% of the total budget – out of which:



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- **Basic Services sub-component:** the entire EUR 5.3 million budget is earmarked to solar energy, education, and water and sanitation activities. AICS plans to launch the related Calls for Proposals (CfPs) for INGOs in the third quarter 2022. Technical need assessments to select basic and social service facilities and priority interventions have already been conducted, and INGOs will be requested to implement project activities against identified targets.
- **Agricultural Livelihoods sub-component:** for this sub-component, during the inception period AICS signed a sub-delegation agreement with a specialized international inter-governmental organization (CIHEAM) that delivers unique sector expertise; AICS will also award grants or service contracts to support community level activities, including the promotion of socially responsible local production/processing micro-enterprises. The related CfPs are expected to be launched in the fourth quarter 2022 and will be based on need assessments and need overviews performed by specialized agencies (FAO, WFP, OCHA, etc.) and CIHEAM.

The final list of interventions for the first sub-component was prepared by the Technical Secretariat and was reviewed and endorsed by the Technical Committee meeting No. 16 held in Tripoli on 2 March 2022. The list was then endorsed by the Minister of Local Government who approved and signed them in late March 2022.

This report also includes an update on the risks and assumptions that will inform AICS' mitigation strategy throughout the implementation phase, taking into account recent events in southern Libya and challenges that include:

- The need for the international community to avoid taking a stand in favour of one of the two competing governments may cause hesitations and delays in the programme governance management;
- The political tension and continued risk of the eruption of violence causing uncertainty about the counterparts' ability to actively participate in the Action governing bodies;
- Instability of local governance, including the potential for local violent conflict and municipality splits, a trend often observed in the past months, mitigated through robust networking and close consultations with local authorities and counterparts;
- Frequent/extended power cuts affecting many basic service facilities functions and tele-communications, slowing down activities and liaison/coordination with local authorities;
- Restrictions to staff movement, particularly international personnel out of Tripoli, mitigated by intense efforts by the PMU Libyan staff and local consultants, with the continued support of the Tunis PMU team;
- The Covid-19 pandemic situation remains extremely worrying and the health care system remains overstrained in Libya, particularly in the southern region.

The present inception report includes the following Annexes:

- *Annex 1: Updated Staffing plan*
- *Annex 2: List of municipality individual budgets of municipalities*
- *Annex 3: Updated Logframe*
- *Annex 4: Updated Work plan*
- *Annex 5.1: Budget of the Action*
- *Annex 5.2: Revised Budget below 25%*
- *Annex 6: Updated Communication and Visibility Plan*



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## 1. INSTITUTIONAL SET-UP AND OVERALL PROJECT ORGANISATION

The Programme ‘Recovery, Stability and Socio-economic Development in Libya – Baladiyati’ is funded by the European Union Emergency Trust Fund for stability and addressing root causes of irregular migration and displaced persons in Africa – North Africa Window.

The Action Phase 2 has a EUR 26.2 million budget, of which EUR 16 million assigned to AICS,

The Action’s overall objective is to contribute to improving the living conditions and resilience of local communities, migrants, refugees, IDPs, and returnees, with a focus on the most vulnerable within targeted municipalities of Southern Libya. This will be achieved by implementing three interlinked specific objectives that aim to:

- SO1. Contribute to improving basic services delivery (notably education, WASH, sustainable energy, as well as facilities for social cohesion at community level).
- SO2. Contribute to creating livelihoods opportunities for local communities, including for migrants.
- SO3. Contribute to prevention/mitigation of conflicts, encourage reconciliation and strengthen social cohesion.

The AICS RSSD Baladiyati 2 Programme targets a total of 14 municipalities in the country’s southern region and is expected to have multiple positive impacts aligned with SO1 and SO2, namely:

1. Enhanced municipalities’ capacity to deliver basic services to communities and vulnerable groups, including migrants, in a context of institutional fragmentation and shortage of resources;
2. Improved agro-food livelihood strategies that contribute to community resilience and stabilisation processes.

AICS signed a Contribution Agreement with the EU on Jun. 09, 2021. A subsequent internal decree No. 21822 on Jul. 30 2021 delegated the management responsibility from the AICS Rome Director to the AICS Regional Representative for Tunisia, Libya, Morocco and Algeria, and is based on a 6-month operation and expenditure planning/reporting cycle.

In continuity with Baladiyati Phase 1, AICS plays a leading role in the Action governance architecture, consisting of a Steering Committee, Technical Committee and Technical Secretariat. In close coordination with the Embassy of Italy to Libya, cooperation with the Libyan authorities at both the central and local levels was crucial for the successful completion of the inception phase. To this end, AICS coordinated with the Ministry of Local Government (MoLG), as well as the Presidential Council, as a key national counterpart. However, first the cancelled presidential and legislative elections then the later appointment of a new parallel government impacted the political landscape at central level, causing uncertainty about the counterparts’ ability to actively participate in the Action governing bodies. The inception phase of the programme largely capitalised on close and effective collaboration with municipality-level representatives, such as mayors, councillors, sector coordinators and technical staff.

During the inception phase, the 4<sup>th</sup> Steering Committee meeting (the agenda included both Phase 1 and Phase 2 items) was held on June 15, 2021; five Technical Committee meetings, from No.12 to No. 16, (the agenda included both Phase 1 and Phase 2 items) were held respectively on Aug. 16, Sep. 9, Nov. 8, 2021, and on Feb. 7 and March 2 2022. Before, during and after the mentioned meetings, multilateral and bilateral consultations through the Action governance structure defined the steps to identify specific





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interventions for each municipality and the attribution of responsibilities to each implementing partner. AICS, UNDP and UNICEF closely consulted each other to avoid overlaps and strengthen synergies and complementarities of the respective interventions. The Technical Committee Meeting No. 16, held on March 2, 2022, endorsed all the Baladiyati RSSD Phase 2 inception documents. The programming exercise followed the policy decisions of the Steering Committee Meeting No. 4 held on June 15th, 2021 when the Phase 2 geographic coverage, programmatic scope/sectors, budget and launching were approved.

The PMU in Tripoli has played a crucial role throughout the reporting period, successfully facilitating Action-wide coordination with the national and local counterparts, and AICS communication between short-term consultants and the local authorities, including several follow-up meetings. The PMU Team Leader was relocated to Tripoli in June 2021 to closely support the Baladiyati 2 inception phase in addition to the International Programme Associate and Communications Officer short-term missions. The Deputy Team Leader recruited in November 2022 also carried out two missions in Libya in support of the work by the programme governing bodies.

## 1.1 THE PROJECT TEAM

The AICS Programme Management Unit (PMU), established and staffed during Phase 1, operates from two offices, one in Tripoli and one in Tunis. Coordination between the Tripoli and Tunis offices has been consolidated through regular audio and video conferences and reinforced by the presence of the Team Leader in Tripoli, and by the short-term missions carried out by other members of the PMU Tunisia.

During the inception phase, the PMU focused on the following achievements:

- Providing technical and operational support to the overall Action governance structure, and ensuring an effective workflow among the Technical Secretariat, Technical Committee, and Steering Committee;
- Assessing the basic service rehabilitation needs in the 14 target municipalities, in close consultation with the Libyan authorities at both the central and municipality levels, with a conflict sensitive approach;
- Coordinating with UNDP, UNICEF and MoLG technical needs assessment to harmonize the approach and identify complementarities;
- Coordinating with the EU, the Embassy of Italy in Tripoli, the AICS Regional Office in Tunis and AICS Headquarters in Rome, to optimise processes and results;
- Negotiating the Sub-delegation agreement with CTHEAM Bari and preparing the related dossier for signature;
- Negotiating the new M&E service contract with Voluntas Policy Advisory and preparation of the related dossier;
- Processing the selection/contracting of other providers of services and goods;
- Selecting and appointing three new international members of the PMU, namely the Deputy Team Leader, the Administration/Procurement Officer and the Programme Officer for the Technical Secretariat;
- Producing regular Quarterly Information Notes;
- Managing the communication and visibility plan through regular programme reporting, the production and dissemination of content for internal and external use and the rollout of an integrated communication strategy incorporating the EU, UNDP, UNICEF, the Italian Embassy in Tripoli, AICS Regional Office and AICS Headquarter (see section 11 below);
- Regular and sustained context monitoring and conflict-sensitive information gathering to inform the programme risk analysis and identify criticalities in the security and political shifting environment;





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- Leading programme and implementation coordination with AICS bilateral programmes to ensure proper geographical coverage and maximize synergies.

During the Phase 2 inception period, the EU granted the 3 IPs a 9-month No-Cost Extension for the Phase 1, from Sep. 30, 2021 to Jun. 30, 2022. Accordingly, AICS revised the approved Phase 2 staffing plan (presented in Annex 1: Updated Staffing plan) to optimize the use of human resources since some positions cover both Phases and are cost-shared while some planned new recruitments are delayed. Similarly, some project office costs are shared between the extended Phase 1 and Phase 2 budgets. The above-mentioned cost-sharing arrangements and the office asset inventory transfer from Phase 1 to Phase 2, duly presented in the Phase 1 No-Cost Extension documents and approved by the EU, generate budget savings that are proposed to be reallocated to other budget lines as deemed appropriate, allowing efficient use of resources for the benefit of Phase 2.

According to the revised staffing plan, the Programme Management Unit (PMU) both for Phase 1 and Phase 2, includes the following staff:  
International personnel:

- i) a full-time Team Leader/Programme Technical Coordinator;
- ii) a full-time Deputy Team Leader;
- iii) a full-time Compliance (Legal/Admin/Finance/Procurement) Officer;
- iv) two full-time Programme Associates;
- v) a full-time Financial Assistant;
- vi) a full-time Administration/Procurement Officer;
- vii) a full-time Communications Officer;
- viii) a Programme Officer for the Technical Secretariat.

The ongoing Phase 1 budget (incl. NCE) funds the two Programme Associates, the Financial Assistant and the Communication Officer. The Team Leader and the Compliance Officer are cost-shared between Phase 1 and 2 until the completion of Phase 1. One Deputy Team Leader, one Administration/Procurement Officer and one Programme Officer for the Technical Secretariat have been recruited during the inception phase; the other personnel will be recruited at the conclusion of the implementation period of Phase 1.

National personnel:

- i) a National Operation Associate based in Tunis;
- ii) a Programme Officer based in southern Libya;
- iii) a Liaison Assistant/Secretary;
- iv) an Operations/Logistics Assistant;
- v) an Office Security/Maintenance Operator based in Tripoli/Libya.

Phase 2 upscaling of the Technical Secretariat function and workload requires additional full-time national staff, namely: one Deputy Team Leader (based in Tripoli with frequent missions to southern Libya); a Liaison/Communication Assistant, and municipality focal points (5 full-time equivalent positions based in southern Libya to cover 14 Municipalities).

International and national short-term consultants will be mobilized as required.

The existing PMU team is fully budgeted until June 2022, except for these international positions, namely: a Deputy Team Leader; Compliance Officer (cost share 50% on phase 2); an Administration/Procurement Officer, and a Programme Officer for the Technical Secretariat.

The Phase 2 budget will cover the salary costs for all human resources until the end of the Action, including the temporary staff.

The updated PMU staffing plan is as follows:





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## 2. INCEPTION PHASE

The Phase 2 inception period was foreseen for a 6-month duration to accommodate risk management and expected delays in technical consultations and programming in the field. As anticipated above, the governing bodies of Baladiyati Programme jointly agreed on a 3-month extension of the inception phase. Thus, the inception phase started on the 10<sup>th</sup> June 2021 and it was formally concluded on 31<sup>st</sup> March 2022. The inception phase ended with the successful identification of priority interventions for the 14 target municipalities in southern Libya and through the distribution of implementation responsibilities among the 3 IPs.

### 2.1 DESCRIPTION OF THE PROCESS REGARDING THE SELECTION OF THE MUNICIPALITIES AND RELATED INTERVENTIONS

In April 2021, the Trust Fund Committee approved the amended Action Document. The selection of the 14 municipalities was coordinated with the Ministry of Local Governance (MoLG) based on the following criteria: (i) municipalities largely excluded from donor funding; (ii) municipalities with newly elected municipal councils; (iii) locations presenting a higher economic development potential; (iv) security and accessibility; (v) presence of migrant and IDP communities.

During the inception phase, interventions were technically assessed, shortlisted and prioritised through bilateral and multilateral consultations. The MoLG staff were actively involved in the consultations alongside mayors and municipal actors responsible for basic services, and civil society representatives.

AICS regularly consulted with the Italian Embassy in Tripoli to ensure adequate liaison at the institutional level and coordinated with UNDP and UNICEF to ensure the streamlined identification of appropriate programmatic interventions, including facilities in need of rehabilitation, at the municipality level.

The Steering Committee Meeting No. 4, held in Tripoli on 15 June 2021, approved the Phase 2 geographic coverage, programmatic scope/sectors, budget and launching. Moreover, the Steering Committee representatives participated in the Phase 2 Kick-Off event, held in Tripoli on 03 November 2021, chaired by the Presidential Council Vice-President Alkoni, during which Phase 2 was presented to the mayors from the selected fourteen municipalities.

During the Technical Committee Meeting n. 15 held at the Ministry of Local Governance (MoLG) in Tripoli on 07 February 2022, the members concurred on the need to request for a 3-month extension of the Inception Phase that had been initially scheduled to run from 01 July to 31 Dec. 2021. The Inception Phase extension to 31 March 2022 was deemed necessary to complete the technical review of the priority interventions. Furthermore, the Technical Committee meeting No. 16, held at the MoLG in Tripoli on 02 March 2022, endorsed the detailed programming documentation, i.e. the short-listed interventions by each implementing partner and indicative budget by municipality, thereby ending the core activities of the Inception Phase.

Finally, on 24 March 2022, the Technical Secretariat shared with all Baladiyati Technical Committee members and with the Programme focal points the conclusions drawn by the programme governing bodies regarding Phase 2:





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1. The Phase 2 endorsed programming documentation including:
  - Tentative Budget: by Output and IP
  - Municipality tables; indicative intervention list, including IP responsibilities, and a provisional budget
  - Indicative workplan.
2. Phase 2 inception completion by the end of March: the 3 Implementing Partners have been encouraged to start executing their respective components.
3. The proposed municipality interventions and the programming exercise in line with the Steering Committee policy decisions.

Based on the respective budget allocations, AICS committed to providing assistance in 14 municipalities, with UNDP and UNICEF, as implementing partners, supporting work in 5 municipalities each. The below table shows the 3 IPs' respective municipality coverage.

Municipality	Implementing Partner(s)
ALKUFRA	AICS + UNDP + UNICEF
BRAK ALSHATI	AICS + UNDP + UNICEF
SEBHA	AICS + UNDP + UNICEF
UHARI	AICS + UNDP + UNICEF
GHAT/TAHALA	AICS + UNICEF
MURZUQ	AICS + UNDP
ALGHAREIFA	AICS
ALGORDA	AICS
SHARGYA	AICS
BENT BAYA	AICS
ALGATRON	AICS
DARJ	AICS
SHWERIF	AICS
RIBYANA	AICS

In all of the 14 selected municipalities, the Action will improve living conditions for the most vulnerable communities, including migrants, refugees, and their host communities in an inclusive and conflict-sensitive manner by enhancing access to basic and social services. Moreover, it will tackle lower economic development, social cohesion, and community tensions. The Action will therefore aim at supporting activities that can respond to immediate needs at the local level while also laying the groundwork for longer-term, more sustainable interventions.

In regards to Output 1, AICS will conduct activities to enhance basic services provision and build the capacity to operate basic service facilities which will subsequently be transferred to the local counterparts, contributing to inclusive access and better quality of services rendered to beneficiaries. The interventions will also address the need to ensure adequate maintenance of the rehabilitated service facilities through: (i) adaptation of technical specifications for works and equipment – incl. renewable/solar energy – to prevailing standards in use by Line Ministries and international actors in the Libyan context; (ii) training of technical staff in proper use and maintenance practices; (iii) capacity building of local managers and technical staff in order to plan for routine and extraordinary maintenance. For the basic services component, the implementation modality will be implemented through the launch of Call for Proposals to select INGOs operating in Libya that deliver expertise in education, WASH, community/service infrastructure, renewable/solar energy installations. Through the coordination process and indicative budgeting, AICS committed to focus on a list of basic service facilities rehabilitation works and provision of equipment – mainly, small-scale solar energy





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installations. Other sectors of intervention covered by AICS in some municipalities include education and WASH, with activities including school building maintenance and rehabilitation works, and the provision of water, sanitation, and hygiene equipment.

As far as Output 2, AICS activities aim at creating alternative livelihoods opportunities for local actors in the broadly defined agro-food sector, building on innovative approaches and sustainable use of natural resources. In order to generate more complete and coherent stabilization impacts, in Phase 2 the programme will go beyond the prevailing service delivery scope of Phase 1 by placing emphasis on the local economic development perspective (decent job creation, sustainable economic development), while fostering social cohesion and human security at the communal level. Interventions will focus on stimulating growth in the agro-food sector as well as through capacity development of private sector actors.

CIHEAM Bari will be AICS' main implementing partner for the activities as listed in Output 2. The appointment of CIHEAM Bari as technical/scientific partner for this Action is based on the following criteria: presence on the ground, operational capacity, particular technical approaches, methodologies and tools, unique expertise and exclusive mandate. As foreseen by Annex 1 of the CA, a sub-delegation agreement, with a budget of approx. EUR 3.3 million was signed by AICS Deputy Director on 18 March 2022 according to AICS internal procedures for grants to International Organizations and in line with provisions from previous agreements between the two organizations.

For the agro-food sector, the second implementation modality will be implemented through selected INGOs operating in Libya (Call for Proposal) with expertise in the agriculture and livelihoods sector. The Call will be launched in the fourth quarter of 2022. The baseline study will be based on need assessments and need overviews performed by specialized agencies (FAO, WFP, OCHA, etc.) and CIHEAM.

Training and capacity building activities, as well as the promotion of inclusive access to basic services at the community level, including promotion of socially responsible local agro-food production/processing micro-enterprises, will be implemented in all municipalities.

Finally, capacity building activities will be partly carried out under AICS direct management through the acquisition of consultancy and logistics services, and partly implemented through interventions entrusted to implementing partners (mainly INGOs, CSOs and CIHEAM Bari). The security situation on the ground, as well as the evolution of the pandemic and access restrictions, may have an impact on capacity building, training, and awareness campaigns. However, these external factors have been already mitigated thanks to the possibility of roll-out activities executed in an agile and flexible manner via remote management thanks to technological tools, such as videoconferencing platforms, among others.

Annex 2 – The list of municipality individual budgets provides a detailed synopsis of the selected interventions related to Output 1.

## 2.2 PREPARATORY ACTIVITIES

Prior to the signing of the Contribution Agreement, AICS engaged with the other partners (UNDP and UNICEF) and Libyan counterparts at both central and local levels to formulate the technical dossier and prepare for the programme inception. To this end, AICS has been coordinating with the MoLG as the key national counterpart. The inception phase has also capitalised on close and effective collaboration with representatives at municipality level, such as mayors, councillors, sector coordinators and technical staff.



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The inception phase also takes advantage of the solid relationship between AICS, the Italian Embassy in Tripoli and the Libyan institutional partners that was built through the successful implementation of the Baladiyati Phase 1 and other bilateral programmes.

Preliminary meetings and consultations before and during the inception phase included:

- **Consultation meetings with the Libyan authorities:** at the central level, AICS organised several meetings with MoI.G staff assigned to the Action and the mayors. At the municipality level, numerous consultations took place in Tripoli and at the local level to present the Action, build consensus over its scope and prioritise interventions, including the newly established municipalities within the Action area.
- **Partner coordination meetings:** several meetings were held to coordinate inception activities and review/update the joint inception activity planner and the municipality programming table, based on demography, lack of infrastructure, lack of recent/ongoing/planned interventions and impact of conflict.
- **Field visits:** AICS international and national staff in Tripoli held numerous formal and informal meetings with counterparts. National staff and local consultants completed technical missions to all the 14 target municipalities. During the inception phase, AICS, UNDP and UNICEF have been closely cooperating to conduct the technical assessments, including conflict sensitivity analysis and municipality profiling, to define the priority interventions in collaboration with the local authorities and in coordination with the central authorities.

In the municipalities (Kufra, Brak AlShati, Sebha, Ubari, Murzuk and Ghat/Tahala) where the action will be implemented jointly by the three Implementing Partners participatory consultations were conducted with local stakeholders. The table below shows AICS field missions conducted by local consultants:

Municipality	Starting Date	Ending Date	Duration
Sebha-Tripoli -Sebha	October 3, 2021	October 4, 2021	2 Days
Ubari	October 8, 2021	October 9, 2021	2 Days
Brak Al Shati	October 10, 2021	October 11, 2021	2 Days
Sebha	October 13, 2021	October 14, 2021	2 Days
AlGarefa	October 17, 2021	October 17, 2021	1 Day
Murzuq	October 30, 2021	October 31, 2021	2 Days
AlGarefa	November 21, 2021	November 25, 2021	5 Days
Bent Beya	December 1, 2021	December 5, 2021	5 Days
Ubari	December 27, 2021	January 2, 2022	5 Days
Ghat	December 13, 2021	December 18, 2021	6 Days
Darj	November 21, 2021	November 27, 2021	7 Days
Algorda	December 9, 2021	December 14, 2021	6 Days
Shwerif	December 4, 2021	December 8, 2021	5 Days
Brak Al Shati	December 27, 2021	January 1, 2022	6 Days
Sebha	January 1, 2022	January 8, 2022	8 Days
Shargya	November 21, 2021	November 25, 2021	5 Days
Algatroun	December 20, 2021	December 25, 2021	6 Days
Murzuq	January 11, 2022	January 15, 2022	5 Days



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<u>Ribyana</u>	November 25, 2021	November 28, 2021	3 Days
<u>Alkufra</u>	December 29, 2021	January 2, 2022	5 Days

The below table shows the **AICS support to the Action governance and coordination**:

<b>June</b>	<ul style="list-style-type: none"> <li>• <u>Steering Committee mtg. n.4 (15 Jun)</u></li> </ul>
<b>July</b>	<ul style="list-style-type: none"> <li>• <u>Joint Press Release</u></li> </ul>
<b>August</b>	<ul style="list-style-type: none"> <li>• <u>Technical Committee mtg. n. 12 (16 Aug.)</u></li> <li>• <u>Draft/ share/ discuss Inception Phase activity planning</u></li> <li>• <u>Draft/ share/ discuss budgeting by municipality</u></li> </ul>
<b>September</b>	<ul style="list-style-type: none"> <li>• <u>Intro mtg. (8 Sep.) at MoI.G with 13 Mayors (except Kufra)</u></li> <li>• <u>Technical Committee mtg. n. 13 (9 Sep.)</u></li> <li>• <u>Discuss/ approve Inception Phase activity planning</u></li> <li>• <u>Discuss indicative budgeting by municipality</u></li> <li>• <u>Prepare for the Kick-Off Event with mayors</u></li> </ul>
<b>October</b>	<ul style="list-style-type: none"> <li>• <u>Discuss/ approve Inception Phase activity planning</u></li> <li>• <u>Discuss/ approve indicative budgeting by municipality</u></li> <li>• <u>Organize the Kick-Off Event with mayors</u></li> </ul>
<b>November</b>	<ul style="list-style-type: none"> <li>• <u>03 Nov: Phase 2 Kick-Off Event with mayors</u></li> <li>• <u>08 Nov.: Technical Committee mtg. n. 14</u></li> </ul>
<b>December</b>	<ul style="list-style-type: none"> <li>• <u>Inception Phase activity planning shared, updated and discussed at governance level (MoI.G)</u></li> <li>• <u>Inception meetings with counterparts (MoI.G, mayors, and technical focal points) conducted</u></li> <li>• <u>Bi-weekly inception meetings held amongst the three IPs</u></li> <li>• <u>Budgeting by municipality shared, updated and discussed at ad hoc IP coordination meetings)</u></li> <li>• <u>Municipality weighting table shared and discussed at governance level (Technical Secretariat, Technical Committee, ad hoc meetings)</u></li> <li>• [REDACTED]</li> </ul>
<b>February</b>	<ul style="list-style-type: none"> <li>• <u>Technical Committee meeting n. 15 (7 Feb.)</u></li> </ul>
<b>March</b>	<ul style="list-style-type: none"> <li>• <u>Technical Committee meeting n. 16 (2 Mar.)</u></li> <li>• <u>Tentative Budget; Municipality tables; Indicative workplan endorsed by the Minister of Local Governance</u></li> </ul>

In addition, **AICS carried out activities related to its own programme**, which are summarized in the below table:

<b>June</b>	<ul style="list-style-type: none"> <li>• <u>Signing of the Delegation Agreement (09 June 2021)</u></li> </ul>
<b>July</b>	<ul style="list-style-type: none"> <li>• <u>Drafting Operation Plan Semester 1</u></li> <li>• <u>Drafting Logistic plan</u></li> </ul>
<b>August</b>	<ul style="list-style-type: none"> <li>• <u>Review Operation Plan Semester 1</u></li> <li>• <u>Review Logistic plan</u></li> <li>• <u>Review 1st draft AICS/CIHEAM Bari agreement dossier</u></li> </ul>
<b>September</b>	<ul style="list-style-type: none"> <li>• <u>Procurement planning</u></li> <li>• <u>Approval of Logistic plan</u></li> <li>• <u>Intro mtg with mayors</u></li> <li>• <u>Initial consultation with mayors on priorities</u></li> </ul>
<b>October</b>	<ul style="list-style-type: none"> <li>• <u>Approval of Operation Plan Semester 1</u></li> </ul>





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	<ul style="list-style-type: none"> <li>Recruitment of int.l and local staff</li> <li>Field operation setup</li> <li>Review 2nd draft AICS/CITHEAM Bari agreement dossier</li> <li>Field assessment and technical review</li> <li>Programme associate mission to Tripoli</li> <li>Finalisation of QIN1, covering the period 10 June - 30 September 2021</li> </ul>
<b>November</b>	<ul style="list-style-type: none"> <li>On-boarding Deputy Team Leader</li> <li>Prepare Procurement actions: Third-Party Monitoring, Human Resources management, car rental, office equipment</li> <li>Start Logistic plan implementation</li> <li>Recruitment of local staff and consultants</li> <li>Field assessment and technical review</li> <li>Programme associate mission to Tripoli</li> <li>Consultations between local consultants and local stakeholders towards the finalization of the Technical Need Assessments (TNA) on the ground</li> </ul>
<b>December</b>	<ul style="list-style-type: none"> <li>Procurement actions: Third-Party Monitoring, Human Resources management, car rental, office equipment</li> <li>Review final draft AICS/CITHEAM Bari agreement dossier</li> <li>Field assessment and technical review</li> </ul>
<b>January</b>	<ul style="list-style-type: none"> <li>Dialogue with representatives of local authorities on the general activities of the programme and in particular on pipeline actions related to the TNA</li> <li>Finalisation of QIN2, covering the period October-December 2022</li> <li>Preparation of TC meeting 15 and 16</li> </ul>
<b>February</b>	<ul style="list-style-type: none"> <li>Onboarding Procurement/Administrative Officer</li> <li>Deputy Team Leader mission in Tripoli</li> </ul>
<b>March</b>	<ul style="list-style-type: none"> <li>Deputy Team Leader mission in Tripoli</li> <li>Selection process to recruit a Programme Officer - Coordination (Technical Secretariat) finalized</li> <li>Launch of a tender procedure for Logistical services for travels &amp; events</li> <li>Launch of a tender procedure for HR services for national staff and short-term consultants</li> <li>Finalization and signature of the sub-delegation agreement between AICS and CITHEAM</li> <li>Ongoing negotiation with Voluntas Policy Advisory, as AICS Third Party Monitoring entity for Monitoring and Evaluation services</li> </ul>

## 2.3 RESULTS ACHIEVED

### Programme governing bodies operational

RSSD Baladiyati Phase 2 has been benefiting so far from the experience and lessons learnt during the Phase 1 implementation, particularly regarding local consultations, engagement with local authorities, and operational environment. Furthermore, the excellent relations established with the various stakeholders and active partners for the Phase 1 implementation will enhance sustainability in the areas of intervention and create synergies with other ongoing programmes in the Fezzan Region.

The overall Action governance architecture is well established and has proven resilient to external shocks caused by insecurity and instability. The inter-partner governing bodies are operating simultaneously for both Baladiyati Phase 1 and Phase 2, according to the Terms of Reference approved on Nov. 29, 2018.





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### **Partner Coordination mechanism established and functional**

AICS worked in close coordination with the EU, UNICEF and UNDP to develop a streamlined work plan; improve information sharing; identify priority intervention areas, and review progress and challenges. During the Inception Phase, AICS, UNDP and UNICEF collaborated to conduct the technical assessments, which included conflict sensitivity analysis and municipality profiling to define the priority interventions in consultation with civil society organizations, the local authorities and in coordination with the central authorities. Several meetings were held during the reporting period where the three IPs brought their expertise and previous experience to help guide the action as a whole. The PMU staff in Tripoli has played a crucial role throughout the reporting period, successfully facilitating Action-wide coordination with the national and local counterparts, as well as AICS communication between short-term consultants and the local authorities that included several follow-up meetings. The coordination mechanism facilitated technical and operational coordination which will remain key to efficient implementation and effective delivery of the overall Action. These consultations have also laid the ground for the Joint Communication Initiative rollout in Phase 2. See paragraph 9 for more details.

### **Detailed programming for the Action completed**

A series of field visits undertaken by national staff with the support of technical consultants has informed the programme implementation plans. An intervention list covering all 14 municipalities was successfully completed during the inception phase, along with a financial plan detailing budget allocations and implementation responsibilities. In the third and fourth quarter 2022 AICS shall launch the Calls for Proposals for INGOs, both for basic service and agro-food and livelihood components.

### **Trust-building and collaboration with the Libyan authorities at both the central and local level**

The inception phase benefited from close collaboration with the MoLG and the Presidential Council alongside the establishment of synergic cooperation with municipality authorities, civil society representatives, and decentralised technical officers.

AICS pays special attention to the 6 brand new municipalities included in the Programme to ensure conflict sensitivity and risk mitigation measures by engaging in new consultation and networking with new political and administrative entities. However, AICS has already established robust cooperation with the eight municipalities included in Baladiyati Phase 1 and that experience shall facilitate engagement with the additional six municipalities.

## **3. REVISED LOGFRAME**

Under the guidance of the EUD Programme Manager and in close collaboration with the UNDP and UNICEF relevant officers, AICS developed a tiered Logframe, including a set of joint results/deliverables besides the 3 IP-specific results/deliverables.

The field assessment carried out during the inception phase enabled AICS to confirm the initial Logframe structure (see Annex 3: Updated Logframe) and revise some target quantification for *Output 1. Provision of basic services at local level enhanced* based on the indicative list of municipality-level interventions (see Annex 2: List of municipality individual budgets of municipalities).

Concerning *Output 2. Income generating activities and/or entrepreneurship community initiatives are identified and developed*, target quantification was adjusted according to the interventions to be implemented by CTHEAM Bari, as per the Description of the Sub-Action (DoSA) enclosed in the Sub-Delegation Agreement dossier signed by the parties.

Targets for *Output 1.* and *Output 2.* may be subjected to further updates according to the Technical Needs Assessment, which will be carried out by the INGOs once the grants are awarded for both basic services and agro-food components.

With regards to *Output 3. Increased awareness of inclusive access to basic services and agro-food livelihoods opportunities among the general public in target municipalities* indicators and relevant targets related to the Communication and Visibility Component of the Programme were revised and



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adjusted according to the updated Communication and Visibility Plan (see Annex 6: Updated Communication and Visibility Plan). Indicators and relevant targets related to INGOs awareness activities under Output 3 will be determined once the INGOs finalise the Technical Needs Assessment for both basic services and agro-food components.

In addition, the upcoming baseline studies – by Voluntas, INGOs and CIHEAM Bari – will inform further updates of the current Logframe at Outcome level.

## 4. REVISED WORKPLAN

As a result of the inception phase, AICS updated the Programme Workplan attached to the approved DoA, according to the following matters:

- a three-month extension of the Inception Phase of the Programme, till 30 March 2022, was officially approved by the EU;
- the Sub-Delegation agreement between AICS and CIHEAM Bari was signed by the parties on 21 March 2022; the implementation period will last 27 months, from March 2022 to June 2024.

The updated Programme Workplan (see Annex 4: Updated Work plan) provides an overview of AICS main activities planned over the remaining 27 months of the implementation period

## 5. ASSUMPTIONS AND RISKS

The Libyan context carries a substantial level of risk to the operational and delivery capacity of the programme, as also indicated in the Logframe. Community needs for basic services are exacerbated by both the outbreak of violence and the dwindling capacity of the central government to support the municipalities. The subsequent need for stabilisation derives from both an objective decrease in service delivery capacity and the communities' perceptions of a decline in their access to services and economic opportunities. Thus, the communications and visibility component organically contributes to the Action goal. Moreover, supporting basic service facilities and local economic opportunities remain critical objectives and underscore the relevance of the programme to overarching stabilisation efforts.

Libya is experiencing a very fluid institutional political situation in which two governments are cohabiting, and neither side seems willing to step aside. The programme might be in the position to dialogue with both parties, but always in an apolitical and impartial manner, as the Action aims to stabilise the country and, above all, to improve the living conditions of the Libyan population, which has been suffering from a humanitarian crisis for years. Despite the complexity of the context and its challenges, conditions are in place at the local level for programme implementation and the delivery of expected results.

### **Risk analysis and contingency planning**

The risk analyses conducted during the inception phase confirmed the approved DoA assumptions and risk matrix as it comprehensively covers relevant hazards, risk levels, assumptions and mitigation measures.



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Challenge	Solution
Challenges related to ongoing tensions and COVID19 risks and mitigation measures	Adoption of adaptive and flexible staff working arrangements. Use of online tools and precautionary measures for in-person meetings.
Risk of escalated political instability in the region and possible changes of government.	The political situation is continuously monitored, also in consultation with the Embassy of Italy. The programme activities have been identified considering the current political situation and anticipated developments. Mitigation measures have been designed to apply if the security situation deteriorates. Democratic structures and principles are firmly supported in the framework of the EU's political dialogue with partner countries.
Access issues related to security.	AICS continues to co-ordinate with the Embassy of Italy, United Nations partners and Libyan Authorities regarding security risks and implementing partners, to ensure a trustful relationship among stakeholders. Implementing partners will utilise third-party contracting where possible and appropriate.

AICS will continue working closely with the Embassy of Italy in Tripoli, EU representatives, UN partners and INGOs to monitor risks and changes likely to impact the operational environment and related contingency planning. This will allow for prompt adjustments to be made to affected interventions as necessary. However, the Libyan context implies the possibility of severe shocks impacting the long-term sustainability of the interventions.

Vulnerability benchmarks have been defined to assess the acceptable level of risk to the programme. These benchmarks are updated as part of risk management, since activities (e.g., contracts with service/goods providers, grants to INGOs) and related liabilities shift according to specific stages in the programme implementation.

#### **Embedding conflict sensitivity analysis**

Given the challenging operational context, a conflict sensitive approach is required. Conflict analysis and sensitivity considerations will be monitored throughout the programme period by AICS international and Tripoli-based local staff in consultation with the Embassy of Italy. Due to the challenging operational environment, the vast geographical area, as well as the need to continuously mainstream cross-cutting issues (conflict sensitivity, human rights, gender, environment, etc.), project operations will be conducted at different levels. The PMU staff based in Tunis will be responsible for





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training; coaching and mentoring of recruited project staff on conflict sensitivity issues; security risk assessments; utilization of remote technical management tools and software; data collection, monitoring and reporting, technical-scientific, and cross-cutting issues, etc.; the PMU staff in Tripoli will be responsible for participation in coordination fora and programme governance structures as well as remote management and administration of field staff and assets and as far as COVID 19 variables are concerned. Finally, at field level, particular attention will be paid to the training of Libyan technical staff, both for the specific technical aspects of the activities envisaged as well as to guarantee effective info sharing and coordination between the different operators of the Programme.

Moreover, AICS will continue to capitalise on the resources of the EU-funded Conflict Sensitivity Assistance Forum in Libya led by the Peaceful Change Initiative that provides regular updates on conflict risk analysis and training courses for international and national staff.

Conflict sensitivity principles are embedded in the interventions identified for implementation at the municipality level, starting with the initial consultation and identification process. As the programme moves into the implementation phase, AICS will ensure that both INGOs selected through CfPs and the sub-delegated entity CIEAM Bari will integrate conflict sensitivity throughout their project cycle. All proposed actions will be expected to address conflict-related risk management, including through consultations with local communities and other municipality-based stakeholders.

#### **Adapting to the crisis context**

Typical of violent conflict-affected contexts, operations in Libya are affected by a fragmented and shifting stakeholder landscape. The complex and fragile political and institutional context, the possible scenarios of new crises, and the problems related to the access on the ground, the evolution of the COVID-19 pandemic, as well as the volatility of the prices of the local and international market could slow down the progress of programme activities. Nevertheless, the previous experience gained during phase 1, the lessons learned, the good relations with the counterparts, at central, local and international level, and the possibility of using flexible mechanisms to mitigate the risks (e.g., using flexible procedures) will lead to finding concrete solutions and adapting to the crisis situation in order to achieve the desired results.

In addition, it should be noted that AICS is now well positioned in the South of the country with several initiatives underway and in pipeline. Therefore, Baladiyati activities will be implemented with a synergistic approach to harmonise interventions and avoid duplication.

#### **Embedding security risk management**

AICS currently relies on the security apparatus provided by the Italian Embassy in Tripoli to ensure safety and security of international personnel.

AICS remains committed to holding in-person meetings and events in Tripoli and other locations in Libya, with videoconferencing for remote participants within or out of Libya – unless security risk analyses recommend otherwise.

AICS implementation arrangements rely on partnerships with INGOs across all 14 municipalities. Therefore, security and access challenges relevant to these implementing actors are accounted for in the programme risk management. The number of INGOs with a widespread presence, access and operational capacity in the country is limited as they face several challenges with regards to registration and obtaining visas for their international staff. The assessment of proposals submitted by INGOs takes these considerations into account, alongside criteria that will assess the ability of INGOs to make adequate arrangements for the security of their staff. AICS will also need to assess INGOs' capacity to absorb large amounts of funding while effectively delivering on project results within a 12- to 18-month timeframe.

Furthermore, AICS will continuously monitor the political and security situation on the ground. The action will be flexible and adaptable to any change or to better suit the needs of the most affected.





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Moreover, in the implementation of the action, AICS will seek to avoid contributing inadvertently to fuelling conflict drivers by sticking to recognized principles of do-no-harm, such as by maintaining a close and dynamic understanding of the context in each target location, by keeping equality of participation across community divides, as well as by building into all activities adequate consultation and communication with the community at large.

## 6. SYNERGIES CREATED WITH OTHER PROGRAMMES

### Coordination with external actors

Most coordination platforms are being impacted by uncertainties in the Libyan political landscape. During the inception phase, AICS consulted with various stakeholders involved in the response to current challenges in Libya, including authorities at the central and local levels as well as INGOs and their CSO partners. Existing strong relations with key Libyan stakeholders proved crucial to swiftly accomplishing the inception phase activities.

To be noted: AICS's active participation to the two-day preparatory meeting for the second Local Governance Forum (LGF) held in the first quarter of 2022. The Forum builds on the achievements of the LGF I and aims at developing a three-year road map (2022 – 2025) to harmonize international partners and MoLG's ongoing efforts in decentralizing service delivery. The PMU actively participated in the following meetings:

- 9th September: EU Trust Fund for Africa North of Africa - Monitoring and Learning System - PEER-TO-PEER EVENT;
- 20th September: 10th Implementers' forum of the EU Support to the Libyan Municipalities with focus on Tawergha community in Libya.
- 6 October 2021: “Working Session on the Use of the EU Local Governance Platform”
- 18 November 2021: “EU TF Technical Working Group Meeting”
- 3-4 December 2021: Preparatory Meeting for the Local Governance forum”
- 7 December 2021: “11th Implementer's Forum for EU assistance to Libyan municipalities”.

### Coordination with other EU funded actions

During the inception phase, AICS proactively participated in fora and coordination platforms established under the EU framework, including:

- the Technical Working Group of the EU Trust Fund Action ‘Managing Mixed Migration Flows in Libya’ that facilitates coordination of protection and assistance to migrants and refugees, support to host communities, and provides a venue for updates on the EUTF-funded research facilities;
- the EU Implementers Forum on Local Governance; and,
- the Conflict Sensitivity Assistance Forum (CSA) which provides an opportunity for ongoing reflection on conflict dynamics between INGO representatives and governments and facilitates timely adjustments to be made to assistance in line with the rapidly changing context.

## 7. REPORTING REQUIREMENTS AND REPORTS SCHEDULE OF THE PROJECT

According to the EU-AICS Contribution Agreement, the reporting requirements include:

- the present Inception Report and its annexes;



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- Quarterly Information Notes<sup>1</sup>; the first 2 QINs were produced according to the template defined by ICMPD for Baladiyati Phase 1. AICS is keen to engage with the EUTF newly contracted M&E consultant to improve the template as appropriate;
- Annual reports;
- Final Report.

In addition, AICS Tunis produces the internal six-month narrative and financial reports, which is submitted to AICS HQ in compliance with AICS' internal regulations for the management of EU funds. The first six-month report has already been submitted.

## 8. MONITORING AND EVALUATION ARRANGEMENTS

As per Annex I of the CA, AICS will directly manage the entire programme cycle; oversee the selected implementing partners and outsource monitoring services through a specialized provider. Considering Voluntas' good performance in the current RSSD Baladiyati Phase 1 for Third Party Monitoring (TPM) services and the limited availability of competitive service providers in Libya, AICS opted for confirming Voluntas as TPM company for Phase 2. This solution should drastically reduce the time gap for the mobilization of a TPM firm, foster the learning process, and ensure consistent methodology and reporting continuity.

In carrying out the implementation of this Action, AICS is committed to comply with the Monitoring and Evaluation Framework developed for the EU Trust Fund's North of Africa Window as well as to closely cooperate with the EUTF Third-Party Monitoring entities.

During the inception phase, AICS has developed the TPM service contract dossier which will be ready for signature in the second quarter 2022. The TPM objectives are as follows:

- Objective 1: Monitor phase II activities implemented on the ground in order to inform management decisions throughout the Programme duration;
- Objective 2: Draw indications on the impact of the Programme through baseline and end-line studies.

The TPM outputs and assignments are summarized in the below table:

Objective	Deliverable/Output	Assignment
1. Inform management decisions on progress of Programme activities	Inception Report	- Develop baseline and endline study's methodology
	Monitoring and Evaluation Plan	- Refined logframe indicators and targets; - Develop guidelines for the grant beneficiaries' baseline studies; - Collect lessons learned and recommendations from Phase 1; - Develop a monitoring methodology; - Develop and design data collection and

<sup>1</sup> The reporting period covered by the QIN n. 1 was extended to September 2021 (up to four months), upon approval of the EU, in line with the reporting deadline of the joint Implementing Partners UNDP and UNICEF.



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		reporting instruments;
	Quarterly Monitoring Reports	- Conduct quarterly monitoring rounds to monitor progress of activities
2. Draw indications on Programme impact	Baseline and Endline studies reports	- Conduct baseline and end-line studies

## 9. COMMUNICATIONS PLAN

During the Inception phase, the AICS PMU set up all preliminary operations to ensure the smooth continuation of programme documentation and effective information across Phase 1 and Phase 2. The key activities pursued during this period can be summarized as follows:

1. AICS continued coordinating the Joint Communications Initiative (JCI) established under Baladiyati Phase 1 to maximise the Action's visibility and outreach at both the national and international level. The JCI was designed in line with the EU communication and visibility guidelines and involves the communications focal points of AICS, UNDP and UNICEF. AICS maintained a fruitful relationship with the intended communications counterparts and led dialogue and joint efforts towards the programme's communication needs and objectives. The results of AICS' coordination work are reflected into the updated version of the Communications and Visibility Plan as Annex VI of the DoA;
2. Pre-existent online platforms and channels have been upgraded to ensure new functionality: in particular, the blog ([www.eubaladiyati.org](http://www.eubaladiyati.org)) has been improved with two thematic categories, namely “sustainable cities” and “prosperous society”, designed to host future content dedicated to Phase 2. In addition, new *ad hoc* tools have been developed; for example, the AICS Tunis' website has been improved with a landing page promoting actions and projects financed by the EU;
3. AICS ensured the production of two joint press releases that were issued i) during the occasions of the Steering Committee meeting on July 5, 2021 (*EU-funded Baladiyati receives additional 26.2 million to strengthen cooperation in Libya's South*), as well as ii) for the Phase 2 Kick-Off event on November 3 2021 [REDACTED] produced in Arabic and English, and adequately disseminated across international and Libyan media outlets;
4. AICS led the organization of the Kick-Off event of Phase 2, held in Tripoli on November 3, 2021, where institutional representatives met and discussed objectives and plans towards strengthened cooperation in the South of Libya. The communication items developed in said framework include: a joint press release alongside dissemination work; a set of Social Media posts for the Baladiyati-dedicated and AICS-specific channels; and a news item for the AICS Tunis website alongside a multimedia package (photo and video reportage).



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The AICS communications officer worked closely with the PMU staff in Tunis and Tripoli as well as UNDP and UNICEF’s communication counterparts to inform the communication strategy according to the needs and priorities that arose throughout the Inception Phase. Therefore, minor adjustments have been applied to the original Communication & Visibility Plan as the Annex VI of the DoA. All of the mentioned updated documents are available as attachments to this report.

## 10. REVISED BUDGET

During the Phase 2 inception period, the EU approved a 9-month no cost extension for the Phase 1 of the programme, from Sep. 30 2021, to Jun. 30 2022. Accordingly, AICS revised the cost-sharing arrangements, which generated a balance amounting to EUR 455,994. This amount is proposed to be reallocated to Phase 2 activities.

The signature of the sub-delegation agreement between AICS and CIHEAM was reached based on a slightly different amount that needs to be reflected in the new budget, along with the balance which is being reallocated on the activities.

All the proposed reallocations are below the 25% threshold of the budget heading and, as provided for in the GC article 11.3, do not require authorisation by the Contracting Authority. AICS is hereby illustrating the changes made.

The following are the proposed compensations by component:

### Component 1:

The budget of the sub-delegation agreement signed with CIHEAM on 21/03/2022 amounts to EUR 3,350,000. The excess budget of EUR 342,438 will be reallocated to increment the available resources for the Grants to CSOs in the Agricultural Livelihood sector.

All savings have been reallocated to Component 1, with the exception of EUR 60,000 which has been reallocated to Component 5.

Component 1			
Budget Items	Total Cost - 36 months (EUR)	Compensations below 25%	Budget 36 months
<b>1. Support to Municipalities (Basic Services + Agricultural Livelihoods)</b>			
1.1 Basic Services	5,340,000	5,000	5,345,000
1.1.1 Grants to NGO Partners	5,300,000		5,300,000
1.1.2 Studies, consultations (Consultancies/ Service contracts)	40,000	5,000	45,000
1.2 Agricultural Livelihoods	4,711,776	48,556	4,760,333
1.2.1 Grants to NGO Partners / Service Contracts	1,000,000	390,994	1,390,994
1.2.2 Grant (Sub-delegation agreement) to CIHEAM Bari	3,692,438	-342,438	3,350,000
1.2.3 Studies, consultations (Consultancies/ Service contracts)	19,339		19,339
<b>Subtotal Support to Municipalities</b>	<b>10,061,776</b>	<b>53,556</b>	<b>10,105,333</b>





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### Component 3

Due to the Phase 1 and 2 cost-sharing arrangements, and following internal verifications carried out in the last six months, the cost of the Team Leader will be covered under Phase 2 budget for 2.5 months of the first year while the cost of the Compliance Officer will be covered for 4 months of the same year. The below table shows the total cost of the two above-mentioned staff until the end of the Programme.

Actual Budget			
Description	Gross salary unit cost EUR/month	Number Person/month	Total EUR
Team Leader	12 568	26.5	333 052
Compliance Officer	11 108	28	311 024
		<b>Total</b>	<b>644 076</b>

As per the Phase 2 DoA, the PMU national staff cost for the first year of the programme would have been covered by 66% under the Phase 1 budget and by 34% under the Phase 2 budget. However, after the conclusion of the COSs' grants of Phase 1 and the submission to AICS of their final reports, some unspent balance has been reported with consequent increase of the available budget for Phase 1. It has consequently been decided to maintain the PMU national staff entirely covered under the Phase 1 budget to allow more resources available to be reallocated for Phase 2 activities.

### Follow-up table for Component 3

Component 3			
Budget Items	Total Cost - 36 months (EUR)	Compensations below 25%	Budget 36 months
<b>3. Programme Coordination and Management</b>			
3.1 Programme Management Unit (PMU)	2 711 820	-113 556	2 598 264
3.1.1 International personnel	1 571 768	-113 556	1 458 212
3.1.2 Local personnel	473 924		473 924
3.1.3 Travel and subsistence costs	196 530		196 530
3.1.4 Project office costs	402 980		402 980
3.1.5 Equipment and supplies	66 618		66 618
3.2 Technical Secretarial and support to Governance Bodies	1 215 797	0	1 215 797
3.2.1 International personnel	462 852		462 852
3.2.2 Local personnel	692 945		692 945
3.2.3 Support to Governance Bodies	60 000		60 000
<b>Subtotal Programme Coordination and Management</b>	<b>3 927 617</b>	<b>-113 556</b>	<b>3 814 061</b>

### Component 5

Concerning Component 5, monitoring, evaluations and audits, the initial budget has been increased by EUR 60,000, which will be allocated to the budget line 5.2 Monitoring Services that will be outsourced to the qualified agency Voluntas Policy Advisory. These additional funds will allow AICS to increase both regular and post-completion monitoring scope in the target areas.



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Component 5			
Budget Items	Total Cost - 36 months (EUR)	Compensations below 25%	Budget 36 months
<b>5. Monitoring, evaluations and audits</b>			
5.1 Monitoring and information management Staff	187 200		187 200
5.2 Monitoring Services (incl. Baseline and Endline studies, Mid-Term Review)	120 000	60 000	180 000
5.3 Audit Services	60 000		60 000
<b>Subtotal Monitoring &amp; Evaluation</b>	<b>367 200</b>	<b>60 000</b>	<b>427 200</b>