COUNTRY STRATEGIC FRAMEWORK
2021-2024

COUNTRY CONTEXT

More than ten years after the February 2011 revolution, Libya is a fractured state hoping to emerge from protracted civil conflict. National and local governance institutions have struggled with weak legitimacy, low capacity, and fragmentation. Extensive foreign interference has exacerbated instability and conflict and threatened prior counterterrorism and peacebuilding gains. The emergence of the COVID-19 pandemic in 2020 further compounded these challenges. At the same time, in October 2020, a nationwide ceasefire largely ended fighting and, in November 2020, a United Nations Support Mission to Libya (UNSMIL)-facilitated political process—known as the Libyan Political Dialogue Forum (LPDF)—produced a political roadmap for a unified government, including a plan for national elections on December 24, 2021.

While the political transition process remains fragile, it provides hope for the prospects of a negotiated political settlement that advances Libya's ability to establish a unified government capable of securing its territory, managing its significant resources, providing services to all its citizens, and serving as a strong partner in mitigating regional threats of terrorism and violent extremism. Successful national elections, followed by a smooth political transition, provide an opportunity to normalize political life in Libya. A transition to a single governing authority viewed as legitimate by the Libyan public would yield progress in areas that have been the focus of assistance efforts for the last decade, such as improving sub-national governance to address long-standing grievances and supporting the development of institutions capable of managing Libya's resource wealth for the benefit of all Libyans.

Supporting credible and inclusive elections that Libya can implement and sustain a successful democratic political transition in the post-elections period will be the focus of USAID assistance through this strategy.

STRATEGIC APPROACH

USAID assistance has a critical role in supporting an effective political transition in Libya, including through the provision of targeted development, stabilization, and humanitarian assistance. A primary focus for USAID/Libya in the near term will be to partner with the Libyan government and other international actors to support credible and transparent elections. To support an effective political transition, USAID/Libya will strategically invest in programs that promote political and economic stability and democratic governance for all Libyans, increase the ability of the government to deliver effective public services, and improve the climate for private-sector investment that fosters broad-based economic opportunity and benefits U.S. and Libyan business interests.

USAID assistance will directly align with, and contribute to, pertinent U.S. national security strategies and U.S. foreign policy priorities, including the Interim National Security Strategic Guidance, Libya Integrated Country Strategy, and other relevant strategies and guidance. USAID/Libya's strategic approach will contribute to the following Administration and Agency priorities:

- **Preventing democratic backsliding and addressing fragility.** The Interim National Security Strategic Guidance emphasizes the need to promote democratic governance and end complex armed crises that threaten regional stability. USAID has an important role in coordinating and implementing assistance programs in the areas of democratic governance, elections, and civil society in support of a successful political transition in Libya.

- **Preventing and addressing protracted conflict.** The United States Strategy to Prevent Conflict and Promote Stability emphasizes the need for inclusive political processes to resolve

ongoing violent conflicts, including through the meaningful participation of youth, women, and marginalized groups. USAID assistance directly contributes to advancing democratic governance and electoral processes; promoting institutional transparency and accountability in key economic and governance institutions; and supporting efforts by legitimate local authorities and national and local actors, including women and civil society, to reduce violence, establish stability, and peacefully manage conflict.

- **Responding to the primary and second-order impacts of the COVID-19 pandemic.** The COVID-19 pandemic in Libya has had a range of negative effects across the health and service sectors (trade, transport), construction, and light manufacturing (agro-industries, handicrafts). USAID will continue to build on its partnerships with Libyan institutions and civil society to support Libya's ability to respond to the COVID-19 pandemic, address the immediate needs of vulnerable populations, and improve COVID-19 emergency preparedness and response at both the national and sub-national levels.

- **Promoting diversity, equity, and inclusion through USAID programming and operations.** USAID's programs support the development of governing institutions that are inclusive, responsive, and accountable to all groups, including marginalized populations. USAID will continue its long-standing engagement with national government institutions, municipal councils, and Libyan civil society to engage women, youth, persons with disabilities, and indigenous populations in political processes and increase their representation in governance structures.

- **Combating global climate change.** USAID/Libya continues to collaborate with Libyan government entities and other donors in trying to advance dialogue around renewable energy. USAID will continue to identify opportunities to contribute to longer-term climate objectives through existing programming and new initiatives.

The U.S. Government works with a wide range of actors and partners on shared interests and values. This strategy will foster strong linkages with UNSMIL and our donor counterparts. U.S. allies, particularly European counterparts, have an active role in coordinating humanitarian assistance and leading sectoral working groups, encouraging foreign assistance burden sharing. This strategy will advance stability, inclusiveness, and resilience in Libya by partnering with governmental institutions that demonstrate commitment to reform and development. Additionally, USAID will intentionally partner with civil society, the private sector, and other actors, including new and underutilized partners, who are essential to Libya's near-term stability and long-term development and important partners to facilitate the success of this strategy.

RESULTS FRAMEWORK

STRATEGY GOAL

The goal of the *USAID/Libya Strategic Framework, 2021-2024* is **"Strengthen the foundations of a more stable, inclusive, and self-reliant Libya."** In support of the goal, the strategic framework has two Development Objectives (DOs): **1) Effectiveness of key Libyan governance institutions improved**, and **2) Libyans empowered to mitigate drivers of instability and conflict.**

USAID/LIBYA STRATEGIC FRAMEWORK, 2021-2024
RESULTS FRAMEWORK DIAGRAM

Cross-cutting programming principles and operational considerations are:

- Inclusion. This strategy seeks to close development gaps and ensure inclusion—particularly of women, youth, indigenous populations, persons with disabilities, and other traditionally marginalized groups—across development interventions, ensuring that marginalized groups receive access to quality public services and rights, protections, and political participation on par with all other Libyans.

- Libyan Empowerment. Throughout the strategy, USAID/Libya seeks to promote Libyan empowerment, views, capacity, and commitment as mitigation measures to foreign political, military, and economic interference that does not benefit the people of Libya.

- Flexibility/Adaptation. The context in Libya remains dynamic, and USAID/Libya's strategic framework retains a substantial amount of flexibility to pivot and adapt to emergent challenges, opportunities, and needs.

- Conflict Sensitivity. A conflict sensitivity lens will be applied across programming to understand and mitigate risks inherent in working in conflict and ensure that programming is sensitive to local perceptions and norms.

Many of the DO 1 programming areas also have linkages to areas under DO2 and vice versa, which is critical and intentional given the balance and cooperation required between government and non-governmental actors and systems to advance the aims of the Libyan people.

DEVELOPMENT OBJECTIVE 1: EFFECTIVENESS OF KEY LIBYAN GOVERNANCE INSTITUTIONS IMPROVED

DO 1 will work to improve governance institutions (defined as the government structures and policies that affect governance) at the national and sub-national levels (municipalities and state-owned enterprises/parastatals) and across sectors, to improve their effectiveness and legitimacy. USAID will focus its support under this DO on governance institutions most highly visible and essential to the foundations of Libyan society, especially following elections.

ILLUSTRATIVE PROGRAMMING AREAS

AREA 1.1. BUILDING CAPACITY TO ADVANCE ELECTIONS AND POLITICAL TRANSITION

USAID will support the political roadmap for a unified government produced in January 2021 through the Berlin Process, which established four tracks: security, political, economic, and human rights/international humanitarian law. Paramount to this task will be empowering Libyan actors and institutions to take a lead role on supporting an inclusive and accountable political transition. USAID/Libya, where appropriate, will support Libyan actors and voices on key themes related to the constitutional process, elections, and reconciliation so that Libyans can chart a path forward that protects their sovereignty. USAID assistance under this area may include:

- Supporting the Libyan High National Election Commission and Central Committee for Municipal Council Elections to carry out credible and transparent elections;
- Providing targeted support for the new parliament and unified government institutions, such as through technical assistance, capacity building, and support developing internal procedures and processes, to be responsive to constituent concerns;
- Strengthening participation and inclusion in the post-elections transition government, including among women, young people, indigenous populations, and persons with disabilities;
- Supporting civil society to have a strong advocacy and oversight role in the new government.
- Rapidly responding to emerging needs and windows of opportunity to promote peace and stability in Libya.

AREA 1.2. ENHANCING FISCAL TRANSPARENCY AND PROMOTING TARGETED REFORMS

Conflict has taken a heavy toll on Libya's economy. Oil production, which accounts for 93 percent of Libya's public revenue, has been volatile. Weak public financial management (PFM), a lack of transparency and accountability, a decrease in oil production and prices, generous subsidies, a huge public wage bill, and weak budget planning and execution have placed Libya in a precarious and unsustainable fiscal situation. PFM and institutional reform is urgent; long-term stability necessitates Libya managing its oil wealth in a transparent way that benefits all Libyans and transforming state-owned enterprises, such as GECOL, for sustainability. USAID assistance will help economic institutions better manage financial resources, enhance the capacity of the reunified state institutions, review state subsidies, and assess state-owned enterprises for privatization. Efforts may include:

- Providing technical assistance to reintegrate, restructure, review, and strengthen the operations of key Libyan economic institutions needed for long-term stability and effective management of Libya's resource wealth;
- Providing technical assistance to targeted institutions at the national and sub-national levels to build core capabilities needed for successful public financial management;
- Working with the government to establish clear and transparent budget planning processes that utilize the budget as a national development policy tool;
- Providing assistance to the electricity sector, in close cooperation with GECOL, to help begin implementation of its reform roadmap;
- Improving management, oversight, and transparency of oil and gas revenues; and
- Supporting the government's strategic messaging to increase government transparency and communicate how the government is delivering for the Libyan people.

AREA 1.3. STRENGTHENING MUNICIPAL SERVICE DELIVERY & FINANCIAL MANAGEMENT

The ability of government institutions—particularly those with leadership elected through democratic means—to successfully deliver services has an important role in addressing the lack of effective public services as a key driver of instability and building confidence in democratic political transition. USAID aims to strengthen municipal-level line ministries' core functions and the capacity of local government entities to deliver public services. USAID's programming will work with municipalities in all regions of the country to visibly and demonstrably improve specific services prioritized by citizen constituents. USAID assistance under this area may include:

- Training and capacity development support for municipal councils in areas such as participatory planning and decision-making, financial management, budget planning and execution, as well as in relevant technical areas;
- Improving internal and external municipal government management systems and processes, such as constituent outreach, strategic communications, liaising with the central government, and developing municipal development plans;
- Strengthening coordination among municipalities and mayors and relevant municipal-level line ministries to include continued support for national municipal bodies and associations; and
- Strengthening the implementation of Law 59, through sub-national governance legislation and national dialogue on the decentralization agenda.

AREA 1.4. IMPROVING THE BUSINESS ENABLING ENVIRONMENT

The Libyan business and investment environment continues to suffer from a weak legal framework and private sector activity is constrained. To counter this trend, economic governance institutions and policies must improve the business enabling environment. USAID's programming will promote Libyan efforts to develop policies and legislation to improve the business enabling environment and ensure a more equitable and strategic allocation of the public budget to develop the country's infrastructure to support private sector growth. This strategy also aims to build the conditions needed for successful engagement with the private sector in Libya, eventually creating leveraging opportunities and increasing opportunities for trade and foreign direct investment, including opportunities for U.S. businesses. Areas of potential assistance include:

- Improving access to finance and improving commercial regulations/laws;
- Promoting access to credit for private sector development inclusive of cash flow based lending, reliable credit reporting, and the establishment of a movable collateral registry;
- Providing technical assistance to relevant Libyan government entities to reform policies and procedures to improve transparency, oversight, and accountability in line with international best practices;
- Supporting the Africa Trade and Investment Activity—part of the Prosper Africa Initiative—to foster increased linkages and investment opportunities between the U.S. and Libya; and
- Providing technical assistance to relevant Libyan government entities to evaluate the profitability of foreign investments and improve the transparency of Libyan investments.

DEVELOPMENT OBJECTIVE 2: LIBYANS EMPOWERED TO MITIGATE DRIVERS OF INSTABILITY AND CONFLICT

DO 2 focuses on opportunities for USAID to mitigate select, key drivers of instability and conflict, including as they relate to historical, social, economic, and political grievances. To mitigate the drivers of instability, USAID will empower a range of actors across civil society, the private sector, media, and vulnerable and marginalized populations in fostering greater stability and reducing the potential opportunities for spoilers to delay elections or an emerging peace settlement.

ILLUSTRATIVE PROGRAMMING AREAS

AREA 2.1. ENGAGING CIVIL SOCIETY TO SUPPORT INCLUSIVE POLITICAL TRANSITION

Though civil society is still nascent in Libya, civil society organizations (CSOs) are often well placed to address development issues in Libya and promote Libyan ownership and commitment. To leverage these advantages and lay the foundations for democratic transition, USAID will strengthen the capacity of civil society organizations—including those representing women, youth, indigenous groups, persons with disabilities, and other marginalized populations—in their advocacy and oversight efforts. Assistance will support civil society's ability to play an active role in a political settlement and inclusive and Libyan-owned political transition. USAID assistance under this area may include:

- Providing institutional capacity building and small grant assistance on conflict mitigation, peace-building, civic engagement, policy development, advocacy and oversight initiatives;
- Building a network of CSOs across Libya that convene inclusive community dialogues and engage a broad range of citizens to ensure their engagement in an inclusive political transition;
- Supporting advocacy campaigns and efforts to support women as leaders in Libya's political process;
- Creating community feedback mechanisms to communicate local issues and provide a venue for citizens to express themselves;
- Supporting CSO involvement in oversight of political and peace processes; and
- Strengthening civil society's business-to-business engagement and involvement in public-private economic dialogue.

AREA 2.2. STRENGTHENING ENTREPRENEURSHIP

Oil and natural gas account for around 65 percent of Libya's gross domestic product and over 90 percent of government revenue. Due to the high reliance on the public sector for employment, jobs remain scarce, particularly among youth. Vulnerable Libyans are particularly at risk of economic marginalization. In 2019, the youth unemployment rate was 49.5 percent, one of the highest in the world. Creating sustainable economic opportunities and improving the business enabling environment is critical to long-term stability in Libya. USAID programming in this area will focus on improving entrepreneurship skills and economic opportunities for targeted groups, particularly vulnerable communities such as women, youth, indigenous populations, internally displaced persons, persons with disabilities, and/or potentially former militia members. Efforts may include:

- Supporting market-linked and demand-driven vocational and technical training based on market demand and private sector needs;
- Supporting entrepreneurship training and mentorship;
- Increasing the productivity of micro-, small-, and medium-sized enterprises to catalyze job creation and economic recovery;
- Improving business development services to the small- and medium-sized enterprise (SME) sector;
- Developing the capacity of Libyan commercial banks to lend to SMEs; and
- Helping SMEs develop business plans and other documents that are needed to access bank loans.

AREA 2.3. PRESERVING MODERATE SPACES

An abundance of destabilizing actors, militias, and other forces, both domestic and foreign, sow the seeds of distrust and hate to support their agendas. USAID will strengthen the momentum of moderate actors to advance political transition and compromise and preserve moderate space by countering hate

speech, improving media literacy, promoting moderate voices, and countering destabilizing influences and disinformation. USAID assistance under this area may include:

- Combating hate speech and disinformation, such as through training civil society, journalists, universities, and youth on media literacy and hate speech;
- Supporting accurate media reporting and countering disinformation campaigns;
- Enhancing the capacity of civil society to monitor and identify fake news, disinformation, and hate speech and understand the extent and nature of disinformation, with a focus on foreign actors;
- Developing online resources for Libyan citizens to help in the identification of sources of disinformation and raise awareness on this topic; and
- Supporting civic education training and curriculum that reinforces inclusion and tolerance and acknowledges the important role that diverse voices play in a democratic political transition.

AREA 2.4. SUPPORTING CONFLICT-AFFECTED AND VULNERABLE POPULATIONS

USAID will support the return to normalcy in conflict-affected areas, including through interventions that address pressing community grievances, preserve civilian institutions as an alternative to militarized actors, support civilian-led or civic recovery institutions, and improve the livelihoods of conflict-affected and vulnerable populations. Programming in this area, as appropriate, will identify opportunities to complement, reinforce, and/or sustain the support to vulnerable and conflict-affected populations provided through USAID's Bureau for Humanitarian Assistance. Assistance may include:

- Fostering a culture of volunteerism, cooperation, and participation of marginalized populations in community-led development and civic planning and engagement;
- Providing opportunities and building capacity for members of traditionally marginalized groups to meaningfully participate in regional, national, and international peacebuilding conversations and political processes; and
- Supporting workforce development and pay-for-work opportunities for members of vulnerable communities, including former militia and combatants.

MONITORING, EVALUATION, AND LEARNING APPROACH

The unpredictable nature of the Libyan conflict creates an environment in which donors must be able to adapt and pivot to address emergent opportunities, while ensuring that programming and resources are reaching intended beneficiaries for their intended development purpose. USAID/Libya's monitoring, evaluation, and learning (MEL) approach will promote accountability and results-oriented programming for the duration of the strategy. MEL will be used to inform adaptation and innovation, particularly at the implementation level, in response to changes in context. Specific components of USAID/Libya's MEL approach, which will be used together to monitor and measure progress and performance, include:

- Collaboration, Learning, and Adaptive Management;
- Performance Monitoring;
- Context Monitoring;
- Assessments, Surveys, and Analyses; and
- External Performance Evaluations.