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THE

STABILISATION

FACILITY FOR

LIBYA

**An independent
strategic and
operational
review**

About the report

This report summarises the findings and recommendations from an independent review of the Stabilisation Facility for Libya, conducted in the period March-May 2018. The review was authored by two independent experts:

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The authors would like to thank all those involved in research for the report, especially UNDP staff, the Facility's donors, national government partners and those living in the areas where the facility has been delivered. It is important to note that the findings in the report constitute the analysis of the experts and should not be taken to represent the views of any stakeholders to the Facility or participants in the research. Any factual mistakes or inconsistencies are the fault of the authors alone.

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18 DEC 2017, UBARI (LIBYA).
 Students play in the courtyard at Al Qoraniya School
 renovated by the Stabilization Facility for Libya.
 Photo: ©UNDP Libya

ACRONYMS

BaM	al-Bunyan al-Marsoos	MEL	Monitoring, Evaluation and Learning
CNA	Conflict Needs Assessments	MoE	Ministry of Education
CO	Country Office	MoH	Ministry of Health
CTG	Committed to Good	Mol	Ministry of Interior
DoC	Duty of Care	MoP	Ministry of Planning
DIM	Direct Implementation Modality	NCA	National Consultant Agreement
DSRSG	Deputy Special Representative of the Secretary General	NOC	National Oil Corporation
EU	European Union	OECD	Organisation for Economic Cooperation and Development
FC	Field Coordinator	PB	Project Board
FE	Field Engineer	PC	Presidential Council
FLO	Fezzan Libya Organisation	PCi	Peaceful Change initiative
GECOL	General Electricity Company of Libya	QA	Quality Assurance
GIS	Geographic Information System	SFL	Stabilisation Facility for Libya
GNA	Government of National Accord	SPP	Social Peace Partnership
GNC	General National Congress	SOP	Standard Operational Procedures
HSC	High State Council	SR	Strategic Review
HoR	House of Representatives	TA	Technical Assessment
HR	Human Resources	TBG	Tripoli-based Government
ICA	International Consulting Agreement	ToC	Theory of Change
IDP	Internally Displaced Person	ToR	Terms of Reference
IOM	International Organisation for Migration	UK	United Kingdom
ISIL	Islamic State of Iraq and the Levant	UN	United Nations
KPI	Key Performance Indicators	UNDP	United Nations Development Programme
LIA	Libyan Investments Authority	UNSMIL	United Nation's Support Mission in Libya
LNA	Libyan National Army	USA	United States of America
LPA	Libyan Political Agreement	USIP	United States Institute for Peace
LPSA	Local Political and Security Agreement	VfM	Value for Money
LPTIC	Libyan Post Telecommunications & Information Technology Company	SES	Social and Environmental Standards
LTA	Long Term Agreement	SRSg	Special Representative of the Secretary General
M&E	Monitoring and Evaluation		

EXECUTIVE SUMMARY

Background to review

PURPOSE

- ▲ The Stabilisation Facility for Libya (SFL) was launched in April 2016 as a vehicle for supporting the Government of National Accord (GNA) and the Libyan Political Agreement (LPA). It does this by seeking to build the GNA's public legitimacy through actions that respond to the needs of Libyans most affected by war. By April 2018, the SFL had raised \$63,035,881 from 14 donors (collectively the SFL Project Board, PB) – Canada, Denmark, the European Union, France, Germany, Italy, Japan, South Korea, the Netherlands, Norway, Switzerland, the United Kingdom, the United States of America and the Government of Libya.
- ▲ The SFL is implemented by the United Nations Development Programme (UNDP). By June 2018, UNDP had undertaken three rounds of activities across seven municipalities: (1) Benghazi, Kikla and Ubari; (2) Sebha and Sirt; and (3) Bani Walid and Tripoli. Up to this point, the SFL had delivered a total of 64 projects, with 225 in process. SFL projects rehabilitate damaged public infrastructure, such as hospitals and schools, and provide essential equipment, such as ambulances and water pumps. The projects are intended to be supported by a capacity boost to local government and the development of local conflict management processes.
- ▲ This review was driven by questions over: (1) the relevance and achievability of the political goal; and (2) operational performance in delivering the activities and goal.
- ▲ Additional substantial development programmes have been created since 2016, with a subsequent need to better distinguish the SFL and more clearly describe its added value. The operational environment has also changed since 2016. As such, it is a timely moment to conduct a review, so as to ensure the SFL is flexible, adaptive and relevant to the context.

APPROACH

- ▲ This is an independent review. That means that the findings and recommendations resulting from it do not necessarily represent the view of UNDP, the SFL PB or national Libyan partners. They are designed to stimulate reflection by all parties to the SFL as to how it can be made more impactful in the challenging conflict and political environment that exists in Libya.
- ▲ The review was undertaken by two independent consultants and looked at the entirety of the SFL, including UNDP's delivery performance, the role of the PB and the full range of Libyan partners. Indeed, UNDP's performance cannot be considered in isolation from the SFL's overall structure and governance arrangements and the degree to which its activities are enabled by them.
- ▲ The review included three parts: (1) an assessment of impact through field missions to all target areas with the exception of Sebha; (2) a technical assessment of operational capacity; and (3) consultation sessions with PB members. Importantly, the resultant recommendations provide a synthesis of the perspectives of PB as expressed to the independent review team.

Key findings

HEADLINES

- ▲ The SFL is unique in Libya as a multi-donor instrument and the donors have demonstrated in the review their commitment to its continued success. The SFL provides a powerful flagship project for demonstrating the political and practical intent of the international community and Libyan partners.
- ▲ The SFL has helped create stability in some of the target areas, but has not achieved its ambitions in others. It is viewed as non-corrupt and has helped to drive strong administrative and fiduciary standards in a difficult political and conflict-affected environment. It has not, however, made direct progress in achievement of its overall political goal to strengthen the legitimacy of the GNA. The progress made towards this goal has been indirect, through its high delivery standards and by enabling inclusive and conflict-sensitive governance.
- ▲ The process of the delivery of the SFL has provided a useful set of lessons as to how it could be strengthened, including the need for, inter alia: (1) stronger partnership arrangements with Libyan institutions that work nationally; (2) establishment clear stabilisation goals at the local level, with a renewed focus on strengthening local governance; (3) identification of processes or inputs for actions essential for stabilisation, but that fall outside the scope of SFL activities; (4) a focus on fewer areas and projects, so as to maximise the use of available resources and focus management attention; (5) an increase in capacity across all operations, with greater delegation of authority and decision-making; and (6) creation of an enabling decision-making and management approach by the PB, Libyan partners, and internally within UNDP. The good news is that some of the recommended changes are already being implemented by UNDP.
- ▲ In addition, the PB is presented with a need to collectively reflect on the SFL's political goal, with a view to refine and sharpen the Facility's focus.

LOCAL-LEVEL STABILISATION

- ▲ The SFL has made a meaningful contribution to local stability in round 1 areas – Kikla (return), Ubari (prevention of violence), and Benghazi (civilian vs military control of governance). It has not achieved a stabilisation impact in round 2 areas (Sirt and Sebha). Early indications in round 3 areas are positive for Tripoli and negative for Bani Walid.
- ▲ The SFL is generally viewed as non-corrupt across the target areas (with some local exceptions) and is setting high administrative and fiduciary standards in programme design and delivery. This is balanced against a perception that the SFL is too slow in contracting, and indications that greater flexibility is required during procurement to cater for local conflict dynamics, and to enable the local business and economic environment.
- ▲ Rehabilitation works have mostly been well selected to contribute to stabilisation and have been implemented in accordance with PB agreements. However, in some cases rehabilitation works: (1) have not been sufficiently visible/large-scale; (2) have not taken the targeted infrastructure to the point of service delivery; or (3) have not been sustainable. For areas more affected by war (most evidently Sirte) the financial allocation agreed by the PB may not be sufficient to achieve a stabilisation impact.
- ▲ Tailored measures have been taken in Benghazi and Ubari to reinforce the capacity of municipalities to: (1) engage with communities; and (2) lead stabilisation activities. The SFL has not, however, focused directly on enhancing the capacity and performance of local municipalities across the board, meaning that some opportunities have been lost to reinforce the legitimacy of local governance.

LEARNING

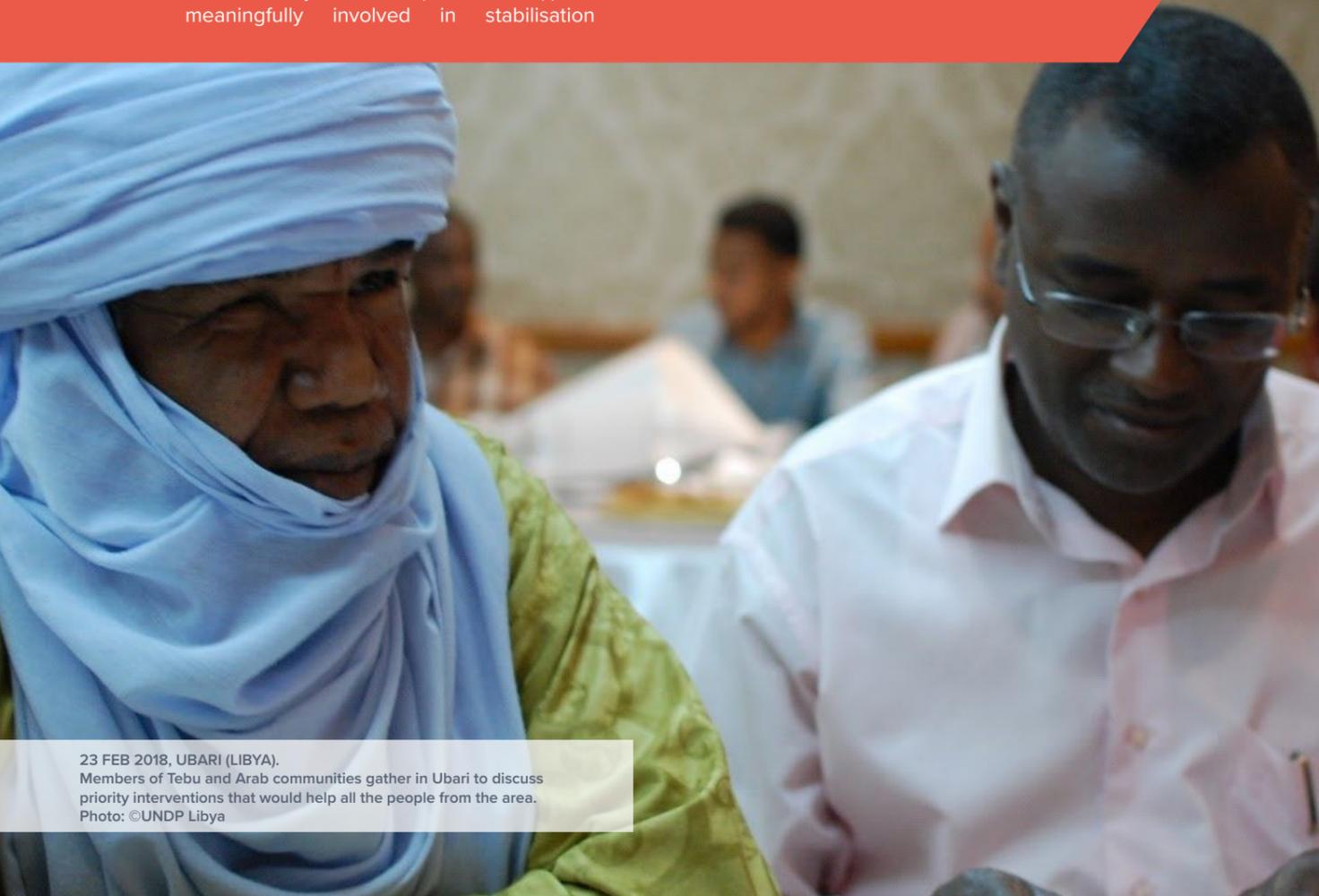
- On some occasions, it appears as though the SFL is attempting to work 'in conflict' rather than 'on conflict', in that it is focused on negotiating conflict dynamics to ensure that project activities can take place and 'do no harm', rather than using the delivery of projects to assist in building a sustainable peace – the very focus of stabilisation. Local SFL activities are successful when they are based on a clear stabilisation objective: (1) which clearly articulates a local ToC for how the SFL will contribute towards conflict management (working 'on conflict'), so as to enhance stability; and (2) with projects selected to achieve that objective. Such objectives are in part political and require expert political/conflict sensitivity support for their identification, delivery and follow-up.
- Success is also dependent on being 'conflict-sensitive' through a consultative process that builds the relationships and infrastructure that help manage conflict issues as they arise, both during the SFL and beyond. In those instances when Output 3 has been more fully delivered, the SFL has achieved a greater local impact.
- The SFL needs to invest greater resources in the ability of municipalities to: (1) be meaningfully involved in stabilisation planning and delivery; and (2) manage relationships with all constituent parts of the community; meaning a focus on inclusivity. This would need to be balanced against longer-term capacity-development support provided through other programmes and projects, addressing such complimentary issues as municipal finances and decentralisation.
- There is a need to work on larger, more visible projects in each target area, so as not to spread resources too thinly and to maximise their impact. There is also a need to work in fewer areas so that we can achieve a greater impact overall and better manage conflict dynamics that exist in SFL target areas. This may also help to ensure that greater finances are available for those areas where the need is greater.
- In some areas, SFL activities are not by themselves sufficient to achieve a stabilisation impact. For example, when the absence of compensation keeps tensions high, when violence is ongoing (e.g. Sebha) or when local government is playing a negative role (e.g. Sirte). In these cases, the PB will need to identify additional processes outside the SFL that can take action.

NATIONAL-LEVEL STABILISATION

- ▲ The SFL has not increased trust in the GNA in the target areas or in the wider public consciousness. Instead, SFL activities have had a positive impact in target communities on perceptions of the United Nations (rather than UNDP), with a secondary more limited positive impact accruing to local civilian governance.
- ▲ The political goal has proven not to be realistic given the external environment. Without the full implementation of the LPA, including House of Representatives (HoR) approval of the GNA, the utility of the SFL's political goal is now questionable. Given this environment, the effect of the SFL has shifted from its designed purpose as a tool to support the LPA by reinforcing the legitimacy of a unified government, to potentially at best reinforcing local legitimacy.
- ▲ These environmental factors were compounded by an operational approach that focused on UNDP delivering independently, rather than through developing more meaningful partnerships with national agencies or local municipalities. Liaison with national partners was restricted to the selection of targets, crisis management and 'handover communication'. The SFL project team has realised the limitations of this approach and we have seen a development in how it works, with better engagement with relevant national Libyan agencies in Benghazi and Tripoli.
- ▲ There are significant opportunities to increase liaison between municipalities and central line ministries, especially in those areas where the influence of the HoR/Interim Government/LNA is more limited. However, it is important that this engagement is not ad hoc, or with individual officials or departments. It needs to be structured and formal, so as to endure beyond changes in leadership, either locally in the municipalities or nationally in line ministries.
- ▲ Consultations demonstrated the collective intent of PB members that the SFL should contribute towards unified national governance in support of the LPA. At the same time, there was a general desire to move away from the model of working exclusively with municipalities towards also reinforcing national institutions and their capacity. As such, the PB is presented with a choice of either: (1) narrowly focusing on the legitimacy of the GNA; or (2) more broadly strengthening national agencies/institutions, assisting their ability to reach out to and deliver in all parts of the country, and supporting confidence-building across divides.

LEARNING

- There is a need for enhanced strategic communication of the SFL as a brand that is associated with positive measures to rebuild areas and communities damaged by war. This need is irrespective of the political goal chosen. The PB also needs to decide whether it is trying to promote the SFL brand and achieve its political goal exclusively in the target areas, or also nationally across the country.
- Association of the SFL with national Libyan institutions (as well as successful delivery on the ground) requires greater involvement of relevant Libyan service providers, rather than arms-length policy bodies, in the works themselves. For example, the SFL should work with the General Electricity Company of Libya when renovating parts of energy infrastructure, and this relationship should be publically visible and communicated.
- There is a need to clarify Libyan input into management and delivery of the SFL so as to ensure that stabilisation projects are enabled not inhibited, as well as to ensure participatory approaches for stabilisation. This clarification would be at three levels: (1) strategic-level, potentially through a heightened role for the Presidential Council (PC) in the PB; (2) through clearly defined coordination arrangements, a role presently provided by the Ministry of Planning (MoP); and (3) operational decision-making on delivery, so as to restrict involvement at this level to relevant national public and semi-public service delivery bodies.
- The legal status of SFL activities needs to be defined. Currently SFL's national staff believe there is no clear basis for authorising their work, leading to confusion at the municipal level as to whether they represent the Libyan Government, UNDP or an entity called 'the SFL'. At a practical level, local municipalities require authorisation for SFL activities. Nevertheless, careful consideration is required of who/how such authorisation is provided, so as to ensure it is an enabling structure, rather than one that inhibits stabilisation activities.



23 FEB 2018, UBARI (LIBYA).
Members of Tebu and Arab communities gather in Ubari to discuss priority interventions that would help all the people from the area.
Photo: ©UNDP Libya

Key recommendations

STRATEGIC-LEVEL CONSIDERATIONS

Reflections on the political goal

Based on the consultations and operational environment, it is suggested to shift the political goal from narrowly reinforcing the legitimacy of the GNA, to a broader goal of unified governance arrangements, by:

1. limiting the risk of fragmentation of national agencies in key sectors (e.g. health, education), to enable them to continue to work across the country;
2. supporting departments of government ministries that operate across the country, to continue to do so, to build stronger relationships with all areas of the country, and to develop and hold public trust; and
3. where possible, building confidence across conflict-divides. This would entail:
 - Greater visibility of the PC as leading the SFL.
 - Stronger coordination between UNDP and the line ministries.
 - Creation of a strategic partnership between UNDP and national service agencies or departments of government line ministries that operate across the country at an operational level.
 - More structured engagement between municipalities and central line ministries.
 - Better local-level coordination, through enhanced capacity in municipalities.
 - Seeking to identify and build opportunities for cross-divide dialogue on stabilisation and local peacebuilding, and to mediate on practical delivery.

This shift should contribute to building confidence and trust in government overall through enhanced public perceptions of its 'fairness' (willingness to treat all community groups equally) and 'performance' (ability to respond to community needs).

Reflections on the principles of engagement

We also recommend that the following principles apply to the SFL's future activities:

- Work in fewer areas, where works will assist achievement/reinforcement of peace. This requires that the PB is more selective, so that an area is only selected if the PB is able to identify a local stabilisation objective to direct activities and a clear added value that the SFL brings over and above other assistance instruments. The SFL should still look to provide support in a balanced manner across the country, so as to be perceived as fair
- Establish clear local stabilisation objectives, which ensure the SFL is working 'on conflict' and which also define the transition beyond immediate 'stabilisation', so as to enable judgement of when the SFL has been successful and 'stabilisation' ends. In order to achieve local objectives, the PB might need to identify processes or inputs outside the SFL that are required to undertake critical actions (e.g. in the event that a ceasefire requires negotiation).
- Conduct assessments/diagnostics before allocation of resources. This is the opposite of present practice, whereby the PB sets a financial package, and then the assessment process attempts to identify projects that can be undertaken within that package.
- Scale-up activities with a focus on visibility, functionality (ability to deliver services) and sustainability. The SFL would look to work in fewer locations, but also to undertake more visible and impactful projects in each target area, rather than spreading its resources thinly. It also entails making larger financial packages available when required to achieve a stabilisation impact.
- Consider expanding the SFL's focus beyond municipalities and establishing a rapid response capability: (1) so that target areas could encompass more than one municipality; (2) to allow for a focus on key strategic infrastructure; and (3) to enable the SFL to respond more quickly to need.
- Ensure the SFL's local objectives influence and direct international assistance. If an area is selected for the SFL, it should become the primary vehicle for assistance, and other programmes targeting the area should be designed to help achieve the SFL's objective.
- Continuous management and support in target areas. Given the ambition of Stabilisation in Libya, each target area will need continuous management and support from the SFL. This will entail dedicated managers and political/stabilisation advisers for each target area.

KEY OPERATIONAL-LEVEL CONSIDERATIONS

There are significant operational issues which are undermining the success of the SFL and will prevent it from scaling up. However, all the issues are solvable and steps are already being taken by UNDP's management to address issues raised.

Immediate

- Create/consolidate internal understanding of the purpose of SFL and how it functions.
- Ensure dedication and delegation of all management services, so that day-to-day decision-making is held in the SFL team.
- Create an expanded political/stabilisation team able to manage delivery of the local political objectives and national partnerships.
- Revise the Project Document and ancillary supporting documents, including development of a comprehensive Operations Manual.
- Review management information systems and use of project databases and Geographic Information Systems (GIS), engaging support if required.
- Commission expert advice on drafting of a Strategic Communications Plan.
- Conduct the required independent audit of the SFL.
- Develop guidelines and SOPs for consultation and working arrangements with Libyan public and semi-public agencies, and for leveraging their assets.

Short-Medium term

- Overhaul and strengthen all project management operations.
- Restructure decision-making so that the PB focuses on strategic issues.
- Clarify the legal status of SFL projects through the proposed Partnership, with a clear process for Libyan input into management and ownership of assets.
- Use conflict sensitive procurement of goods, services and civil works to help improve benefits accruing to the local economy.
- Align other programmes and projects with SFL, both internally in UNDP and externally.
- Seek to minimise requests from donors to place restrictions on the use of funds.
- Commission an independent assessment of Value for Money.
- Elaborate guidelines for UNDP's leveraging of resources accrued from the SFL.



10 FEB 2018, KIKLA(LIBYA). Khamis Issa is getting ready to play a match wearing his new equipment provided by the Stabilization Facility for Libya. Photo: ©UNDP Libya/ Malek Elmaghrebi



18 JAN 2018, KIKLA (LIBYA). Mohammed Al-Shafar (left) and Muaad Tarish (right) attend a Taekwondo training session with the sport equipment provided by the Stabilization Facility for Libya at Kikla Sport Center renovated by the Facility. Photo: ©UNDP Libya /Malek Elmaghrebi

INTRODUCTION

Recommended transition and sequencing

The following transition and sequencing is a suggestion only and would need thorough reflection by all the partners in the SFL.

Action	Timeline
Fulfilment of committed 225 stabilisation projects in all areas bar Sebha (13 projects) due to upsurge in violence there. Commitment to further rounds of activities in Benghazi and Ubari, and a complete 're-set' in Sirt as centrepiece of SFL 2.0.	Ongoing
Capacity surge to operations (procurement, finance, engineering reporting etc.). Capacity surge for political/stabilisation team. Implement required changes to project management structure and delegations of authority. Establish and update programme management information systems, potentially to include GIS. Agree Terms of Reference (ToR) for Strategic Communications Plan and seek bids from qualified companies. Agree ToR for SFL Financial Audit and seek bids from qualified companies.	Immediate (some already in hand)
Agreement of local stabilisation goals and objectives for each target area, potentially leading to cutting of some areas (if goals not defined). Priority focus given to Sirt and Sebha. Revised goals/objectives to be reviewed and approved by the PB.	Months 1 and 2
Rapid assessment in target areas of works required to deliver objectives. Priority focus given to Sirt and Sebha. Integrated assessment to include inclusive civilian governance and local conflict resolution efforts.	Months 2 and 3
Draft and agree new Project Document. Include new LogFrame and revised measures and indicators.	Month 3
Initiation of partnership model through establishing a strategic partnership agreement (including partnership principles) with all agencies and bilateral delivery arrangements between UNDP and target agencies.	Month 3
Define legal status and process for Libyan input into management.	Month 4-3
Agree Strategic Communication Plan.	Month 4
Internal communications/training and preparation for implementation of new Project Document, with drafting of Operational Manual.	Month 4
Launch of SFL 2.0 focused on Sirt as centrepiece.	Month 4

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- ▲ The SFL was launched in April 2016 as a vehicle for supporting the Government of National Accord (GNA) and the Libyan Political Agreement (LPA). It does this by seeking to build the GNA's public legitimacy through actions that respond to the needs of Libyans most affected by war. By April 2018, the SFL had raised \$63,035,881 from 14 donors (collectively the SFL PB) - Canada, Denmark, the European Union (EU), France, Germany, Italy, Japan, South Korea, the Netherlands, Norway, Switzerland, the United Kingdom (UK), the United States of America (USA) and the Government of Libya.
- ▲ The SFL is implemented by the United Nations Development Programme (UNDP). By June 2018, UNDP had undertaken three rounds of activities across seven municipalities: (1) Benghazi, Kikla and Ubari; (2) Sebha and Sirt; and (3) Bani Walid and Tripoli. Up to this point, the SFL had delivered a total of 64 projects, with 225 in process. SFL projects rehabilitate damaged public infrastructure, such as hospitals and schools, and provide essential equipment, such as ambulances and water pumps. The projects are intended to be supported by a capacity boost to local government and the development of local conflict management processes.
- ▲ At its heart, the assessment looks to answer two questions: (1) What stabilisation goal should the SFL try to achieve? (2) What operational model is most effective for achieving this goal? To this end, the assessment was conducted through two parallel processes undertaken separately by two individual consultants – a Strategic Review (SR) focused on the SFL's strategic effectiveness, and a Stocktake focused on the SFL's operational efficiency and economy.
- ▲ While these assessments were conducted largely separately, it was agreed with the PB that the results would be presented in one integrated review. Collectively the SR/Stocktake assessed the following issues, which are reflected in the sections of the report that follow:
 - Purpose and design of the SFL.
 - Results of the SFL at the outcome and output level, including reflections on conflict sensitivity, involvement of national Libyan counterparts and coherence with other programmes.
 - Business processes for implementing the SFL, including (inter alia) procurement and engineering, project finance, reporting and communications.
- ▲ The assessment is both reflective and forward-looking. The assessment is reflective in that it draws on lessons from the experience of delivering the SFL to date; and forward-looking in that it provides a suggested model for a more effective SFL 2.0 based on this learning.

STRATEGIC REVIEW METHODOLOGY

Importantly, the review looked at the entirety of the SFL, including UNDP's delivery performance, the role of the PB and the involvement of the full range of Libyan partners. Indeed, UNDP's performance cannot be considered in isolation from the SFL's overall structure and governance arrangements and the degree to which its activities are enabled by them.

It is important to note that neither the SR, nor the Stocktake can be considered as full programme evaluations. This is due to constraints around time, access to documentation and access to beneficiaries.

The review included three parts: (1) an assessment of impact through missions to all target areas, with the exception of Sebha; (2) a technical assessment of operational capacity, through interviews with staff in Tripoli and Tunisia; and (3) consultation sessions with PB members and Libyan partners. The field research was supported through desk research of available documentation, including the Project Document, public survey results commissioned under the SFL, project reports, project records and communications products.

It should be noted that all findings and recommendations expressed in this report are based on a process of document review and consultation feedback, by both UNDP and SFL PB members. The recommendations include areas of immediate improvement, identification of potential problem areas, and some issues that will require review in the light of any strategic changes to the SFL as agreed by the PB. In sum, the document makes recommendations to enhance the SFL's strategic impact and to improve its operational performance, including a list of both short-term and longer-term projected improvements and courses of action, to be mutually agreed upon by both UNDP and the PB.



30 AUG 2018, UBARI (LIBYA). Women gain sewing skills with the equipment provided by SFL at Ubari Women Center rehabilitated by the Facility. Photo: ©UNDP Libya /Ali Alshaarif

- ▲ The SR focused on the following key questions:
 - What political goal can the SFL contribute towards, and what if any secondary goals should it have?
 - What is the appropriate model for the SFL, and processes to deliver the model (including considerations of inter alia scale, focus and expectations)?
 - How could the SFL become a vehicle to promoting the prominence of the GNA?
 - What is the best balance between speed of implementation, conflict sensitivity process and sustainability of interventions?
- ▲ The SR considered as a priority identifying the evidence of impact of the SFL and the learning that could be drawn from how this impact was achieved; as well as a thorough interrogation of the Theory of Change (ToC) and identification of changes to the ToC that would help the SFL have a greater stabilisation impact.
- ▲ The SR started with an internal project team consultation inside UNDP, followed by a set of consultations with 12 of the 14 PB members. These consultations were used to establish the focus of the SR, identify key issues of concern and to identify a set of programme options for the SFL that could be considered during the assessment process.
- ▲ While the Terms of Reference (ToR) for the SR provided for only a desk-based review of impact, initial conversations with PB members demonstrated that limited field work involving direct conversations with beneficiaries was also desirable. As such, field missions were ultimately undertaken in six of the seven functioning target areas (Bani Walid, Benghazi, Kikla, Ubari, Tripoli, and Sirt). Sebha was not accessible due to a return to violent conflict in the town during the assessment period. It is important to note that the field visit to Sirt was also curtailed due to security and authorisation issues.
- ▲ The SR was not an independent assessment of results, objectives and theory of change, but rather captured the outcomes of a facilitated discussion within and between PB members, so as to achieve a collective vision for future objectives.
- ▲ The SR also looked to include the GNA and its representatives, especially in the field missions, so as to ensure that the findings and recommendations coming from it are shared, and also to build government experience of assessing stabilisation activities. However, it was agreed that the SR would only be conducted with GNA representatives to the extent that their involvement did not slow down the review process or reduce its independence. In the end, four consultations sessions were held with the MoP and a MoP staff-member (seconded through UNDP) accompanied field visits to Kikla, Ubari and Sirt.

OPERATIONAL STOCK-TAKE METHODOLOGY

- ▲ The Stocktake focused on the following key questions:
 - To what extent have operational and delivery issues impacted the implementation of the SFL and the Facility's outcome and impact goals? How should the SFL design be adapted to enhance its effectiveness at those levels?
 - Are UNDP's project team and support functions organised in the optimal manner to support the SFL purpose and objectives?
 - Are day-to-day operations working smoothly, or as smoothly as they could be expected, in the Libyan context?
 - How does SFL delivery compare with that of other agencies operating in Libya in similar fields? Are there performance benchmarks and comparable experiences with stabilization interventions in other countries or similar contexts?
 - What would be needed to support a new SFL operating model?
- ▲ The Stocktake considered as a priority the trade-off between the needs for urgency in demonstrating delivery, and in meeting citizens' aspirations from consultations, the need for sufficient situational awareness to ensure conflict sensitivity and the sustainability of the assets created.
- ▲ The Stocktake commenced with a UNDP management meeting in order to understand the problems facing the SFL in terms of operations. The primary purpose of this meeting was to identify any specific areas of concern. Individual meetings were held with the Country Director, Heads of Programmes and Operations, the SFL Programme Manager and the DFID seconded Stabilisation Adviser. Several areas of concern were highlighted as worthy of deeper investigation.
- ▲ The Stocktake ToR noted that while delivery on the ground is essential for success, it is not sufficient to achieve the political objective of the SFL. Therefore, the SR sits on top of the Stocktake examining the strategic questions about the political goal of the SFL and its relation to wider goals for Libya. The Stocktake incorporates consideration of the SR especially where the current operating model is linked to the strategic issues. If the strategy, approach and ToC change, it is likely that the operating model will also need to evolve.
- ▲ The conceptual framework for the review is one that is consistent with Results-Based Management and addresses delivery issues with reference to relevance, efficiency, effectiveness and sustainability. The focus of the Stock-take is, in sum, on people, processes and procedures, and structures noting the links to existing and future strategy/strategies. These factors will help determine the SFL's progress in the future.
- ▲ It should be noted that within a limited time budget for the review the level of investigation into individual questions was necessarily constrained. Accordingly, in the recommendations, there are several operational areas that may require further analysis.

1. PURPOSE AND DESIGN OF THE SFL

This section of the report evaluates the present approach to Stabilisation taken by the SFL and the ToC underpinning that approach. As 'Stabilisation' has an overtly political purpose related to seeking stronger governance and managing conflict, the review reflected in particular on the achievability the political goal that was set at the outset of the SFL and potential alternatives to it. This reflection also took into account the present status of the political dialogue and the general conflict context in Libya. Further, the section then looks to examine whether the outputs and activities included in the SFL are best placed to achieve the political goal, both as it stands and with any future adjustments.

It is important to note that the spirit of the review was one of open exploration through an impartial analysis and consultations with PB members. The analysis provided does not necessarily reflect the position of the independent consultants, UNDP, the PB members or the SFL's Libyan partners. Rather, it looks to provide a set of options that could be used by PB members as they make decisions about the future shape of the SFL.

1.1 Stabilisation in the Libyan context

'Stabilisation' is a specific form of assistance in fragile conflicts, whose primary objective is a conflict settlement that enables sufficient stability to help an area return to civilian life following a period of violence. Stabilisation activities can either be used to reinforce or contribute towards a 'peace' that: (1) has been won militarily; or (2) negotiated through political means. In either case, a stabilisation approach usually looks to reinforce the legitimacy of a political authority in a target area; either the authority that has asserted itself militarily (as in Iraq, following the expulsion of Islamic State of Iraq and the Levant, ISIL), or that has resulted from a political bargain or settlement (as in Sudan, in support of the Comprehensive Peace Agreement).

In this sense, stabilisation is overtly 'political', in that its activities are chosen in order to achieve a defined governance outcome (e.g. that one government is able better able to operate in an area), rather than providing assistance in accordance with humanitarian principles or on the basis of need.

While there are different approaches to undertaking 'stabilisation', it generally includes a set of activities that build the structural conditions required for normal development programming. Such activities can include those that help to prevent violence, actions that protect and/or rebuild institutions providing basic services, that rebuild local and national governance structures and that increase public trust in the environment and local/national institutions.

Given the political and conflict context in Libya (see section 1.2 for a deeper analysis), the assessment team identified three broad possible focuses of stabilisation in the country:

- Enhancing the 'legitimacy' of national political authority. This could mean a national authority agreed through political dialogue. However, it could also mean supporting one national political authority in its competition with alternatives. This would entail measures that either enable the national political authority to exert influence across the country, and/or that create a positive public perception of the national authority in terms of 'fairness' (an equal interest in all groups in society) and 'performance' (the ability to deliver on the needs of all groups).

Fig 1: potential focus of stabilisation programmes in the Libyan context



- Reinforcing local stability following violence. This could mean areas recently liberated from extremist anti-government groups. However, it could also mean areas destabilised by inter-ethnic or communal violence. This would entail measures that enable local government to function, and/or that make an area more liveable, such as the provision of basic services, including human security.
- Building confidence across conflict divides in support of political deals and conflict management. This could mean across a national divide to help a national political settlement. It could also mean across divides in a local/sub-national context to help reduce the potential for violence. This would entail measures that bring parties from across the divides together to negotiate and manage their needs; or that reinforce trust in the fairness and performance of processes set up to negotiate deals/manage conflict.

1.2 The SFL's political objective and relation to the political dialogue

Initial political purpose of the SFL

The SFL was established as a tool to support the LPA signed in Skhirat on 17 December 2015. At its heart, the LPA had the purpose of creating a unified executive and legislative by resolving the dispute between the House of Representatives (HoR) and its affiliated government based in Al Beyda ('Interim Government'), and the General National Congress (GNC) and its affiliated government based in Tripoli ('Salvation Government'). The LPA's approach was for the two sides to agree to a set of national institutions: (1) a core executive whose members were agreed in the dialogue process, in the form of the Presidential Council (PC); (2) an advisory body to the PC comprised of former GNC members, in the form of the High State Council (HSC); (3) confirmation of the HoR's status as the country's legitimate legislative body; and (4) a full executive body comprised of members appointed by the PC and approved by the HoR, in the form of the GNA.

The SFL sought to support the LPA by increasing public legitimacy of the GNA. It would do this by helping the GNA to demonstrate that it could quickly and effectively respond to the needs of communities severely affected by war. As the GNA started to operate, it would have multiple priorities, and perhaps lack the resources and expertise required to rebuild areas substantially damaged, or to consolidate authority over local governance structures. However, if it responded slowly to the needs of communities living in these areas, then its interest and ability would be questioned. It was thought this could be especially damaging to the GNA given that some communities were not fully supportive of the LPA, but rather felt that the 'Salvation Government' or 'Interim Government' represented the country's legitimate authority.

As such, the SFL (through UNDP) would respond quickly to the needs of such communities through projects to rehabilitate damaged infrastructure or provide critical equipment, but so that the results were attributed to the GNA. This would in turn lead to a perception that the GNA was interested in local needs and had the ability to respond to them. In sum, the approach was to reinforce the legitimacy of the GNA by increasing public perceptions of its 'fairness' (that it is equally interested in the needs of all groups) and 'performance' (that it has the ability to respond to those needs in a timely fashion). The focus on increasing perceptions of 'fairness' was reinforced by the 'principles of engagement', which required a balance in the selection of areas, so that target areas were distributed evenly across the country and across political divides.

An increase in GNA legitimacy, through enhanced public perceptions of fairness and performance, would then lead to de facto national authority of the LPA institutions whereby both the executive and legislative bodies' influence extends territorially and over all groups in the country, and so that there are no competing administrations (either indigenous or imposed from outside).

It is important to note that the approach to stabilisation adopted by the SFL appears to seek to promote the legitimacy of the GNA not only in target localities, but also nationally. It is worth the PB reflecting on whether the SFL should continue to have this dual focus for enhancing legitimacy (local and national) in the future.

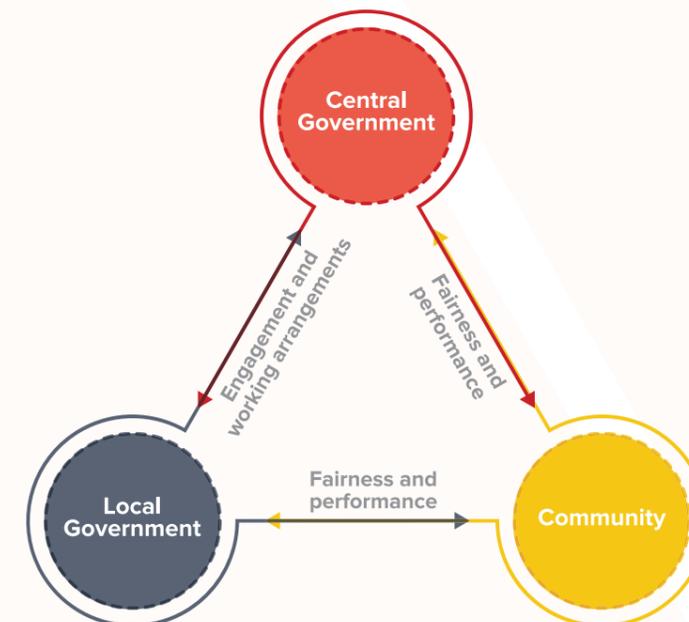


Fig 2: Positive loop – communities, local government and central government

In addition, the SFL would enhance the legitimacy of the GNA by creating a positive loop between communities, local government and national government. The process of selecting and delivering the SFL projects would be conducted in a participatory manner (led by the municipality in each target area but including community leaders) and, importantly, would encourage engagement and working arrangements between the municipality and central government institutions. In addition to reinforcing the legitimacy of the GNA, this approach would consequently also: (1) reinforce public legitimacy of local government, through association with SFL projects and hence enhanced perceptions of its 'fairness' and 'performance'; and (2) strengthen positive relationships between local and central government, by demonstrating in practice their reliance on each other for public legitimacy.

Using the model outlined in Fig 1, we can see that the SFL design gave it a dual focus on: (1) 'enhancing the legitimacy of the national political authority', in this case the GNA as the authority agreed within the LPA; and (2) 'reinforcing local stability following violence', but in a balanced manner across the country and political divides rather than focusing on those most significantly damaged. It is important to note that the SFL model did not directly focus on 'building confidence across conflict divides'; although it could be argued that its delivery process would have an indirect confidence-building impact nationally (through a balanced selection of target areas) and locally (through adoption of a conflict sensitive approach).

Context – political dialogue, national divide and local conflict

The success of the SFL in achieving its political goal is dependent on progress with the LPA. As such, assessment of the success of the SFL cannot be conducted separately from an understanding of the stage of implementation of the LPA and the wider conflict context in Libya. Similarly, success of the SFL is also dependent on creation of a positive loop between communities, local government and central government. As such, the assessment should take account the functioning and status of local government arrangements and local conflict contexts in Libya, which itself is part of the LPA.

Implementation of the LPA

The LPA has not to date been fully implemented. A PC was created, the HSC was introduced and the HoR was confirmed as the sole legitimate legislative body. However, this has not led to a unified government, as the GNA appointed by the PC was not approved by the HoR. As it has not approved the GNA, the HoR does not recognise the GNA's legitimacy, instead continuing to recognise that of the 'Interim Government' in the East. There have been several attempts by the Special Representative of the Secretary General (SRSG) and the United Nation's Support Mission in Libya's (UNSMIL) political team to create the conditions by which the HoR would approve the GNA; but these attempts so far have been unsuccessful.

Under the present SRSG, Ghassan Salamé, a Roadmap was announced on 20 September 2017 that shifted the focus of the political dialogue from obtaining HoR approval of the GNA, to: (1) amendment of the LPA; (2) confidence-building and inclusion through a National Conference; and (3) moves towards a constitutional referendum, and presidential and parliamentary elections. The vision of the Roadmap could hence be construed that a unified government could come into existence after the referendum and elections, assuming the referendum/elections are based on wide-ranging support, with respect for their results guaranteed in advance.

Given the stalled nature of the LPA and the continued existence of a parallel 'Interim Government' in the East, rather than reinforce the legitimacy of one unified government, the SFL has de facto become a tool for promoting the GNA in opposition to the 'Interim Government'. Thus, it could be argued that the SFL in its close public association with the GNA is not helping to progress achievement of a sustainable political agreement, but rather could be seen as supporting one side in an ongoing national division.

In addition, it is not clear how the SFL currently assists with implementation of the Roadmap, both in the lead-up to and following a constitutional referendum and presidential/parliamentary elections. This is especially the case if the Roadmap looks to build confidence and consensus across the main political divide, while the SFL is perceived of as supportive of one side. Further, it is important to note that while Tripoli-based line ministries will continue to function after an election, it is not necessarily the case that a future government will fit the title of 'GNA'.

Status of national institutions

While most national administrative capacity is in Tripoli, with most functioning line ministries based there (as opposed to the mostly limited nature of the parallel institutions established in the East), these line ministries have struggled to develop and deliver national policies in the period 2015-2017. This is because they have had to come to terms with the divided country, and the challenges presented by the existence of parallel institutions in the East that are constantly in competition to develop and deliver policies. Line ministries' ability to function has been further crippled by the liquidity crisis, which has meant that line ministries are not able to deliver on planned programmes (e.g. the Ministry of Education's – MoE – School Renovation Unit's plan for renovation of schools).

There have been some indications in late 2017 that the performance of Tripoli-based line ministries is starting to increase, especially with international partners returning to the model of direct bilateral relations and technical support. Such assistance modalities were suspended in 2014, with a preference for direct assistance to municipal-level governance.

Tripoli-based institutions have struggled to project their authority outside of Tripoli and its immediate environs since the revolution/civil war in 2011, with the various transitional governments characterised across Libya as 'governments of Tripoli for Tripoli'. This characterisation appears to have held true since the political crisis in 2014, with mostly slow progress by Tripoli-based institutions to build relationships with local authorities at a distance from Tripoli. This gap is most visible for municipalities geographically furthest from Tripoli, and especially in the South West (without considering the areas under control of the 'Eastern Authorities').

Again, since late 2017 there are indications of greater ability of Tripoli-based institutions to work with and influence municipalities in the West. Indeed, early 2018 seemed to represent a turning point in the consolidation of authority by Tripoli-based institutions over municipalities in Western Libya (e.g. the end of fighting in Sabratha, and increased security along the main Tripoli-Tunis coastal road). However, this consolidation of authority does not appear to have extended to the South West of Libya.

While the space for local civilian government has become squeezed in the East, western and southern Libya has seen municipal authorities grow in influence as they filled a political vacuum following the 2014 political crisis, and latterly encouraged by the LPA's emerging commitment to decentralisation. This has been in spite of their inability to meaningfully deliver local services given limited progress with fiscal decentralisation and perceived weaknesses in Law 59 ('Concerning the Local Administration System'). The local influence of municipalities is not universally positive, with some municipal authorities having weak relationships with all or parts of their community, or being undermined by internal divisions and competition. Municipal-level weaknesses are often due to weak underlying social agreements between people living the area – see below.

However, local authorities have mostly: (1) proven themselves to be more relevant for civilians in their territory than Tripoli-based line ministries; and (2) have been the focus of international assistance and attention; although as noted, there has been a recent shift by the international community back towards bilateral arrangements with Tripoli-based line ministries. The Municipal elections planned for the summer of 2018 will be an important test for the status of the municipalities.

Following the political crisis in 2014 there have been a number of government institutions/agencies and public/semi-public bodies that continued to link Eastern and Western Libya together, in spite of the impasse in the political process and the continued existence of the 'Interim Government' in the East. Such government institutions/agencies include the Central Bank, the Constitutional Committee, the Commission for Civil Society (which is based in Benghazi) and the Hospital Division of the Tripoli-based Ministry of Health (MoH). Public/semi-public bodies include the General Electricity Company of Libya (GECOL), the National Oil Corporation (NOC), the Libyan Investments Authority (LIA) and the Libyan Post Telecommunications & Information Technology Company (LPTIC). However, some of these bodies have become fragmented to varying degrees along the East-West divide; and others are experiencing pressure to divide. The most significant example of such splits is possibly the creation of a second 'Central Bank' in Benghazi. Evidently, further administrative fragmentation is undesirable.

Isolation of the East

The territory in Eastern Libya (including the South East) outside the control of Tripoli has consolidated as a separate social, political and economic entity since 2014, measured in more than separate political 'institutions' – e.g. a functioning 'military' and experiments with monetary division. Perhaps most importantly, there is now experience of separation in the East and reduced willingness to return to a shared political framework. For some, their experience has proved that 'independence works', with a widespread negative view of the PC/GNA in the East. In addition, there is a widespread negative view of the international community as providing unbalanced support to Tripoli and hence of having taken sides in the national political conflict.

There is limited evidence of a growing capacity of the alternative institutions in the East to: (1) develop coherent internal and external policy positions; and (2) develop and deliver public services. Instead, we have seen the space for civilian governance shrink through: (1) the Libyan National Army (LNA) operations in Benghazi, Ajdabija and Derna; (2) the appointment of military mayors, on the basis

of an emergency situation during the fight against extremist Islamists in Benghazi; and (3) creation of the 'Al Kata Wasapira' ('Elimination and control department') to take over some Eastern 'Ministry of Interior' (MoI), functions, including management of security at ports of entry. This militarisation is further evidenced by measures to reduce the space for free expression and criticism of authority.

Nevertheless, there is an ongoing contest in the East over the degree to which the military can intrude into civilian space. This is visible in actions taken by the 'Interim Government' and the HoR to reign in LNA actions, the position taken by civilian mayors (most noticeably in Tobruq), court cases brought against the LNA over arrests and detention without due process, and increasing civil society activism in Benghazi following the end of open fighting there.

Contest over control of local municipalities

The period since 2014 has seen the LNA/Interim Government/HoR consolidate their control over municipalities in the East and South East. The GNA and aligned political/military groups have also made progress in consolidating its authority in the West (e.g. militarily in Sirt and Sabratha) or gained working agreements with groups such as Zintan and the Worshefena; although the proliferation of inter-community conflict in Western Libya means it is a struggle to maintain this authority.

The South has seen substantial competition between the GNA and aligned groups and the LNA/Interim Government/HoR, both militarily (as experienced in the fighting over airport infrastructure in Barak Shati and Sebha) and through soft power (as demonstrated through the use of rehabilitation funds to gain support). Given the consolidation of authority of the GNA in the West and the alternative elites in the East, there is a strong risk of increased competition over control and influence in Southern municipalities over the next 2-year SFL cycle.

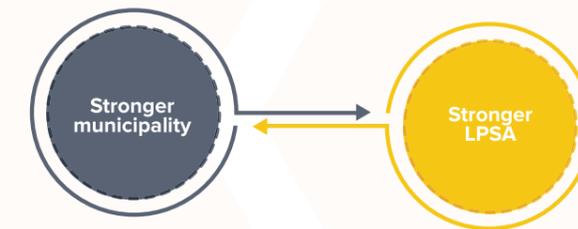
Local stability and conflict

Libya is comprised of local entities, in which people have a keen sense of local identity, and a shared understanding of how local decisions are made and opportunities/benefits distributed. These can be described as local political and security arrangements ('LPSAs'). Since the revolution/civil conflict in 2011, some of these LPSAs have been robust, managing internal issues and projecting external coherence (e.g. Tobruq, Jufra, Zuwarah or Misrata), while some of them have broken down as constituent communities have been unable to find accommodation, often leading to violence (e.g. Sebha, Benghazi or Bani Walid).

There are three broad categories of divisions that have led to LPSA breakdown: (1) ethnic/tribal conflict over access to opportunities and benefits, often informed by disagreement over who has the right to claim Libyan nationality (e.g. Kufra, Sebha, Ubari); (2) differences in opinion on the revolution (e.g. Bani Walid); and (3) difference perspectives on the role of Islam (e.g. Benghazi and Sirt). Since the political crisis in 2014 we have seen changes in the relative strength of LPSAs – both positively (e.g. Bani Walid) and negatively (e.g. Misrata).

Importantly, the strength of the local government structures (elected municipal councils or appointed local councils) depends on the LPSA that exists. When an LPSA is strong the local government structure tends to function. When it is weak, the local government structure tends to mirror and exaggerate the divides in society. Strengthening local government structures also entails strengthening the LPSAs that underpin them – i.e. the informal mechanisms and processes by which internal decisions are made and opportunities/benefits distributed. It is not the case that strengthening of municipalities alone will be sufficient for managing conflicts in a society. It is important to note that the municipal elections planned for the summer of 2018 have the potential to expose weak LPSAs and to lead to violence, if elections or/municipal councils are felt to be unfair or biased.

Fig 3, role of LPSAs and Municipalities in manage conflict



The functioning of a LPSA has immediate impacts on the situation in surrounding areas, and hence the strength of LPSAs there. This is especially the case in the South of Libya. For example, fighting in Ubari between Tebu and Tuareg (2014-2016) had an impact on the situation in Ghat, as Tebu fighters attacked Tuareg traders from Ghat travelling along the Ghat-Ubari road. Similarly, the 2017 anti-ISIL operation in Sabratha, which pitched two local armed groups against each other, was replicated in Surman among groups aligned with the two Sabratha factions.

Libya is host to a range of inter-community conflicts, especially in the West and South, some of which are based in experiences during the revolution/civil war and Qaddafi period, some of which have grown since 2011. These conflicts mix a range of issues, such as historical grievances (e.g. Bani Walid-Misrata), questions over recent justice (Tawergha-Misrata), land disputes (Kikla-Gualish), attempts to dominate local political dynamics (Zintan-Gharyian), alignment with the revolution (Nalut-Tiji), ethnicity (Zuwarah-Jmel) and criminality (Worshefena-Zawiyah). Often these conflicts include multiple elements and overlap with each other. The nature of these conflicts is volatile, with the potential for violence never too distant.

The existence of such strong inter-community conflicts, especially in the West and South, mean that it may not always be possible to pursue stability in one municipality in isolation. But rather, attempts to achieve stability in one municipality might entail parallel activities in neighbouring municipalities, and/or mediation and confidence building between those areas. A good example is Tawergha, where any attempts to achieve stability through sustainable return would entail mediation with, and development in, Misrata. At the same time, it is important to note, there has been progress in finding working agreements in a number of conflicts (e.g. the open roads agreement in the Western/Nafusa Mountains), driven by increased national capacity due to the experiences of Libyans in undertaking mediation since 2011. This growing mediation expertise in the country provides a base to work from in strengthening both internal LPSAs and relationships between communities.



27 AUG 2018, SIRT (LIBYA). Two workers are repairing the roof of Al Fath School as part of The Stabilization Facility for Libya rehabilitation works.

1.3 Potential alternative goals

Potential options

On the basis of initial consultations held during the SR and the above-articulated contextual analysis, a set of potential alternative political goals for the SFL were formulated (Table 1). These goals were developed in the spirit of open exploration, so as to assist reflection on the purpose of a multi-donor stabilisation programme in Libya. The goals are not necessarily mutually exclusive, although each entails risks and trade-offs.

Table 1: Summary of alternative goal options

Potential goal	Description
Tripoli-based government is better able to project its authority (‘legitimacy’ type 1)	The SFL has the purpose of ensuring the Tripoli-based government (TBG) it is more likely to ‘win’ when in competition with alternative elites (and extremist Islamic groups). It does this through enhancing the ability of the TBG to govern aligned municipalities (and potentially to project authority into non-aligned municipalities) in terms of: (1) internal functioning of the TBG to stabilise and govern local areas; and (2) functional relationship with municipalities to coordinate planning and service delivery.
The Tripoli-based government is viewed as more credible by the public (‘legitimacy’ type 2)	The SFL has the purpose of ensuring the TBG it is more likely to ‘win’ when in competition with alternative elites (and extremist Islamic groups). It does this through enhancing the public reputation of the TBG through: (1) communication of all stabilisation actions as delivered by the TBG (irrespective of its actual role); and (2) promotion of political relationships with municipalities (and local political elites). This option does not focus on the capacity of the TBG or functional relationships with municipalities.
Enhanced legitimacy of Tripoli-based government, but balanced against enhanced local governance	The SFL has the goal of strengthening the TBG’s legitimacy (in terms of either authority and/or credibility) when and where possible, but is equally focused on providing assistance to those areas coming out of violence, irrespective of whether controlled by/or aligned with Tripoli or alternative elites. It does this by looking to strengthen local service delivery, and governance structures and processes (rather than the individuals/group in government).
Enhanced local service-delivery and governance	The SFL would be de-linked from the political dialogue and would not claim to support the legitimacy of the TBG, or have any other purpose. Instead, decisions on where to work and what to deliver would be on a basis of need as defined by international actors together with local legitimate partners. ‘Stabilisation’ would then be achieved by strengthening local service delivery, and governance structures and processes (rather than the individuals/group in government).
Reinforce local reconciliation processes	The SFL would focus on providing practical resources in support of local reconciliation efforts that either strengthens: (1) an LPSA in a target area (e.g. tribes and ethnicities in Sebha); or relationships between different areas (e.g. Misrata-Tawergha). These resources could either be used to incentivise and cement agreements, or used to deliver on parts of the agreement that otherwise would not be quickly financed.
Build bridges between competing political elites	SFL activities do not look to support the TBG, but instead look to build confidence between the TBG and competing elites, as a contribution to a political settlement. As such, success of the SFL would be measured by: (1) the degree to which the TBG and alternative elites cooperate in planning and delivering assistance into target areas; and (2) the contribution that such cooperation makes to the political dialogue.

A stabilisation approach for Libya could look to respond to several of the goals described. However, some of the goals appear to be complementary, while some are potentially contradictory. The following Venn diagram attempts to cluster the goals according to the scheme outlined in figure 1, i.e. whether they primarily look to: (1) enhance legitimate national political authority; (2) reinforce local stability following violence; or (3) build confidence across conflict divides.

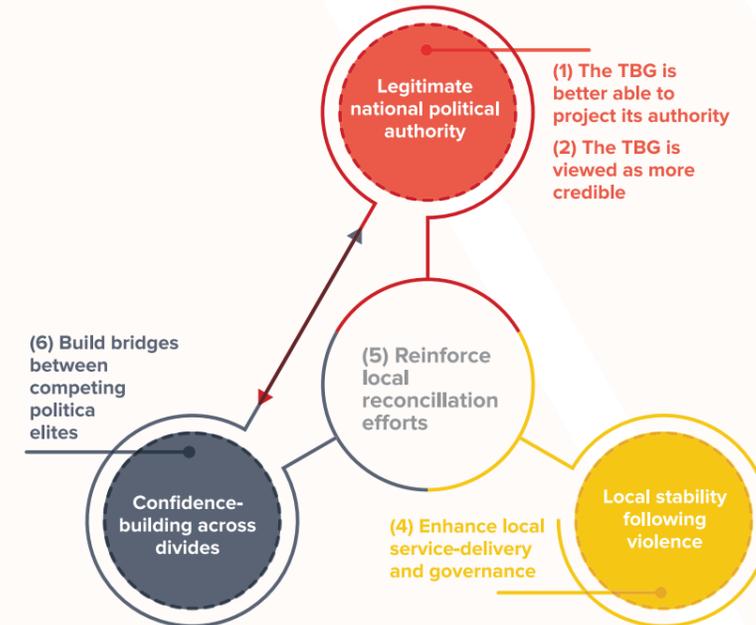


Fig 4: Purpose of potential political goals

Some objectives are cross-cutting. An approach to stabilisation that looks to balance enhanced legitimacy of the TBG with enhanced local governance (option 3) could both build central government legitimacy and reinforce local stability. Similarly, an approach to stabilisation that reinforces local reconciliation efforts (option 5) could reinforce central government legitimacy, reinforce local stability and build confidence across divides.

The only strong contradiction seems to be in a stabilisation approach that attempts to both build bridges between competing political elites and to reinforce central government legitimacy. For example, if government is contested between political elites, but the SFL supports a ‘central government’ controlled by one set of elites (options 1 or 2), then it is probably not going to assist in confidence-building across the political divide (option 6). Vice-versa confidence-building between elites might be at the expense of reinforcing central government legitimacy; unless confidence-building itself results in an agreed central government.

Reflections on the potential goals

The consultations conducted during the SR uncovered a set of considerations important to the PB members, and which should be reflected in the SFL’s future goal.

The SFL’s activities to date have de facto taken a model that follows option 3. It has the objective of enhancing the credibility of the TBG in opposition to the ‘Interim Government’. It has looked to do this through communication of SFL activities as being GNA-led, but without significant involvement of the GNA in delivery, and with less of a focus on building relationships between the GNA and local municipalities. However, this focus on the credibility of the GNA has not been universal. So for example, the PB selected Benghazi as a target area due to its conflict-related needs and out of a

desire to work in the East; even though the SFL cannot communicate the GNA's role in the project in the East. In this case, delivering local stability was taken to be equally important as building the credibility of the GNA.

The SFL should continue to have an equal focus on delivering local stability in places of extreme need, and the SFL's model should be improved so as to increase its local impact. Indeed, this focus on places of extreme conflict-related need was felt to be an added value of the SFL versus other assistance instruments. This means a focus on enhancing the quality of SFL projects (in terms of visibility, functionality (being able to deliver services) and sustainability – see section 2.1 below). However, it also entails a greater focus on enhancing the functionality of local governance arrangements to facilitate inclusive service delivery and the LPSAs that underpin them. A focus on 'places of extreme need' would require that the SFL continue to be able to work nationally, and that its work should not be restricted to only those areas supportive of the GNA.

Box 1: Opportunities and challenges of SFL as multi-donor fund

The very existence of the SFL, a strategic use of pooled funds, encourages better donor coordination, and improved targeting and management of resources. The SFL can also serve as a platform for common risk management responses from the donors, recognising that Libya poses specific reputational and fiduciary risks for all donors. At the same time, it brings into sharp focus the differences in risk appetites, incentives, constraints, and strategic agendas of all the donors. Donors have different focuses, e.g. on achieving of the political goal vs. achieving local stability. Donors also hold various positions on whether the SFL should focus specifically on enhancing the legitimacy of the GNA, or more widely on the LPA and instruments of central government. A revised political goal will need to be sufficiently well thought through so as to accommodate these different perspectives.

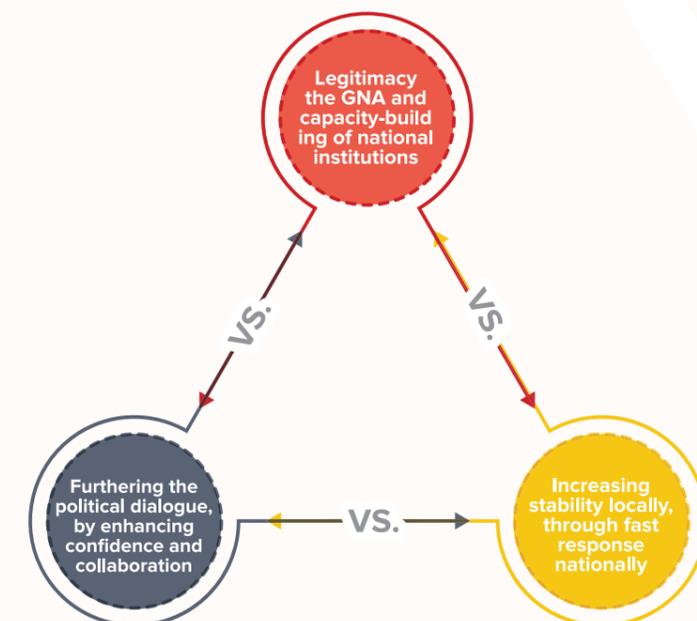
This focus on delivering local stability should not be at the expense of the SFL having a clearly-defined political goal. Indeed, PB members held the view that the SFL should not lose its 'political' focus. There was recognition that due to the external environment a narrow focus on the legitimacy of the GNA would not further the political dialogue and there was a willingness to consider a broader focus. Importantly, there was a consistent request for the SFL to be more closely aligned with the work of the SRSG/UNSMIL political team and to be supportive of achievement and implementation of the SRSG's Roadmap. This could be done by using stabilisation projects as a point of confidence-building and collaboration across the political divide. However, it was felt essential that a broader goal should not undermine the present GNA or any future TBG; and some donors felt more comfortable with a continued explicit focus on the legitimacy of the GNA by the SFL.

At the same time, PB members require that the SFL actively reinforces the Tripoli-based line ministries and the ability of these ministries to work across the country. The Tripoli-based line ministries are recognised by most of the PB members as comprising the legitimate executive body in Libya. As noted elsewhere, most embassies/donors are moving back towards bilateral assistance models with line-ministries based in Tripoli. In line with this trend, a further important reflection was that the SFL should not focus exclusively on enhanced capacity of local governance, but that it should also enhance the capacity and functionality of national institutions and agencies working on stabilisation. This in turn implies a more coordinated approach to institutional development of relevant line ministries and of their relationship with local government.

These considerations present a set of linked challenges that need to be accounted for in a revised political goal:

- Furthering the political dialogue vs. enhancing GNA legitimacy. As indicated by fig. 4 above, programming that overtly supports the GNA in opposition to the 'Interim Government' risks undermining rather than building confidence and collaboration across the national political divide. This is because such support: (1) could fuel competition between the GNA and the 'Interim Government' for influence in local areas; and (2) could reinforce a perspective in the East that the international community is biased towards Tripoli in its handling of the political dialogue.
- Enhancing the GNA vs. increasing stability locally. It was a clear priority for the PB that the SFL should continue to be a national instrument that is able to work in those places most in need of post-violence stabilisation. However, there is a risk that close association with the GNA, especially in the event of improved strategic communication around that role (see section 3. 7), could inhibit the ability of the SFL to deliver effectively in the East.
- Increasing stability locally vs. capacity-building of national institutions. There is the potential for a model that supports the capacity of national institutions, by involving them in SFL projects (rather than delivery by UNDP alone), to slow down the pace of delivery and hence undermine the ability of the SFL to quickly build local stability. However, as indicated in section 2, without proper engagement with relevant national agencies/institutions, the SFL's local stability impact is not as effective and/or sustainable as it could be.
- Increasing stability locally vs. furthering the political dialogue. Similarly, there is the potential that a focus on confidence-building and collaboration across the political divide would slow down the pace of delivery, as it would take time for relevant actors to engage in meaningful dialogue on how to stabilise a particular area and to identify potential collaboration. Indeed, in some areas it might not be possible for such dialogue to take place at all. Further, there is a risk that a shift towards cross-divide confidence-building might weaken the position of the GNA vis-à-vis the 'Interim Government'.

Fig 5: Challenges in revising the political goal



1.4 The SFL's present model (SFL 1.0)

The SFL's Project Document describes its purpose (IMPACT) as 'to support the Government of National Accord (GNA) to build legitimacy among the Libyan population', and that this goal should be achieved by: (1) providing quick rehabilitation of critical infrastructure; (2) boosting the capacity of Municipalities and engagement between the central government and municipalities; and (3) supporting local authorities to take a more active role in peacebuilding. For a full outline of the present model, see table 2.

Theory of change

The ToC and supporting 'Principles of engagement', which set the parameters by which target areas are selected, are however unrealistic and difficult to measure, describing a large number of changes that the project should achieve. There are also some weaknesses in the ToC's assumptions regarding the context in Libya and its ability to adapt to changes in that context. Key issues include.

- The concept of 'legitimacy' is not explained in project documentation and hence is not measurable.
- The ToC does not take account of the existence of authorities competing with the GNA or the potential for incomplete implementation of the LPA.
- The ToC does not adequately describe the change in local government that is required for stability. Indeed, the principles of engagement require that local government in target areas is 'functioning' (and presumably also 'legitimate') and committed to peace. In areas of conflict (i.e. areas targeted by the SFL) this will rarely be the case. There is a need for the Project Document to set a threshold for sufficient 'functionality' or 'legitimacy', and what steps should be taken if either is missing.
- Linked to the above, the ToC does not directly describe what local stabilisation looks like and how it is achieved. Indeed, overall, the Project Document does not create sufficient linkages between local stabilisation and achievement of the national political goal.
- The ToC places a strong emphasis on greater individual 'capacities to analyse conflict and formulate solutions'. The project does not make a clear link between such capacity and political purpose of the project.
- The ToC seems to suggest that a key purpose of the SFL is to diminish the 'mobilising power of armed groups'. It is not clear how this contributes to the goal and there are no apparent processes for measuring whether this is achieved in target areas.

Outputs and activities

The description of the SFL in section 1.2 perhaps provides the basis for a ToC that more clearly reflects the political intent of the project as it is presently delivered:

- IF the SFL (through UNDP) responds quickly to the needs of communities damaged by war AND does so in way that the results are attributed to the GNA, THEN This would in turn lead to a positive perception that the GNA is equally interested in local needs ('fairness') and had the ability to respond to them ('performance').
- IF the process of selecting and delivering SFL projects is organised in a participatory manner, led by the municipality but inclusive of community leaders AND, in this process, local and national government cooperate, THEN this would enhance public perceptions of the fairness and performance of local government AND would lead to stronger functional relationships between central agencies and local government.

Table 2: ToC, Principles and Results from original Project Document

Theory of change

At the overall objective level:

- If the government assumes leadership when it comes to defining the concept of stabilization, its approach, focus and operating structures; then Stabilization will truly Libyan-led and the process be legitimate and sustainable.
- If individuals (1) increasingly feel that the government is providing them with physical, institutional and livelihood security in an open, transparent, equitable, non-discriminatory manner; and (2) develop capacities to analyse conflicts and formulate solutions which are supported by the government; then they will progressively feel empowered to become agents of peaceful change and will start longer-term planning and investments in peace and livelihoods.
- If (1) communities and the government are in constant negotiation on the basis of which mutual responsibilities are established; and (2) state institutions are enabled to deliver the services demanded by the communities in an open, transparent, equitable, non-discriminatory manner; then trust will progressively emerge and the population will be less reliant on armed groups for protection, thus diminishing the mobilizing power of armed groups.
- If (1) a relationship of trust emerges between the government, municipalities and communities; and (2) capacities to peacefully manage conflict are built, then Libyan stakeholders will be empowered to take the lead in stabilization, and longer-term peacebuilding and development.

At the strategic level:

- If (1) the government and local authorities have the capacity to provide more and more relevant services through increased presence in stabilization zones; (2) the government and the local authorities are both increasingly recognized as the main service providers; then the government and the local authorities will be increasingly perceived as an enabling presence, the institutional insecurity endured by the population will decrease, and they will not need to resort to parallel strategies for their protection and the pursuit of their interests.

Principles of engagement

1. Geographic balance to cover areas from the East, South and West Libya
2. Functioning local authority structure in place in the municipality
3. Commitment by the local authority to peace and political process
4. Area affected by and/or prone to conflict
5. Identified needs can be addressed through quick impact interventions
6. Stable enough security situation for implementation of activities to take place
7. Highest impact or catalytic value of the intervention.

Outputs and activities

- (1) Light infrastructure destroyed by conflict rehabilitated and recovery of critical businesses supported
 - 1.1 Support rehabilitation of light infrastructure in conflict-affected communities
 - 1.2 Support the recovery of critical businesses for the revival of the local economy
- (2) Immediate capacity boost to municipalities provided
 - 2.1 Enhance municipality capacity through deployment of technical experts
- (3) Local conflict analysis, facilitation and mediation capacity strengthened
 - 3.1 Monitor conflict dynamics and support local conflict resolution efforts
 - 3.2 Develop municipal and community capacities and systems to manage conflicts and promote peace

While the outputs/activities go a long way towards achieving the ToC it has emerged that there are also substantial areas of discrepancy and some components of the ToC as articulated in the Project Document have not been directly addressed in project activities. Key issues include:

- The ToC aspires towards a model of stabilisation that is Libyan-led, and hence legitimate and sustainable, through government leadership. However, apart from PC/GNA involvement in PB meetings, there do not appear to have been actions to enable government leadership.
- The ToC describes as essential a process of negotiation between communities and government (presumably local government), but does not provide specific activities to enable this.
- The output/activities do not include sufficient measures for enabling stronger relationships between central institutions and local institutions, even though this is clearly required for successful delivery of projects and longer-term stability. Such relationship development is limited to a requirement to 'facilitate dialogue between the local authorities and the GNA' under 2.1.
- As noted in section 2, limited or no progress has been made in implementing two of the activities: (1.2) Support the recovery of critical businesses for the revival of the local economy; and (2.1) Enhance municipality capacity through deployment of technical experts.

1.5 Potential revised model (SFL 2.0)

Political goal

Based on findings from the review, it is recommended that the SFL's political goal (IMPACT) should not focus narrowly on the GNA, but rather more broadly support national institutions and moves towards a sustainable political agreement. As such, the goal could be similar to:

the SFL contributes to the Libya Political Agreement goal of a unified governance arrangement, by: (1) enabling national service agencies and departments of line ministries to continue to deliver across the country as united bodies, and to build relationships with all parts of the country; (2) enhancing public perception of the 'fairness' and 'performance' of such bodies; and (3) by creating opportunities for confidence-building across conflict-divides on practical stabilisation projects.

This IMPACT would be achieved through the following parallel OUTCOME goals, to better reflect the two levels of direct impact and political change inherent in the project – stabilising local areas (Table 3) and contributing towards the national political process (Table 4).

Table 3: Local stability OUTCOME

Outcome Goal 1	Greater local level stability in target areas through rehabilitation of critical infrastructure and services driven by locally-defined stabilisation goals, and through reinforcement of inclusive civilian governance and local conflict resolution efforts.
Theory of change	IF stabilisation projects are chosen based on a clear goal for each target area and an understanding of local conflict dynamics, AND are supported by a surge in investment in inclusive civilian governance's ability to manage stabilisation and local conflict resolution efforts. THEN projects delivered through the SFL are more likely to make a positive contribution to local stabilisation and to be sustainable. AND relationships of trust (based on perceptions of 'fairness' and 'performance') are more likely to emerge between community groups, and between community groups and municipalities and other government service providers, reducing the risk for a return to violence in the future.
Output and activity results	1) Significant infrastructure in areas affected by conflict is rehabilitated so as to achieve a clear local stabilisation goal. <ol style="list-style-type: none"> 1. Identification of a stabilisation goal and objectives for each target locality. 2. Support rehabilitation of significant infrastructure that assists achievement of stabilisation goals identified. (2) Increased capacity of municipalities (or alternative local governance arrangement) and community leaders to manage stabilisation and conflict dynamics. <ol style="list-style-type: none"> 1. Monitor conflict dynamics and support local conflict resolution and peace initiatives. 2. Based upon assessments, enhance capacity to deliver stabilisation and manage peace through technical support for a 'stabilisation/projects' team in each municipality or agree creation of temporary governance arrangement to lead on stabilisation.

Table 4: National stabilisation OUTCOME Relevance of suggested model

Outcome Goal 2	National agencies and departments of line ministries critical for stabilisation are strengthened, resist divisions along political lines, are better able to work in all parts of the country, and there is greater public confidence in their 'fairness' and 'performance'.
Theory of change	IF national agencies relevant for stabilisation agree and deliver a joint approach to stabilisation across all parts of the country, AND are bolstered in the delivery of that approach through a partnership with UNDP, AND receive a degree of political cover from engaged international actors. THEN, both their and SFL activities are likely to be more impactful in achieving local stabilisation effects. AND, they are less likely to become divided along conflict lines. AND, they are more likely to increase cooperation between actors across conflict divides.
Output and activity results	(3) Proven capacity of a SFL 'Partnership' between UNDP and Libyan agencies relevant for stabilisation to undertake stabilisation activities across Libya. <ol style="list-style-type: none"> 3.1 Agreement by UNDP and national Libyan agencies of a Libyan concept of stabilisation, its approach, focus and operating structures. 3.2 Enhance capacity of Libyan agencies in stabilisation through deployment of technical experts and mentoring by UNDP (focused on anti-corruption, conflict sensitivity, participatory planning, rapid rehabilitation and reinstatement of key services). 3.3 Public awareness of, and confidence in, the SFL Partnership through strategic communications and targeted branding and visibility. (4) Where possible, undertake more inclusive national engagement on stabilisation in specific sectors or locations. <ol style="list-style-type: none"> 4.1 Open planning sessions for stabilisation in critical focus towns (e.g. Benghazi, Sirt or Sebha), in which policy and political actors across conflict divides meet and interact. 4.2 Mediation support across conflict divides on a project or sector basis as required so as to ensure achievement of stabilisation goals.



21 MAR 2018, KIKLA (LIBYA). Fatma Ali Mohammed teaches a student with the educational items provided by the SFL to Al Maaiifa School. Photo: ©UNDP Libya / Malek Elmaghrebi



27 NOV 2017, KIKLA (LIBYA). A student gains IT skill at the computer lab of Kikla University with the computers provided by the Stabilization Facility for Libya. Photo: ©UNDP Libya / Malek Elmaghrebi

Relevance of suggested model

Political goal

The model proposed by the consultants represents a shift in the political goal from narrowly reinforcing the legitimacy of the GNA, to a broader goal of unified governance, by: (1) limiting the risk of fragmentation of national agencies in key sectors (e.g. health, education), to enable them to continue to work across the country; (2) supporting departments of government ministries that operate across the country to continue to do so and to build stronger relationships with all areas of the country, and to develop and hold public trust; and (3) where possible building confidence across conflict divides.

This model should help to counter centrifugal forces that are dividing Libyan institutions and leading to institutional fragmentation; thus helping to keep the institutional and administrative fabric of Libya together during the political negotiation process. It also provides a vehicle that can support unified government.

Importantly, the model also refocuses local stabilisation activities so that they have a clearer political purpose (rather than being limited to rehabilitation of infrastructure or provision of essential goods) through establishment of area-specific stabilisation goals, and through a strong focus on: (1) building inclusive locally legitimate governance arrangements, either by reinforcing the municipality or by establishing temporary arrangements; and (2) in parallel supporting the LPSAs that underpin them.

This model will entail close reflection on the functionality and legitimacy of local government in each target area. If basic levels of either do not exist and it looks as though the SFL will not serve to increase functionality/legitimacy of local government, project activities will not lead to sustainable results and may even worsen conflict dynamics. In such cases, the SFL PB would need to work closely with relevant government agencies to review options for alternative local government arrangements, such as a temporary centrally-appointed civilian governor, or a service delivery unit. Such temporary arrangements would replace existing local government arrangements until such a time as functional/legitimate local government can be formed (e.g. on the basis of inclusive elections).

Response to weaknesses in the existing model

The proposed model includes a process for Libyan agencies relevant for stabilisation to be involved in developing a Libyan concept and learning from each other on best practice in delivering stabilisation projects. This should help to ensure the process is Libyan-led, locally legitimate and sustainable.

The model tries to move away from a focus on 'legitimacy', which requires greater care in its definition, and rather tries to achieve three positive changes in national structures: (1) that they remain national; (2) that they are able to work with all parts of the country; and (3) that they lead to enhanced public perceptions of their 'fairness' and 'performance'.

The model includes a concrete focus on strategic communications of a partnership between UNDP and relevant Libyan agencies as a publically recognisable 'brand' that would be perceived of positively in terms of 'fairness' and 'performance', and would link the country together, rather than being sided with a particular political movement.

The model includes a focus of cooperation between local government and national agencies through a 'stabilisation/projects team' in each target area. Such teams would provide an essential point of technical interaction with the municipal authorities (a strong learning from Benghazi) during the lifespan of the SFL, but also for other development programmes that continue after the end of the SFL.

Response to challenges

Furthering the political dialogue vs. enhancing GNA legitimacy. The approach taken would be to continue to work with Tripoli-based institutions, but not to do so under the GNA brand. This could be achieved by working with public/semi-public bodies and departments that continue to work across the country, in effect a 'national' brand. GNA ministries would still be included in the SFL but in more of a strategic coordination role behind the scenes.

Enhancing the GNA vs. increasing stability locally. As noted above, the proposed model would have a strong focus on creating public understanding of the SFL as a partnership between national service delivery agencies and UNDP, rather than as a vehicle to promote the legitimacy of the GNA. This should help to ensure ongoing access to communities in the East of the country and/or under the influence of the HoR/'Interim Government'/LNA.

Increasing stability locally vs. capacity-building of national institutions. The analysis in section 2 clearly demonstrates that national institutions need to be included in SFL projects to ensure they are visible, functional and sustainable. As such, relevant institutions would be included through a partnership, with UNDP still responsible for SFL management and delivery; but in liaison with and building the capacity of relevant institutions (see below for an outline of how a partnership could work).

Increasing stability locally vs. furthering the political dialogue. Delivery of the 4th suggested output ('more inclusive national engagement on stabilisation in specific sectors or locations') should not slow-down or inhibit local stabilisation activities. Rather these activities and projects should be used as an opportunity where possible for dialogue on practical stabilisation efforts in a manner that builds confidence across conflict divides. For example, reconstruction in Benghazi is going to be most effective if Tripoli-based government institutions have a meaningful dialogue with the Benghazi Municipality. Similarly, Stabilisation works in Sebha cannot be effectively conducted if relevant actors are not pulled into agreement on delivery modalities.

Purpose and process of partnership

The proposed revision to the SFL focuses on creation of a Partnership between UNDP and national agencies in key sectors relevant for stabilisation. This partnership would include agencies that meet three critical criteria, they:

- Are not opposed to the LPA.
- Work nationally and are not divided along political lines, or form departments of line ministries that operate across the country at an operational level.
- Undertake stabilisation-like activities (e.g. rehabilitation works, provision of critical equipment or key service delivery functions such as waste management).



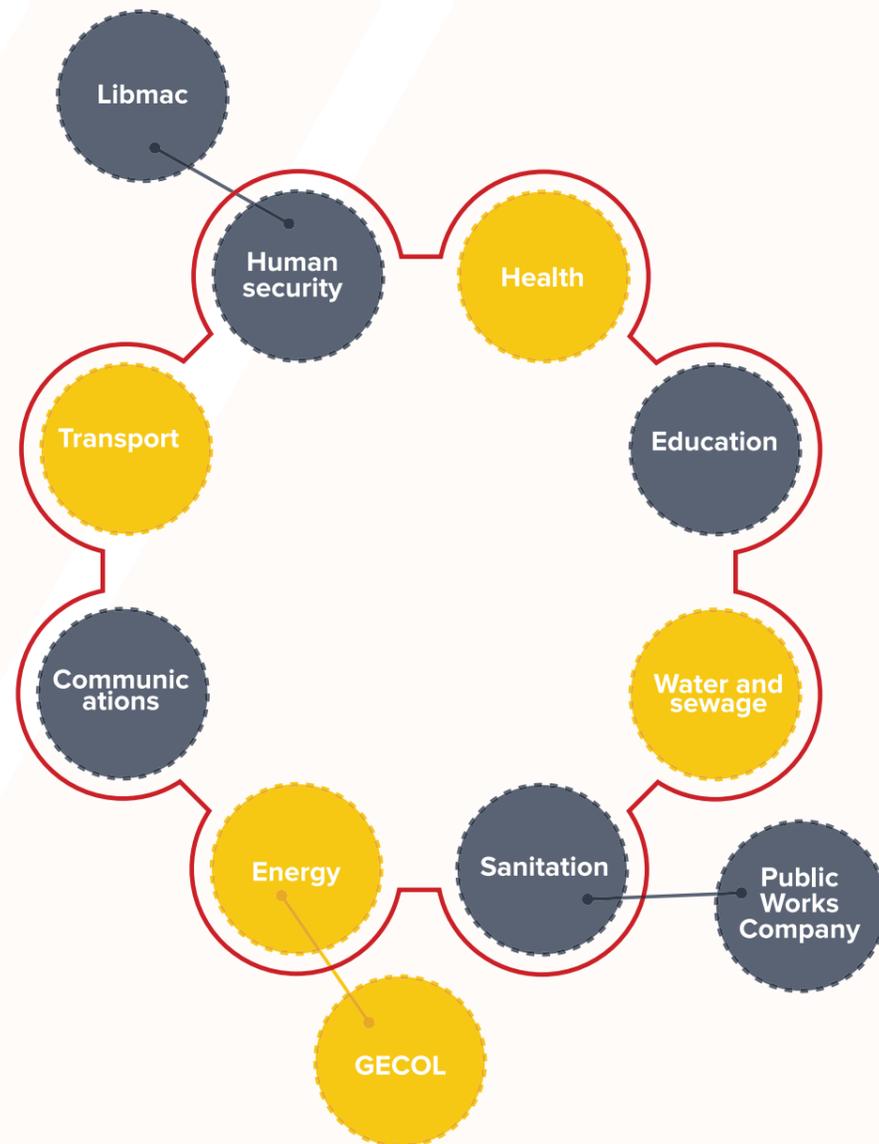
4 DEC 2017, KIKLA (LIBYA). Students attend class at Kikla University renovated by SFL. Photo: ©UNDP Libya /Malek Elmaghrebi



17 SEP 2018, SIRT (LIBYA). A nurse checks the blood pressure of a patient at Sirt Polyclinic rehabilitated by SFL. Photo: ©UNDP Libya /Abdeladeem Ajaj

- Proposed sectors critical for stabilisation are depicted in the diagram below.

Fig 6: Example partnership members



The involvement of each partner in a target area would depend on the local context and stabilisation needs. Some sample national agencies that may fit the three proposed criteria are also shown below. Other potential sectors include youth sports (the National Company for Sports Infrastructure and Investment is not divided) or civil society (the Commission for Civil Society is not divided and based in Benghazi).

Purpose and functionality

The Partnership would have the following tasks:

- Establish formal working arrangements based on standard partnership principles.
- Joint assessments in each target area to identify rehabilitation targets that assist achievement of the stabilisation goals.
- Agree technical specifications for items and contracts to be procured by UNDP, so as to ensure their relevance, serviceability and sustainability.
- Provision of resources in support items/contracts procured by UNDP, so as to maximise the impact of SFL investments.
- Agree a process for institutional capacity-building in matters that support the implementation of the SFL, such as stabilisation methodologies, conflict sensitivity and participatory approaches.
- Monitoring and Evaluation (M&E) of rehabilitation works at a technical level.

The Partnership model would help address some of the most significant delivery problems uncovered in the assessment. Firstly, UNDP would not be delivering 'stabilisation' activities in a silo separate from Libya agencies, but in partnership with them. This would help to demonstrate to the Libyan public that Libyan institutions are competent and able to provide critical services in conflict contexts; and help to ensure that any reputational benefit coming from the works is also shared with national Libyan agencies and local authorities.

Secondly, through greater involvement of Libyan agencies in the assessment stage, and in setting technical specifications, the SFL will ensure that rehabilitation works/items procured fit within wider sectoral plans, are fit for purpose and are sustainable.

Thirdly, the participation of these agencies will ensure that existing resources (e.g. social corporate responsibility funds or sector-specific rehabilitation programmes) are leveraged and channelled in support of the SFL, so that rehabilitation works are more joined up and impactful. The whole can be greater than the sum of the parts.



2. RESULTS ASSESSMENT

This section attempts to assess the results of the project at both the output and impact levels. At the output level it interrogates the level of achievement of targets set in the Project Document. At the impact level, it looks at two proxy objectives: (1) 'stability' in the target areas; and (2) government legitimacy (both local and national). These proxy objectives were agreed with UNDP at the outset of the project, given the complexity of the ToC in the Project Document.

2.1 Output level

The Project Document describes three direct outputs of the project, which should be achieved by the project's activities: (1) Light infrastructure destroyed by conflict rehabilitated and recovery of critical businesses supported; (2) Immediate capacity boost to municipalities provided; and (3) Local conflict analysis, facilitation and mediation capacity strengthened. This section provides a brief summary of the project outputs under these three categories. A full update on outputs can be found in the 2017 annual report. This analysis instead focuses on available learning from the results to date.

Output 1: Light infrastructure and critical businesses

Delivery

By 01 June 2018, the SFL had delivered a total of 64 projects across the seven target areas, with 21 underway, eight in tender and 196 under development (meaning that the project has been identified but an invitation to tender not yet released). The following table provides a summary of the projects delivered by area. While a range of projects are delivered in each area, the 'Focus of projects' column describes the significant projects or themes in each area.

Table 5: Summary of SFL projects

Area	No. of Projects					Focus of projects
	Completed	Underway	Tender	Development	Total	
Kikla	15	3	0	0	18	Health sector and schools to encourage return. Renovation of community sports hall.
Benghazi	25	3	0	0	28	Health sector, education sector as well as transport corridors visible through the city (barriers and lighting). Also focus on water/sewage and electrical infrastructure.
Ubari	11	3	0	0	14	Primary focus on education facilities as enabling return and mixing of three constituent groups. Secondary focus on the hospital, Women Centre and market area.

Area	No. of Projects					Focus of projects
	Completed	Underway	Tender	Development	Total	
Sebha	2	3	7	3	15	Education sector, and water and sanitation.
Sirt	7	4	0	20	31	Education and health sectors, as well as garbage removal and water/sanitation.
Bani Walid	4	2	1	25	32	Health and education sectors
Tripoli	0	3	0	148	151	Primary health care and education across all municipalities, supported by larger-scale shared infrastructure needs, such as hospitals, road systems and waste management.

Output 1 projects delivered in each area are selected on the basis of: (1) Conflict and Needs Assessments (CNAs); (2) Technical Assessments (TAs); and (3) public consultations, ideally led by and/or involving the local municipality. UNDP turns the results of the CNAs, TAs and public consultations into a prioritisation list that is presented to the PB for review and authorisation. On the whole, most Output 1 projects resulting from this process were well chosen, in that they helped provide an important local service and make a positive contribution to local stability.

Project selection has been strongest when the assessment phase has been used to set a clear stabilisation goal and identified projects that help to achieve that goal. This is the case in Kikla, where the initial CNA suggested a focus on projects that encouraged return, and Ubari, where the CNA suggested a focus on projects that were equally beneficial for the three component groups (Arab, Tebu and Tuareg). It could be argued that PB discussions of Benghazi also led to a goal of sorts – to deliver assistance in a manner that did not reinforce the military-appointed mayor.

In the remaining target areas there has been a weak articulation of how the prioritised projects would contribute to stability. This has meant that, even if all the projects agreed for a target were delivered, they will not necessarily 'add-up' to increased stability. This potential lack of stabilisation impact is most likely in Sebha and Sirt, followed by Bani Walid. There have also been issues with the visibility, functionality and sustainability of some projects (see below), which also reduces their potential for them to have a stabilising impact.

The PB holds equal responsibility as UNDP for instances of poor project selection. There was a need for UNDP's SFL project team to more closely interrogate the results of the assessments and consultations, and to have a clear logic for how prioritised projects would collectively have a stabilising impact. However, the PB could and should have played a stronger role in establishing local stabilisation objectives and in challenging UNDP to demonstrate how prioritised projects would make a contribution to local stability. Improvements in this area would entail the board refocusing on strategic issues and UNDP appointing stabilisation/conflict specialists to lead on planning for the link between local stabilisation goals and potential projects.

Importantly, the SFL has not to date engaged in the rehabilitation of businesses critical for recovery of the local economy. The trade centre in Ubari is the one notable exception. In Libya, enterprise recovery and employment programmes more easily fit with programmes that support local economic development than under a stabilisation umbrella. This is partly due to the focus of stabilisation projects under the SFL (rehabilitation works and equipment) and partly because of the relatively short timescale for such projects (nine-twelve months). As such, the SFL project team decided not to focus on business development. However, this position might have been challenged if those undertaking the CNAs

and TAs were more knowledgeable on the private sector, and economy and conflict programming. It is worth the SFL project team reviewing whether rehabilitation of locally-critical businesses is an important focus in the future. If this is the case then relevant expertise should be brought into the SFL team for the CNAs and technical assessments.

Visibility and scale

Rehabilitation works have mostly been well selected to contribute to stabilisation and have been implemented in accordance with PB agreements. For example, in Ubari, the initial analysis demonstrated that schools, the hospital and the market area were shared resources across the main community groups (Tebu, Tuareg and Arab) and hence were likely to benefit all and encourage better relations. In Tripoli, the assessment process managed to identify larger-scale infrastructure critical to the whole city (e.g. the Abu Selim rubbish dump), and managed to gain agreement from the municipalities to these shared rehabilitation projects by also committing to renovation of primary health care and schools in each municipality. In Benghazi, buildings critical to the health sector have been renovated and at the same time the project is visible to the general public through the highway maintenance works.

The projects also included a substantial provision of equipment, including ambulances, garbage trucks, generators, water/sanitation equipment and hospital equipment. The provision of such equipment was in some cases conducted in advance of rehabilitation works so as to maintain confidence in the SFL process. Indeed, the provision of equipment in Bani Walid was slowed and staggered at the request of the Ministry of Planning (MoP) to ensure that there is not a substantial gap between the provision of equipment and the commencement of rehabilitation projects.

The field visits generally demonstrated a widespread knowledge of projects undertaken by the SFL and a deep gratitude for them. This is especially the case in smaller communities such as Kikla and Ubari. Local interlocutors were able to articulate the difference the projects had made in their lives (“I no longer need to go to Tripoli to vaccinate my children. In fact my family is coming here”, Kikla) and the broader community (“The projects are a bright spot in an area devastated by war. They give us hope”, Benghazi).

At the same time, there is a feeling in some locations that the works identified are not sufficiently visible with resources spread too thinly over a number of projects. This criticism has been made by PB members, local authority representatives and ordinary community members in the target areas. It is suggested instead that resources are more focused on fewer larger-scale items that have greater resonance in the public consciousness.

There is an understandable underlying rationale for the dispersal of finances across multiple projects, rather than their concentration in a smaller number of larger-scale projects. In divided communities, in which the projects are decided in inclusive processes, there has been a focus on ensuring that all local stakeholders feel they have benefited. In a town as divided as Sirt, this can lead a substantial challenge in focusing projects. In Bani Walid, the prioritisation process consisted of a straight division of finances between sectors, without much consideration of the impact on the public consciousness. This means that in some cases opportunities have been lost to use the prioritisation process to negotiate differences and identify areas of common interest; and hence to build trust and stability. Ubari is probably the most successful example of the prioritisation process being used to identify common resources. Tripoli, although at an early stage, provides another positive example, whereby the Tripoli Crisis Committee led on a process of mediation between the 13 municipalities in the city to agree on shared public works.

It is also the case that SFL projects have been too limited given the needs in a target area. For example, even though the projects selected in Ubari have had a notable impact on stability, they are the only substantial renovation projects to have been conducted in the town, and the centre is as destroyed and uninhabited as in 2016. Similarly, the damage in Benghazi is so substantial that the works are mostly not visible to citizens, unless they depend on the resultant improvement in services (e.g. the radiology hospital). On the other hand, it is possible to have a substantial impact vis-à-vis the scale of need in smaller target areas such as Kikla. Kikla is an especially positive story as the SFL had a catalytic impact on the local community, which established its own rehabilitation fund from public donations.

A focus on greater visibility could be in part addressed by the agreement of local area-specific stabilisation goals which clearly state what the SFL is trying to achieve in each area.

Functionality (“taking to the point of service delivery”)

As noted above, most SFL projects were well chosen. However, a number of projects have proved unsuccessful in taking the selected infrastructure to the point of service-delivery and full functionality. For example, in Ubari, the SFL invested in light renovation (painting, and fixing doors, windows and walls/ceilings damaged by war) of the main hospital as well as the provision of generators/solar energy. The generators/solar energy have been successful in enabling services to be delivered in the maternity and kidney wards. However, the rest of the hospital is mostly not used, with wards lacking beds and equipment. Most importantly, there is not sufficient medical staff to provide services. In another example, a school in Sirt was only partially renovated internally, so that parts of the walls and ceilings still showed signs of damage by war. However, in both cases the projects were completed as per the specifications agreed during the prioritisation and, importantly, as signed off by the PB. This means, as noted above, that the PB bears equal responsibility as UNDP for the failure of projects to ‘add up’ to stability in some target areas.

In these cases, the focus on light renovation works that can be done quickly means that these issues of functionality have not been properly addressed. In the case of Ubari hospital, the then Mayor assured the SFL team that he could negotiate the provision of medical staff if the hospital was repaired. However, administration of Ubari hospital (as well as most medical services in the South) has turned out to be a very complex undertaking. In such cases, projects should either not commence, or there should be a considerable investment in planning/facilitation between local authorities and relevant national agencies prior to their agreement.

Box 2: How far can we go with rehabilitation works?

How far should we go with an investment on a particular site? If the SFL refurbishes a school building and are assured that the school furniture will be available, what would SFL do if subsequently none is actually provided? Should SFL instead provide for full re-equipping of each facility, bearing in mind that in that case there could be (say) four schools with shiny modern furniture and one school untouched (perhaps unusable) instead of five schools functional with old furniture? What would SFL expect the end-user to do with furniture they have carefully retained for the day when the facility is refurbished? Should the SFL only engage in projects that bring a facility up to the point it can deliver a service adequately or should we work according to line ministry policy and standards even if they request partial refurbishments? Or should the SFL align with UN policy on school support as set out by UNICEF? Taking the case of the Ubari hospital, can the SFL afford to involve itself in the negotiations around hospital budgets and staff that would be required to ensure the hospital is fit to deliver services?

These findings would also seem to suggest the need to move from a focus on light rehabilitation works, to more substantial works that take a selected project to the point of functionality – where it is able to deliver its related service. This would, however, require greater involvement of relevant national agencies during the planning process. In some cases, this would also require substantial mediation by both the national government and by UNDP. For example, renovation of a hospital would require involvement of health agencies to ensure that relevant staff would be available. It would also entail a longer lead in time for coordination and mediation between different stakeholders.

Importantly, steps are already being taken in this regard, with the SFL team starting to work with national agencies more regularly during the process of planning and delivering works. For example, team members regularly liaise with GECOL on the specifications for items purchased as part of

projects involving electrical infrastructure (e.g. Benghazi). In Tripoli, the SFL team has liaised closely with the Primary Health Care Unit to plan for renovation of primary health care in the 13 municipalities in the city.

Equipment provided by the SFL is in most cases being used immediately for the benefit of the local community, especially those that relate to the health sector. Generators and solar power provided to hospitals have helped ensure medical services are continuously available irrespective of energy cuts. Ambulances have been used during emergencies and periods of conflict to transport wounded people to hospital. Unfortunately, there have also been complaints of some equipment being appropriated and not made available to the wider community. In Sirt, there are accusations that ambulance drivers are charging patients to take them to hospital. In Ubari, there are varying accounts of the ability of community members to access a pesticide spray machine and who manages access to it. Further a garbage truck purchased for Ubari Municipality has not yet been delivered and is being held in Tripoli, even though the SFL team believed for a period of time that it had been delivered and was being used. The Review Team did not have the time to substantiate and investigate these complaints individually. Nevertheless, they point to a clear need for ground rules for the control and use of equipment; and follow-up monitoring to ensure these ground rules are followed.

Sustainability of civil works and investment in goods

The SFL offer of short-term transitional support means there is always a risk that projects undertaken do not lead to a sustainable improvement in services delivered in target areas. Indeed, consultations with Field Engineers (FEs) and Field Coordinators (FC) demonstrate that the SFL project team is encountering several sustainability challenges: (1) compliance with 'standard specifications' that may be locally defined; (2) installation and warranty issues; and (3) maintenance and servicing plans/processes, e.g. ensuring that recurrent cost can be met.

There have been incidents in which items purchased for SFL projects have not been immediately usable as they do not meet standard technical specifications in the sector or are not common in the local market. For example, a generator purchased for Ubari could not be used as its cables and relays were not standard to the electrical system of the main hospital. As a result, the SFL had to purchase additional cables/relays. In some cases, non-compliance with local standard specifications may result in an inability to maintain or service equipment. This is because spare parts are not readily available and/or there is no or limited expertise in the equipment's maintenance. Such issues could be remedied by closer liaison with national agencies during tendering to ensure that bills of quantities set out specifications relevant for the local market.

Installation of purchased equipment not been routinely built into procurement, meaning that goods can arrive at a target area and sit unused for a period of time, as no local agencies have been contracted to install. Similarly, while equipment comes with a warranty, the structure of the procurement process, sometimes using one Long Term Agreement (LTA) for purchase, another for shipping, and then another contract for transport within Libya, may lead to those warranties being ineffective. The SFL should look at including stronger requirements for installation and warranties into the procurement process. This may have the additional benefit of promoting local businesses, who are more likely to be available on the ground for installation and repair under warranty; although the cost of procuring through such companies may be higher.

Regarding maintenance/servicing, recently in Bani Walid, one of the beneficiary institutions (the General Company for Water and Waste Water) said that it lacked recurrent cost provision for tyres, though it had the money and skills for routine maintenance. SFL therefore made an allocation specifically for tyres for their trucks. That is, however, different from contractual maintenance, which also needs to be assured for equipment purchased. For example, renovation of the radiology hospital in Benghazi included repair of an advanced chemotherapy installation. However, this installation requires regular maintenance and servicing, which is not necessarily guaranteed by the hospital's budget.

The issue of sustainability will not be fully covered by the technical audit and Quality Assurance (QA) third-party consultancy that UNDP is currently commissioning which focuses on civil works implementation only. Understanding issues around sustainability will be assisted by the upcoming contract for M&E on Output 3 which will generate some evidence for developing an operating model that is sustainable.

Light infrastructure and critical businesses recommendations

Delivery

- It is recommended that the SFL should more closely interrogate the results of the CNAs, TAs and consultations to ensure prioritised projects are more likely to collectively contribute to stabilisation. This could be achieved through stronger articulation of the purpose of SFL activities in each target area, by refocusing the PB on more strategic issues and by appointment of stabilisation/conflict specialists for each target area.
- Review whether rehabilitation of locally-critical businesses is an important focus in the future. If this is the case then expertise in the private sector, and in economy and conflict, should be brought into the SFL project team for the CNAs and technical assessments.

Visibility

- It is recommended that the SFL works on fewer larger projects in each target area, rather than spreading resources too thinly. This will entail a greater investment in mediation between different groups during the assessment phase to build bridges and identify common interest.
- It is recommended that the PB dedicates a larger sum of money to each target area, and that the scale of funding available for each area is commensurate to the need, so that the SFL can have a bigger impact vis-à-vis the scale of need.
- It is recommended that the assessment phase includes a 'catalytic affect' plan, by identifying ways in which local resources and opportunities can be brought to bear on local needs.

Functionality

- It is recommended that the PB alters the focus of the SFL from light renovation works to more substantial works that take chosen infrastructure to 'the point of service delivery'.
- It is recommended that relevant national agencies have greater involvement in the planning for SFL projects. This would also require a longer lead in time for negotiation and mediation between agencies.
- It is recommended that for each piece of equipment purchased, there is a pre-agreed plan for community accesses, including who/what owns and manages the equipment. Implementation of these plans should be monitored.

Sustainability

- Include relevant service agencies and ministry departments in the planning stage, so that they can input into the specification of equipment purchased.
- Consider building installation, warranty and maintenance/servicing requirements into the tendering process during procurement. This may result in more expensive bids, but ones where a company can and is available to provide ongoing support. This requirement might have the additional benefit of favouring local businesses that are on the ground.
- It is recommended that UNDP consider the need for a separate 'sustainability study' that would aim to carry out a systematic assessment on the functionality of the completed sub-projects, types and costs of operations and maintenance activities that partners are providing, total funding gap, underlying factors that influence local decisions to maintain the sub-projects (or not), and identification of key constraints that prevent completed projects from receiving adequate operations/maintenance.

Output 2: Immediate capacity boost to municipalities

Delivery

The SFL is designed to provide a capacity boost to: (1) local municipalities to manage stabilisation activities – focused on inter alia engineering, inclusion and participatory coordination, planning, budgeting, implementation and monitoring functions; (2) to assist in coordination between local municipalities and national authorities; and (3) communication support for local municipalities to help ‘clarify expectations, encourage positive interaction and to enhance the SFL’s visibility’.

The original project design recognised that the provision of mid-to-longer term capacity building to municipalities is out of the scope of the SFL, which focuses on quick impact interventions. Consequently, it was intended that this output should be used to finance short-term technical support to municipalities, boosting their capacity to cope with challenges arising during the stabilisation period through the provision of technical experts and training, on the basis of municipal-specific capacity-building plans.

Efforts to mobilise Output 2 have unfortunately been minimal to date. As can be seen from budget execution (13% in 2016, 60% in 2017 and 31% in 2018); meaning that inputs have been negligible in terms of overall sums allocated and early execution. The inputs that have been delivered have focused on local-national government coordination and communications capacity, rather than on providing a boost for municipal capacity in the target areas.

Local municipal capacity

No municipal capacity gap analysis has taken place in any location, nor any institutional needs and/or capacity assessments. As such, no municipal-specific capacity plans presently exist. This appears not to have happened because of a focus on Output 1 as the project got off to a slow start, as well as because of the lack of dedicated staff for Output 2. Indeed, Output 2 does not have a technical lead or a ‘champion’ amongst the international or national staff. In addition, the modalities for providing technical expertise into Libya at the local level outside Tripoli are not clear, especially in the more conflict-affected areas.

Limited tailored capacity-building has been delivered in Benghazi and Ubari, but through mentoring arrangements rather than the provision of technical experts and dedicated training schemes. In Ubari, the Output 3 partner the Peaceful Change initiative (PCi) and the local Social Peace Partnership (SPP) established by it facilitated appointment of a Tuareg ‘Deputy Mayor’ to the Municipality, and then supported the municipality to reach out to and work with the Tuareg community. This was essential in getting the Tuareg community to be supportive of the SFL and to develop trust in the municipality. Similarly, PCi and the SPP facilitated discussion with Tebu leaders during incidents of violence that occurred during the delivery of SFL projects (see below). This support for inclusion and crisis management in Ubari has been an important ingredient in both the success of local SFL works and strengthening the position of the Municipality.

Similarly, ongoing liaison between the SFL Coordinator and the Projects Department of the Benghazi Municipality has been essential to building the capacity of the Department to manage stabilisation projects. This is evidenced by the manner in which the Department has interacted with other international assistance projects that followed the SFL (e.g. the EU-funded stabilisation programme, delivered by the International Organisation for Migration’s – IOM, and resilience programme, delivered by UNDP); for example, in respecting procurement practices and positive participation in public consultation. Importantly, because of this mentoring arrangement, the Project Department has built a (positively) challenging relationship with the military-appointed Mayor, in pushing back against the potential for interference and clearly explaining the process and utility of civilian-led programmes.

The SFL is also in the process of responding to needs identified by Sebha and Sirt Municipalities, after they had identified coordination as a problem. Also, at the most recent Bani Walid consultation, the Local Council asked for suitable training but has not yet identified what areas training should focus on. The SFL has not, however, focused directly on enhancing the capacity and performance of local municipalities across the board, meaning that opportunities have been lost to reinforce the legitimacy of local governance.

There is no substantive reason not to reinvigorate support for municipal capacity development

through investments in systems and processes, the provision of technical expertise and related training programmes. Indeed, the case for supporting local government partners is strong. This is especially the case if the SFL refocuses on local stabilisation through enhancing the role of local government and the LSPAs underpinning local governance. Beyond traditional development, improvements to governance are investments in security, broadly defined. Legitimate and effective institutions of governance are better able to address grievances that often lead to violence and, in doing so, preserve the very development gains that can be rolled back with the onset of violent conflict.

Capacity support would be best provided through a ‘stabilisation/projects team’ in each target area. Such teams would provide an essential point of technical interaction with the municipal authorities (a strong learning point from Benghazi) during the lifespan of the SFL, but also for other development programmes that continue after the end of the SFL. Stabilisation/project teams would also be the partner when undertaking a gap analysis and agreed a tailored capacity-boost plan for each locality.

Coordination between the GNA and municipalities

As noted in section 1, while the Project Document states the need for strong coordination between local and national government, it does not describe the details of how this should happen. As such, there has been no evident guide for the project team to follow so as to enable coordination. As such, the ways and means of coordination in the SFL is best described as a ‘learning process’.

In stage 1 target areas (Kikla, Benghazi and Ubari) coordination between Tripoli-based line ministries and municipalities was mostly limited to the prioritisation consultations. Even then, this was limited to sporadic involvement by the MoP. There has been a slow shift in this practise in stages 2 and 3, with increasing engagement of the MoP in planning, coordination, mediation and crisis management. Such interaction has been most notable in Sirt, Bani Walid and especially Tripoli. This increase in coordination activity by the MoP has been reflected in greater engagement by SFL FE and FCs with national service agencies, as they look to plan projects and set specifications (e.g. GECOL in Benghazi and the primary healthcare unit in Tripoli – see above).

In Tripoli, the MoP has viewed it as necessary to adopt a new/different model with much greater coordination and involvement by relevant national agencies. Such involvement has been more difficult in Sebha given its distance and the local conflict dynamics there.

The only place where there has been no substantive engagement between Tripoli-based line ministries and the local municipality has been in Benghazi. The PB agreed in advance that Benghazi should be treated differently due to the local conflict context and control exerted by the HOR/‘Interim Government’/LNA. This meant that SFL projects in Benghazi were not required to contribute to the GNA’s legitimacy, and hence in Benghazi there was no communication of the role of the GNA in the SFL and Tripoli-based institutions were not directly involved in coordination of delivery. That said, Benghazi still provides a positive model for local coordination in the manner that the Municipality’s Projects Department has worked closely with UNDP to enable delivery.

Despite this recent increase in engagement by the MoP, there is no structured plan for how to enhance strategic coordination. The main action taken to date has been the recruitment of a Municipal Liaison Advisor to help the MoP to manage its relationships with municipalities. This recruitment has provided important additional capacity. That said, there is a need to clarify line/task management of the Municipal Liaison Advisor between UNDP and the MoP. Discussions are ongoing to further increase MoP capacity to coordinate through the appointment of additional seconded staff. As stated elsewhere in the report, ideally the MoP would dedicate existing staff and if staff are seconded there should be clarity in line/task management from the outset.

While overall coordination is best placed with one line ministry, the model proposed in section 1 foresees the establishment of a partnership between UNDP and a range of public/semi-public agencies and departments of line ministries that are relevant for stabilisation. A format for coordination between this delivery partnership and each municipality will need to be developed. This partnership should on delivery rather than strategic considerations relevant for each municipality. Following the experience in Benghazi, it would seem relevant to establish or empower municipal ‘stabilisation/project’ teams to act as the main point of local coordination. MoP branch officers, which are present in all municipalities, could also provide a useful role in local level coordination; although, this may not be possible in target areas in the East under the control of the HoR/‘Interim Government’/LNA.

Communication support

As noted in section one, the Project Document and ToC does not provide clarity as to whether the SFL should look to enhance the legitimacy of the GNA exclusively in the target areas, or also in the wider public consciousness. While the description of Output 2 focuses on ‘communication support to the municipalities’ and does not mention capacity support for national authorities, in practice there has been an attempt to invest at both levels.

Locally, the SFL has looked to support the capacity of media officers attached to target municipalities, through training and networking. These media officers have been trained across two training events in 2017 (January and June) and also receive ongoing mentoring support from the SFL’s central communications team. The training and mentoring has focused on how to describe the SFL in local press releases, and also in how to gather and disseminate human interest stories related to SFL projects. The media officers have been further supported through SFL-financed journalists/photographers tasked with developing media material related to the SFL.

The capacity and commitment of the media officers (some of whom are long-term municipal employees) varies significantly. Generally, however, they are at a basic level with little knowledge of the functions of modern media management and are especially weak in regards to social media and its potential. In addition, some media officers reject the idea of promoting the role of the GNA and Tripoli-based authorities, sometimes due to personal political convictions, sometimes because of a fear of personal repercussions from parts of the community opposed to the GNA – importantly, this issue is not restricted to Benghazi and the East.

Effective and clear communication is a manifestation of good governance. All UNDP staff, consultants and advisers associated with the project are, in effect, SFL ‘ambassadors’ and therefore need to be working as far as possible according to an agreed script. The FCs and FEs in particular have struggled to convey the essential identity and messages of the project, exacerbated by the different contexts and levels of local understanding of the SFL. Again, sometimes FCs and FEs have been reluctant to promote the role of the GNA and Tripoli-based authorities because of personal political convictions and/or fear of social repercussions.

While media officers and FEs/FCs may be concerned about communication of the role of central authorities in programme activities, this concern is likely to lessen with the proposed model for SFL 2.0. Further, given the focus of SFL 2.0 on setting clear objectives for local stability in each target area, it will be important to establish area-specific communications plans beneath a new overall strategic communications plan. These plans may include a staggered approach to communications, so that the SFL starts to deliver benefits to the community before more targeted messaging in support of the SFL’s political goal (presently the role of the GNA). This may help allay the fears of media officers, FEs and FCs regarding social repercussions – e.g. if the SFL is delivering public good there may be greater receptivity to its political goals.

At the national level, the SFL has tried to create communications linkages to the Office of the Presidency’s communication unit. However, the Unit has not been receptive to becoming involved in SFLs communication activities.

In sum, there is a vital need to revisit the strategic communications element of the project once a revised strategic direction is agreed.

Immediate capacity boost to municipalities

Local municipal capacity

- Consider appointing a technical lead on local capacity building to the SFL project team, either from existing staff or through a new appointment. This lead should have a background in stabilisation practice.
- Identify options for how to deliver technical expertise into Libya at the municipal level, especially into more conflict-affected areas.
- Establish or support a ‘stabilisation/projects’ team in each municipality to provide a focal point for planning stabilisation projects (including its inclusion and conflict/crisis management aspects) and as the main recipient of capacity support.
- Ensure a tailored capacity-boost plan is developed at the outset of SFL’s engagement in a new locality.

Coordination between municipalities and national authorities

- It is recommended that the SFL team develops a structured process for strategic coordination between municipalities and national authorities. This should be set out in a ToR with the key national partner agency. This strategic coordination should not slip into interference in delivery.
- Carefully consider the format for coordination on delivery between the Partnership (UNDP and relevant public/semi-public bodies and departments of line ministries) and municipalities. Municipal-level ‘stabilisation/projects’ teams could play a useful role in this regards. In some municipalities local coordination may include a role for the local MoP representative.

Communication support

- Clarify the focus of communication activities. Whether the SFL should look to influence public perceptions exclusively in the target areas, or also in the wider public consciousness.
- Further intensify training and mentoring for local media officers. This may require greater capacity in the central communications team at UNDP’s headquarters.
- Develop internal communications on the purpose and process of the SFL, guidelines on how to explain the SFL to externals and training in this regard.
- Develop local communications plans for each target area with a staggered approach to messaging, so that the SFL starts to deliver benefits to the community before more targeted strategic messaging

Output 3: Local conflict analysis, facilitation and mediation capacity

Delivery

Output 3 has the dual purpose of building the ability of authorities and communities in each area to manage local conflicts, and to help ensure the conflict sensitivity of the overall SFL project. The Output has three parallel sets of activities: (1) to monitor conflict dynamics and resolution efforts, as the primary vehicle for conflict sensitivity and good local planning; (2) develop municipal capacities to manage local conflicts; and (3) develop community capacities to manage conflicts (e.g. capacities external to the municipality).

Output 3 is carried out through several implementing partners and modalities: PCi in Kikla, Ubari, Sirt and Benghazi; Aktis Strategy in Tripoli and Bani Walid; and in Sebha through the local organisation Fezzan Libya Organisation (FLO), with the United States Institute for Peace (USIP) provided supplementary capacity-building support to FLO. In the case of Tripoli, while Output 3 was initiated with Aktis during the CNA stage, it was subsequently brought under the auspices of the Tripoli Crisis Committee during mediation between the 13 municipalities and is now at an unclear stage.

UNDP contracts implementers through a competitive process. All three implementing partners noted some issues around procurement being extremely slow. The timing issues have meant that implementing partners have at times felt under extreme pressure to deliver work quickly and have had to push back on UNDP where capacity to deliver has become an issue. The contracting for FLO and USIP was so delayed that USIP supported FLO from other funding sources pending the arrival of SFL funding, for which SFL management is very grateful.

Contracting problems have led to some inconsistency in application of the Output 3 approach. Most importantly, project prioritisation took place in Tripoli, Bani Walid and Sebha ahead of the establishment of municipal/community peace structures. In Sebha, the project prioritisation was also conducted in advance of an external CAN. In these cases there is greater potential for SFL projects to fail in delivering local stability, or even worse to create conflict, as their selection has not followed a thorough assessment of their impact on conflict dynamics (and hence potential contribution to stability) and appropriate peace structures may not exist to manage tensions.

The consultations held during the SR demonstrated that most PB members do not understand the purpose of Output 3, how it links to Outputs 1 and 2, or its importance for local or national stabilisation. In some ways the impression given is that this output is viewed as a means to ensure that subsequent supply of goods and civil works are not disrupted. However, section 2 demonstrates that Output 3 is essential to the success of the project, and when it is not implemented properly: (1) the SFL struggles to deliver projects as effectively; and (2) the potential for the SFL to have a local stabilisation impact is much reduced.

Monitor conflict dynamics for project planning and conflict sensitivity

There has been mixed success in monitoring conflict dynamics. CNAs have been conducted by PCi for all round 1 areas (Benghazi, Kikla and Ubari). Of round 2 areas, a CNA was conducted for Sirt by PCi, but not for Sebha due to the delay in contracting FLO/USIP (UNDP put together internal analysis as a stop-gap). In round areas 3 areas, CNAs were conducted in both Bani Walid and Tripoli by Aktis Strategy; however, they did not have as strong a focus on understanding conflict dynamics and establishing peace structures, but rather focused on potential Output 1 Projects. Importantly, Aktis's recommendations focused on how to ensure that local conflict dynamics do not impact on the Facility (taking a working 'in conflict' perspective), rather than identify how the Facility could be used to build sustainable peace, and what additional measures outside the scope of the SFL would also be needed for stability (taking a working 'on conflict' perspective). The utility of adopting a standard CNA methodology that covers both conflict sensitivity and wider stabilisation actions (i.e. outside of the scope of the SFL) is something that the SFL project team should consider.

In all cases when they have been conducted, the findings from CNAs have been incorporated into prioritisation of Output 1 projects. However, the analyses for Kikla, Benghazi, Ubari and Sirt also

generated a number of recommendations for consideration by: (1) the PB to ensure that SFL projects are more likely to add up to stability in a target area; and (2) UNDP to ensure that the SFL is conflict sensitive in how it operates. For example, in Ubari, these recommendations included creation of an 'employment ombudsman' to increase perceptions of fairness in the handling of employment opportunities (a recommendation for the PB), and flexibility in procurement to provide a sense that contracts and UNDP positions were fairly distributed across community groups (a recommendation for UNDP).

In the case of the recommendations targeting the PB, these were not considered by PB members who tended to focus on the selection of rehabilitation projects. Some recommendations were also removed by UNDP from the package presented to the PB, as they were felt to either be too ambitious or outside the scope of the SFL. This focus on delivery detail (selection of rehabilitation projects) rather than strategic vision (what actions are required to create stability) demonstrates the utility of refocusing the PB on 'big picture' strategic issues. As a result of the lack of interest of the PB in the stabilisation recommendations, they were not prioritised in the CNAs conducted by Aktis Strategy, which instead focused instead on prioritisation of rehabilitation works. This represents a fundamental misdirection in the use of the CNAs.

In the case of UNDP, there was limited institutional willingness to be flexible with UNDP global practice (e.g.) on procurement and contracting. While UNDP's focus on standards is important for ensuring that the public views the SFL as fair and non-corrupt, it is essential to explore creative measures that respond to substantive conflict sensitivity recommendations raised in CNAs and other analyses conducted for the SFL. In the case of Ubari it could be argued that the failure to consider how to implement the conflict sensitivity recommendations in the original CNA led to the attack on the engineer and one of the construction sites.

Box 3: How can we ensure UNDP's standard processes are conflict sensitive?

One of the SFL's strong points is that it is seen as non-corrupt and is setting high fiduciary standards in programme design and delivery. In short, Libyans trust the SFL to be fair in how it gives contracts, and in how it treats individuals and groups. However, in some communities with weak LPSAs there is a need to ensure that groups across conflict divides feel they have equal access to jobs and contracts stemming from the SFL. If not, there is the potential for violence during delivery of SFL projects (as in Ubari) and the Facility may even reduce overall stability. Further, opportunities may be lost to bring divided groups together in the delivery of the SFL (e.g. by working together during construction). Such risks/opportunities can be identified by SFL's project team and contracted partners during the CNA and within Output 3. At present, there is no way that this analysis can inform technical procurement and contracting processes. How can such analysis inform procurement/contracting? Is there a risk that attempts to 'conflict sensitise' procurement/contracting could reduce trust in the SFL overall?

Output 3 has not just generated initial CNAs but also a range of follow-up analyses to check on the progress of conflict dynamics and identify conflict sensitivity needs (sometimes referred to as 'link analyses'). In some areas, these have been conducted in a very participatory manner. While a good idea in principle, this participatory manner has put substantial strain on delivery partners and has overburdened local interlocutors (contributing to local 'analysis fatigue'). In addition, there may have been a tendency with Output 3 for UNDP to view it as a vehicle to mine information on the local context, and this may have been at the expense of partners dedicating time to the establishment and running of local peace structures.

The use of external 3rd party partners to conduct the CNAs and following-up analyses was essential at the outset of the SFL, as UNDP had limited capacity and access to the target areas. It may be an opportune time to consider bringing this task 'in house' into UNDP. This would help UNDP to better plan for how to use the results of analysis generated. If such analysis is outsourced, it might be better for it to be conducted separately from those organisations that establish and support local peace structures. This would help to ensure that sufficient resources are dedicated towards these local peace structures, rather than being sucked into analysis that is primarily for the benefit of SFL project staff.

Municipal capacity to manage local conflicts

As UNDP has contracted a range of partner organisations to deliver Output 3, there is no consistent approach in how they build municipal capacity to manage local conflicts. PCI has taken the approach of building municipal capacity together with that of the local community through the SPP it establishes in each area. Each SPP is comprised of municipal members and other community leaders, who are then trained/mentored in a social cohesion methodology ('Social Peace and Local Development'), focused on developing their capacity to analysis conflict and manage tension through inclusive processes. No support was provided to the Benghazi Municipality's ability to manage conflict, as Output 3 activities were in affect suspended there following the initial CNA.

Aktis Strategy was not contracted to undertaken work to build municipal capacity in Bani Walid, while this role has temporarily been taken on by the Tripoli Crisis Committee in Tripoli. In Sebha, FLO/USIP were still developing their approach at the time of the assessment (and indeed this may change dramatically following the recent surge in violence).

The example of Tripoli is potentially informative. Here, the FC and the Municipal Liaison Officer formed a relationship with the Tripoli Crisis Committee and worked with them to help mediate an agreement between the 13 Tripoli Municipalities on how to distribute funds allocated to Tripoli under the SFL. It is claimed this is the first occasion when all 13 municipalities were brought together to plan for shared needs; and potentially provides an entry point to a joint capacity building approach in conflict management for the 13 municipalities through the Tripoli Crisis Committee.

Generally, there appears to have been an under-investment in municipal capacity to manage conflicts and build stability, one that mirrors the limited progress in delivering Output 2. While the SPP process can be effective at brining municipal and other community to work together on conflict issues (and indeed has proven to be successful – see below) the SFL should set a minimum requirement/standard for municipal development in this regard. All contracted organisations should be required to deliver this minimum requirement/standard irrespective of their individual methodology.

Community capacity to manage conflicts

Similar to municipal capacity, each contracted organisation can have a different methodology for developing community capacity to manage conflicts. In practice, such activities have to date only been conducted by PCI through its SPP methodology. This methodology appears to have achieved substantial success in bringing the community together to understand local issues and common problems in Kikla and Ubari, and more limited success in Sirt.

In Kikla, the SPP process has helped to form a strong relationship across the pro-/anti-GNA divide regarding how to manage local politics and development opportunities. In Ubari, the SPP process has helped to diffuse local tensions with Tebu ex-fighters (the so-called 'Youth Coalition') over the allocation of contracts and employment opportunities (although the solution agreed is short-term in nature), has helped to mediate contract issues and has probably prevented a return to violence. In Sirt, while the SPP has taken time to gather momentum (partly because it was initially outside the city), it has now managed to mediate some contract issues and is starting to provide a forum for the mayor and other leaders to discuss local stabilisation issues.

This relative success demonstrates the importance of Output 3 in contributing to local stability. As such, it is a concern that there are not yet clear programmes in place to build community peace mechanisms/processes in Bani Walid, Sebha and Tripoli. The exceptional situation in Benghazi means that it is understandable why a similar mechanism/process has not been set up there, although ultimately one will be needed to manage the various conflict-related divisions and issues in the town (e.g. the potential for the return of Internally Displaced Persons, IDPs).

A key aspect of the SPP methodology adopted by PCI is the disbursement of small grants to enable peacebuilding activities. There is some overlap between these grants and SFL projects, in that (e.g.) the SPP grants have been used to renovate spaces for social dialogue or provide training. At the time of the review, local grant processes for peacebuilding had not been established in Benghazi (due to the context there), Sebha (as FLO/USIP was still in its inception period), and Bani Walid and Tripoli (as contracts had not been signed for output 3 for activities after the CNA).

It is also important to note, that one of the added values of the sub-contracting model, rather than UNDP setting up local peace processes directly, is that it provides for a neutral facilitator that is distinguished from the SFL and UNDP. Unfortunately, on occasions the boundaries between UNDP and Output 3 implementing partners have become blurred. This is partly because they are more visible on the ground.



21 MAR 2018, KIKLA (LIBYA). Students are learning while playing at Al Maaifa school. The Stabilization Facility for Libya renovated the building and provided equipment.
Photo: ©UNDP Libya /Malek Elmaghrebi

Local conflict analysis, facilitation and mediation capacity recommendations

Delivery

- Do not undertake Output 1 and 2 activities in advance of Output 3.
- Monitor conflict dynamics for project planning and conflict sensitivity
- It is recommended that the SFL project team adopts a standard CNA methodology that covers both conflict sensitivity and wider stabilisation actions (i.e. outside of rehabilitation/equipment projects). This standard methodology should then be used in each area irrespective of who is contracted to undertake the CAN.
- Focus PB meetings on the recommended measures to build stability (i.e. outside of rehabilitation/equipment projects), rather than on the selection of rehabilitation projects.
- Explore creative measures that allow UNDP to respond to substantive conflict sensitivity recommendations without breaching standard procedures.
- Consider bringing conflict analysis 'in house' into UNDP, potential together with national partners. If such analysis is outsourced, it might be better for it to be conducted separately from those organisations that establish and support local peace structures.

Municipal capacity to manage local conflicts

- The SFL should set a minimum requirement/standard for municipal development on conflict management (possibly as part of Output 2). All contracted organisations should be required to deliver this minimum requirement/standard irrespective of their individual methodology.

Community capacity to manage conflicts

- The SFL should set a minimum requirement/standard for community capacity on conflict management. All contracted organisations should be required to deliver this minimum requirement/standard irrespective of their individual methodology.
- Develop plans for how to build community capacity to manage conflict where mechanisms/processes have not yet been established (Bani Walid, Benghazi, Sebha and Tripoli).
- It is recommended to continue with the disbursement of small grants, though clearly elucidating the rationale and expected contribution to local stabilisation. It would be necessary to improve communications on the use of the grants including case studies and the key statistics.
- It is recommended that where third parties are supporting the SFL, the neutral facilitation role of these parties should be made clear to local stakeholders through consistent communications.

2.2 Outcome level local stability

This section provides an assessment of stability in each SFL target area. It does this by: (1) judging the impact of the SFL's projects on community life; and (2) by comparing the state of the local LPSA in each target area at the outset of the SFL and at the time of assessment, and the contribution made by SFL activities to the LPSAs. As noted in the introduction, the assessment provided below and in section 2.3 is based on limited field work in all target areas bar Sebha, which experienced violent conflict during the research period. The field visits comprised interviews with those involved in and/or knowledgeable of the SFL (e.g. Municipal Council members, SPP members, tribal leaders, and beneficiaries such as school/hospital managers) and where possible unstructured focus groups with both those involved in the project and ordinary residents. As such, the assessment cannot be considered a full project evaluation. A more detailed write-up of the field visits is available separately on request for UNDP and PB members.

Benghazi

assisting civilian governance

Impact of SFL projects – creation of pathway for international assistance

Since 2014, the international community has struggled to provide assistance into Benghazi, and the East more generally, given: (1) the initial division between the 'Salvation Government' and 'Interim Government' and subsequent inability of the GNA to project authority in the East, potentially requiring working-relationships with the 'Interim Government'; (2) the 'culture of fear' that had grown around association with international organisations; and (3) apprehension about reinforcing/legitimising military control of the municipality, by providing assistance in partnership with the Municipality while under the control of a military-appointed mayor.

The SFL was the first internationally-driven project to negotiate these challenges. At the point of assessment, most SFL projects are complete and are the only substantial project work on the ground. They are visible, appreciated and are considered 'bright spots'. Indeed, across the board local interlocutors expressed the view that the SFL was not only 'delivering' but was also not corrupt. This has led to local groups looking to work with UNDP and the SFL. For example, Benghazi University has approached UNDP to assist with reconstruction of the University, using funds that have been raised directly by it. It is important that support provided by UNDP in rebuilding the University is under the auspices of the SFL. Importantly, the SFL has created a pathway for other international assistance programmes to follow (e.g. the EU-funded stabilisation programme, delivered by IOM, and resilience programme, delivered by UNDP). This means that these programmes have a model to follow in how they work with the municipality and negotiate the three challenges outlined above.

Despite its positive impact, the level of funding made available by the SFL for Benghazi was not commensurate to the scale of need following the end of open fighting in the city. The PB should consider a second round of activities in Benghazi to build on the good foundations laid to date.

Impact on the LPSA – accountability and professionalism of the municipality

Benghazi was affected by a weak LPSA at initiation of the Facility. There is a substantial division inside the city between pro-/anti-Karama communities, but with the later mostly displaced to the West as the war progressed. In addition, there is an ongoing contest over the amount of influence the military can have in civilian governance; both within the Municipality, but more widely in the governance institutions that have been formed in the East.

The SFL did not make investments in local capacities to analyse conflicts/formulate solutions. Following the CNA, it was decided to suspend PCI's Output 3 activities, given the limited space for work on sensitive peacebuilding issue in the city. Nevertheless, the project has contributed to civilian control over the municipality through: (1) its participatory approach; (2) high delivery standards; and (3) the working arrangement with the Projects Department. Given the importance of the SFL for rehabilitation works in Benghazi, this has put pressure on the military-appointed mayor to support these approaches and to enable the project in front of the LNA.

Public perceptions of the 'Interim Government' have strengthened in Benghazi since the end of the open violence (see 2.3) as the parallel institutions in the East have benefited from a 'liberator's boon'. However, without tangible rebuilding and improvements in public services, public trust and performance perceptions in the 'Interim Government' are likely to drop in the near future. The HoR/'Interim Government'/LNA are collectively struggling to develop a programme for rebuilding the city and attempts to gain international funds have so far not been fruitful (for example, the low international participation in the May 'International Conference for Reconstruction of Benghazi'). Service delivery in Benghazi also depends on the involvement of national public and semi-public bodies, as well as departments of ministries based in Tripoli – the HoR/'Interim Government'/LNA are simply not able to respond to the scale of needs in Benghazi alone. As a result, the SFL can continue to play an essential role in responding to post-conflict needs, and given this importance may provide incentive for cross-divide dialogue and collaboration on rebuilding the city.

Kikla

enabling limited return

Impact of SFL projects – services critical for return and local 'catalytic' impact

The CNA conducted at the commencement of the Facility in Kikla questioned whether the SFL could create the conditions for return of IDPs, as many were not in favour of returning given the additional new opportunities available to them in the capital (the majority of Kikla's IDPs are housed in the Airport Road area of Tripoli). However, the municipal authority and traditional leaders insisted that 'return would follow rehabilitation' and the SFL prioritised those projects that it was felt would be likely to encourage return.

Some significant return has occurred, from 400 families at the commencement of the Facility in Kikla, to 1,600 at the end of 2017 – circa. 30% of the pre-war population (Municipality figures). The SFL has made a key contribution to return by providing critical health and education services, without which families would not have been willing to move back to the city. Further, the SFL is cited as a critical factor in the establishment of a parallel social fund that has raised 1.8 million LYD and renovated five schools (NB – Municipality claims to be verified). However, water shortages and the absence of a programme of individual compensation to assist families to rebuild their homes (and hence to be able to live in the city) are felt to inhibit further return. The question of how to deal with compensation and rehabilitation of personal buildings is a recurring challenge for the SFL, and more widely undermines attempts across Libya to build sustainable peace following localised violence.

Impact on the LPSA – strengthened consultation and accountability practices

The local LPSA was relatively strong at initiation of the Facility, compared to other target areas. Nevertheless, some disputes existed over the return of IDPs and varying willingness to engage with conflicting communities (e.g. Zintan and the Gwalish). Critically, the town is also divided in its support for the GNA, with a significant part of the local community backing the 'Salvation Government'. According to the survey results, 14% of the community trusted the Salvation Government at the start of the SFL and 32% viewed it as performing well. Further, the Mayor (who is pro-'Salvation Government') demonstrates a military-style of leadership that can push measures not fully-supported by the community.

The LPSA appears to have been further strengthened through active community consultation and accountability during the SFL works, importantly bridging: (1) old and young constituencies; (2) those in Kikla and those IDPs in Tripoli; and (3) pro-/anti-GNA camps. The Partnership may have assisted agreement of principles for fielding candidates in the forthcoming elections irrespective of whether they are pro-/anti-GNA. However, Output 3 activities have not yet been utilised to focus on the 'tough' conflict questions with inter alia Zintan and the Gwalish.

Ubari

enhancing community relations and preventing violence

Impact of SFL projects – return, cross-divide relations and 'development' focus

Key indicators suggest that the context in Ubari has stabilised significantly since commencement of the Facility. Firstly, the majority of IDPs have returned to the town, with approximately 80% of the pre-war population in place (Municipality figures). Those that have not returned are thought to have remained away as their homes are not habitable and no resources have been made for rehabilitation of personal homes (either within the SFL or through other instruments). The SFL has played a key role in return through renovation of schools, leading to an increase in the number of students studying from 4,000 in 2016 to 6,797 at the point of analysis. This figure provides a potential proxy for the SFL's contribution to return, as families would not have returned without functioning education facilities.

Secondly, residents' focus has shifted from preventing violence and emergency rehabilitation support towards an interest in development issues (e.g. programmes to support farming and small businesses). This is due to an enhanced sense of physical security as conflict-management processes have proved relatively successful in managing violence (see below) and because of a sense that critical 'humanitarian' needs have been met; however, it is important to note that similar to Kikla the issue of compensation remains a key cause of tensions. The SFL has played a key role in both reinforcing conflict-management processes (through Output 3) and managing 'humanitarian needs' (through Output 1).

That said there are still some significant stabilisation issues. Firstly, the centre of Ubari remains relatively destroyed, with SFL-repaired buildings surrounded by damaged/destroyed infrastructure. The result is that the centre remains relatively deserted, with most businesses and community activity relocated to the outskirts of the city. Secondly, stability in Ubari is heavily dependent on the wider context in the South, and especially on the fighting in Sebha. This is primarily due to the impact of violence in Sebha on commodity prices in Ubari. There is also a secondary possibility that violence in Sebha could increase tensions inside Ubari; especially as there are significant pro-HoR/'Interim Government'/LNA groups in the city. It is also important to note that most interlocutors have expectations of at least one further round of SFL projects in the city. This is partly due to miscommunication of the SFL process (with three levels of priorities being confused for three rounds of projects), and partly because the SFL did not establish either 'success measures' that allowed the local municipality/leaders to know when stabilisation had been achieved, or a transition plan from stabilisation to normal development programming.

Impact on the LPSA – strengthening cooperation to prevent violence

Ubari is comprised of three groups – the Tebu, Tuareg and Aheli Arabs. The LPSA broke down in Ubari with protracted violence between Tebu and Tuareg from 2014 to 2016. Although the Arabs were not directly involved in the fighting, their relationships with the Tuareg deteriorated due to the impact of the fighting on them. Following the agreement of a ceasefire in 2016 and prior to commencement of the Facility, steps had been taken locally to rebuild this LPSA with a focus on crisis management through cooperation between key Tebu, Tuareg and Arab elders in a joint elders committee.

It is also important to note that the city is also divided between those who are pro-GNA (or pro-Misrata) and those that are pro HoR/'Interim Government'/LNA. Indeed, the HoR/'Interim Government'/LNA have attempted to build relationships by provided funding into the city (including for rebuilding the Ubari airport) and there are indications that some armed groups may receive support.

The project has enabled the LPSA by providing a tangible benefit that reinforced the importance of the working process and stimulating cooperation to manage critical/crisis issues, including: (1) security provision at the hospital, as a precondition to renovation works; (2) resolution of a violent attack by a Tebu 'youth coalition' on the SFL coordinator and one of the construction sites; and most importantly (3) prevention of an escalation to inter-communal violence following a shooting at the Ubari petrol station. Importantly, a range of forums in addition to the crisis management process now

exist for the three groups to interact. Critical amongst these is the integrated Social Council attached to the Municipality. While the crisis management process still prevents and resolves incidents of violence, the Social Council is engaged on a wider range of development issues undertaken by the Municipality.

An important caveat to this generally positive picture is some conflict-insensitive practice with regards to procurement and contracting. The Tebu 'Youth coalition' attacked the SFL coordinator and a construction site as it believed that procurement/contracting had discriminated against the Tebu, and that Tebu were not receiving equal employment opportunities as Arab and Tuareg. The initial CNA had indicated that this was a risk and had recommended that all contracts ensured provision of jobs/opportunities across the three groups; however, this was not possible due to UNDP's procurement standards (see section 'Monitor conflict dynamics for project planning and conflict sensitivity'). The SPP and joint elders committee managed to mediate with the 'Youth Coalition' and agreed a compromise whereby contracted companies sub-contracted Tebu companies for small works. However, the 'Youth Coalition' also believes that the mediation resulted in an agreement that the Tebu would receive direct contracts in the 'next round' of stabilisation activities. If these contracts do not materialise there is the likelihood of follow-up violence.

Sebha

no evident stabilisation purpose

Impact of SFL projects – no clear link from projects to stability

It is important to note that, as opposed to the other areas, assessment of the impact of the Facility in Sebha was done at arms-length, as it was not possible to travel into the area given the increased violence in the city in April and May. The SFL is at an early tender and contractual stage, with only limited delivery at the point of assessment (University lecture halls/dormitory, medical centre and mortuary freezer). Large scale violence resumed in Sebha in April/May 2018, resulting in temporary suspension of project activities. Given the Facility's early stage in Sebha and its suspension due to the violence, it was not possible to assess the actual impact of SFL projects. However, it is not too early to question the potential effectiveness of selected projects in contributing to stability. Indeed, the return to violence calls into question the design of the SFL in Sebha. It is not clear how the SFL will either help achievement of a local political agreement, or ensure a political agreement reached by the parties is sustainable – the very purpose of a 'stabilisation' programme.

The approach taken by the SFL project team in Sebha seems to have been to find ways of working 'in conflict' (to deliver the projects unimpeded by the violence) rather than working 'on conflict' (using the projects to prevent the likelihood of violence). It is strongly recommended that all activities in Sebha are put on hold until the SFL project team has a clear vision for the stabilising impact of SFL projects; otherwise not only will the Facility not contribute to stability, but fighting may damage infrastructure and equipment provided by the SFL.

Impact on the LPSA – no established process for strengthening LPSA

The LPSA was critically weak at the initiation of the Facility, with a range of ethnic and tribal conflicts manifesting in regular bouts of violence since the revolution/civil conflict in 2011. Control over Municipality is a critical question in the divide. In addition, Sebha had become the central focus of a conflict between Tripoli/Misrata and the HoR/Interim Government/LNA for control in the South.

An important distinction between Sebha and the other SFL target areas is the absence of either a political agreement to end fighting (as in Kikla with Zintan, or in Ubari between the Tebu and the Tuareg) or a unilateral military victory (as by al-Bunyan al-Marsoos – BaM – over ISIL in Sirte, or by the LNA over the Benghazi Revolutionary Council and its allies in Benghazi). This means that there was not a peace to stabilise in the city. Indeed, indicators at the commencement of the SFL in Sabha demonstrated that violence was likely to reoccur given the competition between the West and East over local influence.

Selection of SFL priorities and delivery of rehabilitation works/equipment was pushed ahead with in advance of Output 3 activities (partly because of the slow pace of contracting the Output 3 partner FLO, as noted above). The Municipality playing a critical role in selection of SFL activities; although some group representatives were involved in the selection process through a consultation session in Tunis. Given the complex intra-community conflict dynamics, and the role that control of the Municipality plays in these dynamics, this represents a critical failure to properly sequence programming; one that could worsen tensions given the absence of sufficiently-thought through consultation formats and communication mechanisms for the Facility. As such the Facility is not demonstrating sufficient conflict sensitivity in how it operates in Sebha. Part of the pressure for Output 1 activities to progress may have come from PB demands for faster delivery. It is important that all SFL stakeholders, including the PB, understand the risks of undertaking projects without ensuring conflict sensitivity.

Box 4: Conflict sensitivity and stabilisation

Being conflict-sensitive involves: 'gaining a sound understanding of the two-way interaction between activities and context and acting to minimise negative impacts and maximise positive impacts of intervention on conflict, within an organisation's given priorities/objectives (mandate)' (Conflict sensitivity consortium benchmarking paper, 2009). This means that to be conflict sensitive an organisation/project should go beyond viewing itself as working 'in conflict', and hence looking to reduce the risk that the conflict will interfere with its activities and ensuring that its activities 'do no harm'. Rather, an organisation/project should view itself as working 'on conflict', and hence look to actively assist the prevention of violence and the achievement of sustainable peace within its mandate. The SFL has a mandate to work 'on conflict' as stabilisation entails working to prevent and reduce the potential for violence and building the legitimacy of government as a trusted institution.

Perhaps most importantly, however, there is no explicit vision for how SFL activities as a whole (encompassing Outputs 1, 2 and 3) are intended to contribute to stability. I.e. how they going to strengthen the underlying weak LPSA? Will the SFL do this through reinforcing the conflict-management capabilities of the Municipality? Will it look to generate or reinforce a ceasefire? Will it require greater engagement by GNA and the alternative authorities in the East, so that they play a constructive role locally? Until these questions can be answered, and a vision for how the SFL works 'on conflict' in Sebha is developed, it is recommended that all activities in the city cease.



10 FEB 2018, KIKLA(LIBYA). Volleyball teams participate in Kikla championship wearing new sport equipment provided by the Stabilization Facility for Libya. Photo: ©UNDP Libya /Malek Elmaghrebi



30 AUG 2018, UBARI (LIBYA). Zahra Bechir is learning sewing at Ubari Women Center. The Stabilization Facility for Libya renovated the building and provided equipment. Photo: ©UNDP Libya/ Ali Alshaarif

Sirt

stabilisation unlikely, as projects ill-fitting and municipality weak

Impact of SFL projects – ill-fitted to the scale of local needs

It is important to note that the assessment conducted for Sirt was mostly ‘arms-length’. While a field visit to Sirt was undertaken, it did not allow for conversations with stakeholders other than BaM. At the time of the assessment, Sirt was at a relatively early stage, with completion of seven of the planned 31 projects: delivery of ambulances, a garbage truck, and a medical waste incinerator, as well as rehabilitation of five schools. Projects have been delayed because of contract conflicts (whereby a company already holds a contract to renovate building selected during prioritisation), and also due to the arrest and subsequent release of Municipal Mayor, who did not accept the original prioritisation as agreed in his absence. As 24 projects are still in process, it is difficult to assess the actual end impact on stability. However, early indications are that SFL projects, individually and collectively, are not fit for the purpose of enhancing local stability and may in fact have a detrimental impact by undermining rather than reinforcing the legitimacy of local and national government.

Firstly, this is because the scale of need following the anti-ISIL war is far larger than the US\$7.64 million allocated for the area. While this level of funding is appropriate for a smaller community with less war damage (e.g. Ubari or Kikla), it will struggle to have meaningful impact in Sirt. This is especially the case if, secondly, the projects selected do not meet the criteria of ‘functionality, visibility, and sustainability’ (see section 2.10). SFL resources dedicated to Sirt are spread too thinly over a number of projects that will not necessarily be visible to community members. In this regard, substantial criticism has already been placed on rehabilitation works conducted at the ‘al Fatah’ School; the building was only partially rehabilitated leaving substantial war-related damage. Thirdly there have been allegations of misappropriation of the ambulances provided by the SFL, in that the ambulance drivers are accused of charging patients for transportation. The review team was not able to independently verify these accusations. Nevertheless, the accusations themselves create doubts in the public consciousness as to the SFL’s fairness and performance. These three weaknesses can lead local residents to question the utility of the SFL, as well as local and national government’s willingness and to respond to their needs.

It is recommended that the SFL resets its activities in Sirt (while still delivering on existing commitments), so as: (1) to work at a larger scale overall; (2) ensure the ‘visibility, functionality and sustainability’ of individual projects; and (3) to ensure accountability and control over how resources are used. It should be noted that an increase in the scale of operations in Sirt could entail substantial risk; as resources increase there will be greater pressure from internal and external groups to benefit from them. This is especially the case in terms of the groups that were engaged in fighting ISIL in Sirt and the families of those that were killed during this fighting. As such, it may be worth considering placing a reset intervention in Sirt under the auspices of a regional programme (e.g. to including Misrata).

Impact on the LPSA – the need to create local legitimate government

Sirt had seen a complete breakdown of the LPSA since the revolution/civil conflict in 2011, with a number of significant dividing lines: (1) between pro- and anti-revolution groups; (2) between pro-Tripoli and pro-HoR/‘Interim Government’/LNA groups; and (3) between anti-ISIL and anti-Misrata groups. The context is made extremely complex in Sirt by the number of tribes and distinct groups that reside there (at least 23). While not aligning strictly along tribal lines, there is a tendency for those in particular tribes to be on one or other side of these divides. For example, the Ma’adan tribe is general pro-revolution, pro-Tripoli and anti-ISIL. The Farjan tribe is generally pro-revolution, pro-HoR/‘Interim Government’/LNA and anti-ISIL.

Perhaps most importantly, since 2011, families in Sirt have seen local government appropriated by one or other group, have been vulnerable to extra-judicial detention and execution, have had religious and educational freedoms progressively restricted, and have felt isolated from national government. These issues provided the breeding ground for extremist Islamic groups to take hold. This trend has continued after the end of the anti-ISIL operation with: (1) strong Misratan influence in the affairs of local government, with the Municipality divided and unable to act in an accountable and representative manner; (2) a range of human security threats; and (3) evidence of armed groups taking over religious and education facilities. In short, local government in Sirt is not legitimate and not functioning; and the context is one in which extremist Islamic groups could re-emerge.

Stability in Sirt depends on establishing a ‘good enough’ local government arrangement that is trusted across divides and building civilian accountability over security actors. Unfortunately, the present SFL approach is to work round the challenge of failing local government/human security issues so as to get sufficient space to deliver the projects agreed with the PB. This approach seems again to be one of ‘working in’ conflict and is unlikely to deliver a stabilisation impact. It is recommended, that with its reset for Sirt the SFL looks at how the SFL can help establish or reinforce local good governance. This will entail close liaison with government agencies, BaM (which would need to be sufficiently accommodated in any agreement on local government) and community leaders, and may entail suspension of the Municipal Council and creation of a temporary local government arrangement.

Output 3 of the SFL has created a SPP for Sirt. This SPP was initially based outside of the city during the period of open fighting, but now resides inside the town, and includes two active members of the municipality. While it is still relatively weak and there are question-marks over its representativeness, it has proved useful in managing some tensions around the SFL project; and most importantly the contracts issue. However, its focus should be brought to bear on issues wider than deliver of SFL projects, so that it has a bigger impact in strengthening relationships across the three divides described above.

Bani Walid

no clear focus for SFL engagement

Impact of SFL projects – projects selection is not well linked to stability

Bani Walid along with Tripoli, Kufra and Derna were agreed as SFL target areas in the June 2018 board meeting. At the time of assessment, some equipment has been delivered (ambulances and generators), but 28 projects are outstanding. As such, it is not possible to make a judgement as to the actual end impact of these projects. However, conversations with SFL project staff, beneficiaries in Bani Walid and PB members reveal a general dissatisfaction with the selection of projects, and their potential to collectively add-up to greater stability. A primary concern is that budget allocated for Bani Walid appears to have been divided equally between local public services (e.g. Health, Education, Waste Management etc.) so as to appease the interests of local government employees. No strong case has been made for why these particular projects were selected. This is linked to the lack of an overall stabilisation objective for the area.

Impact on the LPSA – no evident plan for how to improve LPSA

The local LPSA was very weak in Bani Walid following the October 2012 conflict and imposition of a pro-revolution Local Council from Tripoli. The most significant division is between a minority in the community that supports the revolution, and the majority that are generally sceptical towards it. Since 2012, the conflict manifested itself in disputed authority between the Local Council and the Social Council; while the former has legal authority the latter has social authority. In addition to the local conflict, Bani Walid’s community has been generally sceptical of central government, as it was felt that the GNC authorised the 2012 military action in Bani Walid under pressure from Misrata, and hence could not be trusted to look after the town’s interests. Due to the conflict tensions no municipal elections were held in 2014 and the area does not have a Municipality.

These tensions (both within Bani Walid and with central Government) have subsided over time with the most significant change being cooperation to agree a reconstruction fund for the town in 2013/2014, and as a result by 2017 the Social and Local Councils were cooperating on a range of issues. In addition, PCI was already active in Bani Walid having established a functioning SPP and there were a number of key civil society organisations playing a positive role in helping to manage community relations (the most important of which is the ‘Salam’ organisation). At the point of the Facility’s launch in 2017, the LPSA was relatively strong.

Given the relatively strong LPSA and the fact that the town has already benefited from a successful stabilisation programme (and there are no evident war-related rehabilitation needs), it is not clear why Bani Walid was selected as a priority for the SFL. The main potential contribution that the SFL could make to enhanced local stability would be to prepare the ground for local municipal elections and/or further strengthened relationships

with central authorities, given the general feeling of political isolation in the town. However, such objectives were not clearly articulated by the SFL project team or PB, and hence activities are presently not helping in this regard. It should be noted that the MoP believes that the SFL has enabled it to engage more directly with leaders in Bani Walid; however, this is not the same as improvement in structural relationships with central government. While activities cannot be stopped in Bani Walid, as this would damage relationships and the reputation of the SFL, it is recommended that the SFL project team identifies a meaningful local stabilisation goal that could be achieved given available Output 2 and 3 resources.

Tripoli

new model working across municipalities to enhance shared services

Impact of SFL projects – cross-municipal infrastructure sets a new model

Tripoli is the newest target area for the SFL and at the time of assessment no projects had been delivered. The focus of the Facility in Tripoli provides a new model in two significant ways. Firstly, the project works across the 13 municipalities in Tripoli by balancing shared critical rehabilitation needs (hospitals, highways, water systems, sewage systems) with rehabilitation of schools and primary health care facilities in each municipality. This is the first time the SFL has delivered on cross-municipal rehabilitation needs. This required a good deal of negotiation with the 13 municipalities, who only agreed to the shared projects because of the incentives provided by schools/primary health care units.

Secondly, Tripoli is not an area that has experienced significant violence recently, neither does it have infrastructure damaged by war in the same as Benghazi, Kikla, Ubari, Sebha and Sirt (see above on Bani Walid). Instead, the SFL projects respond to the impact on public services of an increased population in Tripoli (see below).

Impact on the LPSA – potential for increased collaboration on service provision

The context in Tripoli is different from other parts of the country given the size of the population, the number of municipalities, the complexity of relationships held in the city and its status as the capital of the country. The LPSA is further influenced by: (1) the presence of politically-aligned armed groups that mostly operate outside local accountability structures; and (2) the increase in population because of the arrival of IDPs from conflict-affected areas, as well as internal migrants that have moved because of the poor economic opportunities in their home town. Generally, the LPSA is weak, with only limited collaboration between the municipalities, and between the municipalities and central government in responding to strains on local services because of the population increase.

The process established under the SFL, whereby the 13 municipalities and central government agencies agreed a shared package of projects, potentially sets a precedent for improved collaboration on how to respond to the strain on local services. This has the potential to both: (1) reinforce collective planning and responses inside Tripoli; and (2) manage inter-community tensions that may develop as services become less available. It is recommended that the SFL project team uses Output 2 and 3 to build towards these stabilisation goals. There is in particular an opportunity to develop public understanding of the collaboration between the Tripoli municipalities, and hence to improve public trust in the ability of these bodies to work together for societal priorities.

LEARNING

Evidence of strong impact in some target areas. The SFL has made a meaningful contribution to local stability in round 1 areas – Kikla (return), Ubari (prevention of violence), and Benghazi (civilian vs military control of governance). It has not achieved a stabilisation impact in round 2 areas (Sirt and Sebha). Early indications in round 3 areas are positive for Tripoli and negative for Bani Walid.

The SFL is viewed as non-corrupt and sets strong standards for programme delivery. The SFL is generally viewed as non-corrupt across the target areas (with some local exceptions) and is setting high administrative and fiduciary standards in programme design and delivery. This is balanced against a perception that the SFL is too slow in contracting, and indications that greater flexibility is required during procurement to cater for local conflict dynamics and to enable the local business environment.

Importance of strengthening LPSAs and local governance. When SFL activities are properly tied into LPSAs, the SFL can strengthen them by providing a tangible benefit on the ground that reinforces the legitimacy of these agreements and stops them becoming 'dialogue for dialogue's sake'. If the SFL can strengthen an LPSA, then there is a greater chance that improvements in local stability can endure. In addition, local stability depends upon the existence of inclusive and accountable local government arrangements, which local communities view positively in terms of 'fairness' and 'performance'. This means that the SFL should have a developed plan for how the SFL should strengthen local government in each target area. Without such improvements it will be hard to stabilise the target areas. This may mean in some cases, such as potentially in Sirt, establishing temporary local governance structures.

Being conflict sensitive and developing a local stabilisation goal. On some occasions, it appears as though the SFL is attempting to work 'in conflict' rather than 'on conflict', in that it is trying to deliver projects by negotiating conflict dynamics, rather than using the delivery of projects to assist in their management. It is important that there is a cultural shift within the SFL, whereby planning is focused on how to build peace rather than how to 'do no harm'. This will be greatly assisted by the SFL setting local stabilisation objectives for each target area, which clearly articulate a local ToC for how the SFL will contribute towards conflict management, so as to enhance stability.

Question marks over speed and flexibility of the Facility to respond to instability. Some of the SFL target areas have been relatively stable for a period of time (e.g. Kikla and Bani Walid), while others have recently come out of conflict (Ubari) or were still in conflict when the decision was made to include them (Sirt and Benghazi). At the same time, the Facility has not responded to other areas where violence has recently subsided and there are tense relationships between community groups, and between community groups and the Tripoli-based Government (e.g. Worshefena area). In those areas where conflict experiences are still fresh there may be an imperative to deliver activities more quickly. In addition, it is worth the PB building in the ability for the SFL to respond quickly to other areas in the event of fighting and/or ceasefires.

Reflection on how stabilisation can be achieved when actions outside the scope of the SFL are required. Rehabilitation works are an important contribution to stability. However, those works do not address the underlying drivers of conflict, and indeed investments can prove unsustainable if there is resumption in violence (the present fighting in Sebha is a case in point). Analysis conducted in round 1 target areas (Benghazi, Kikla and Ubari) included recommendations on non-rehabilitation actions that were required to ensure stability and prevent a return to violence; and without which it was felt that infrastructure rehabilitation would not be sustainable. These recommendations were not taken up as falling outside the mandate of the SFL – for example agreements on compensation or oil field guarding contracts. What tools are available within the SFL to deal with such issues? How should the SFL partner with other programmes that may work more directly on conflict mediation/management?

The sustainability of SFL investments in target areas depend on conflict dynamics in neighbouring municipalities. The SFL undertakes stabilisation activities at the municipal level, so as to have clear locally-legitimate partners. The exception to this is Tripoli, which is being considered as one 'unit of stabilisation' given the interlinked nature of the needs in the 13 municipalities. However, conflict dynamics cross over municipal boundaries, with the potential for violence in one area often dependent on events in another. For example, the present fighting in Sebha impacts on livelihoods in Ubari through price increases and violence in Sebha may spill over into increased tensions in Ubari. Indeed, the delivery of SFL projects may in some cases be held up or disrupted by groups in surrounding towns who feel they should benefit equally. This may have been the case in Sebha when SFL goods destined for Ubari were held in the city; and there is a particular risk of interventions by external actors to stop projects in Sirt, if they feel they are not benefiting from them. What is the right 'unit of stabilisation'? Should the SFL plan to be able to deliver stabilisation activities on a larger scale than at the municipality level (Tripoli may be an important test case for this)?

Local stabilisation recommendations

Area-specific recommendations (organised by priority)

- Sirt – Re-set the SFL’s engagement in the city. This would entail delivering existing commitments, but simultaneously establishing a clear stabilisation goal for the city related to the establishment of strong civilian governance. This may mean suspension of Municipality and establishment of a temporary governance arrangement. Additional funds should be made available to achieve this goal, with a focus on visibility, functionality and sustainability of projects.
- Sebha – Suspend all projects in the city until the SFL project team has a clear vision for the stabilising impact of activities, and how it can assist prevention of violence. If no clear links can be established, then works should not recommence.
- Benghazi – Commit to a second round of projects in Benghazi to respond to the scale of need there; potentially tied into a process of confidence-building across the national political divide and so as to reinforce the ability of Tripoli-based institutions to work in the East.
- Ubari – Commit to additional projects in Ubari, with a focus on returning the centre of the city to normal life. This second round of activities should have a clearly-articulated exit process for the end of stabilisation activities, so as to manage expectations in the community.
- Bani Walid – Deliver agreed projects in the city. However, it is recommended that the SFL project team identifies a meaningful local stabilisation goal that could be achieved given available Output 2 and 3 resources.
- Tripoli – More clearly define the stabilisation objective for Tripoli, in line with the opportunities to reinforce collective planning/ responses and management of inter-community tensions. It is recommended that the SFL project team uses Output 2 and 3 to build towards these stabilisation goals.
- Kikla – Cease SFL activities in the town, as a clear local stabilisation goal can be considered achieved.

Cross-cutting recommendations

- It is recommended that each target area for the SFL has a clearly articulated local stabilisation objective, which clearly articulates a local ToC for how the SFL will contribute towards conflict management, so as to enhance stability. This will ensure that the SFL works ‘on conflict’ in target areas. Special attention should be given to reinforcing civilian governance and the LPSA.
- In those areas where conflict experiences are still fresh there may be an imperative to deliver activities more quickly. In addition, it is worth the PB building in the ability for the SFL to respond quickly to other areas in the event of fighting and/or ceasefires (a quick response mechanism).
- The SFL PB should plan for how actions outside the scope of SFL activities can be undertaken if they are essential for local stabilisation (e.g. compensation provision).
- The SFL PB should consider organising SFL activities so that a target area can encompass more than one municipality. This may be essential for stabilisation impacts to be sustainable.

2.3 Outcome level national government legitimacy

This section provides an assessment of the contribution of the SFL to the GNA’s legitimacy – the political goal of the SFL. It does this by judging the impact of the SFL on the three types of relationships described in figure 2 – between:

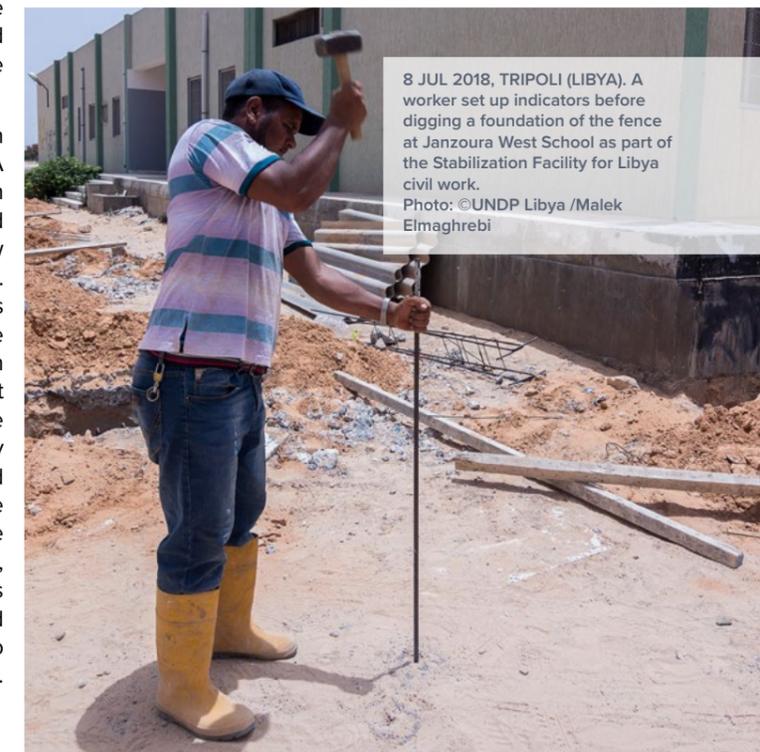
- the community and local government (the municipality or proxy), as judged by perceptions of ‘fairness’ and ‘performance’.
- the community and central government institutions based in Tripoli, as judged by perceptions of ‘fairness’ and ‘performance’.
- Tripoli-based institutions and the local government (the municipality or proxy), based on levels of engagement and working arrangements.

The assessment provided draws on the field missions, consultations with PB board members and the SFL project team; but also, the results of the surveys commissioned by the SFL project team as the basis for its M&E system. It is important to note that (as described above) there is a lack of clarity as to whether the SFL should enhance the legitimacy of the GNA only in target areas, or also nationally across the country. This assessment primarily focuses at the level of GNA legitimacy in the target areas.

Overall public perception of the GNA – trust, performance and legitimacy

The SFL public perception surveys are conducted every six months, to chart changes in attitude towards the GNA and other national and local political actors, against a baseline established before the initiation of SFL activities. The survey includes the round 1 target areas, Benghazi, Kikla and Ubari, as well as three other locations (Bayda, Gharyan and Sebha) so as to assess the added impact that SFL might make on public perceptions. The surveys measured two useful indicators of ‘legitimacy’: (1) trust (as a proxy for fairness); and (2) perceptions of performance. That said, survey results cannot be used to draw strong conclusions on the SFL, as they do not cover all target areas and not all projects have been finished in those target areas included.

The survey results show a general increase in assessments of the performance of the GNA and trust towards the GNA in communities in the West of Libya. However, both trust and performance indicators are at a very low level in the East and are mixed for the South. By contrast, performance assessments and trust in the ‘Interim Government’ are at a high level in the East but are low in the West and South. Performance and trust indicators for municipalities vary across the areas surveyed. The results do not clearly demonstrate whether SFL projects have had an impact on perceptions of performance or trust; as trends are generally the same across target and control areas in the East, South and West. Also, the survey results demonstrate that better levels of trust and perceptions of performance of the GNA do not necessarily result in greater legitimacy.



A child being tr

Area-by-area assessments of relationships (Table 6 – next page)

	Community-Municipality	Community-GNA	GNA-Municipality
Benghazi (Included in survey)	<p>Positive perception of municipal actions associated with the SFL</p> <p>The SFL could not coordinate with the Municipal authorities at the management level so as not to reinforce the position of the military-appointed mayor. Its strategy was to reinforce service delivery and good local governance through coordination with the Projects Department. This has proven successful as projects associated with the SFL are viewed as non-corrupt. Those that the Municipality conducts by itself are not. This is pushing the Municipality to replicate SFL standards across other projects. Trust in the municipality has increased from 36% to 71%; and positive performance perceptions from 62% to 73%. The SFL may have contributed.</p>	<p>Objective of improving the legitimacy of the GNA removed in Benghazi</p> <p>A decision was made by the PB at the outset of planning for Benghazi to de-link assistance delivered from the GNA. As such, a separate public message was agreed in Benghazi that works undertaken are: 'provided by the Stabilization Facility for Libya implemented by UNDP and supported by the international community'. There was a slight improvement in overall trust in the GNA (1% to 4%), but no evidence is available to demonstrate that this change was driven by SFL activities. Indeed, trust in the Eastern authorities has also increased, from 30% to 66%; and positive perceptions of performance from 36%-62%. This may in part be the result of the end of fighting in Benghazi.</p>	<p>No GNA involvement in planning and delivery</p> <p>Given the political context in the East, the GNA was not as involved in the planning and delivery of works/goods as it has been in other areas. This has been important for the safety of UNDP staff and contractors, and so as to enable delivery. However, it may have had a knock on impact in terms of reduced GNA buy-in and support for rehabilitation works/equipment in Benghazi, and potentially the wider East.</p> <p>However, UNDP engaged with national public and semi-public bodies, as well as departments of ministries, to plan for SFL activities. This included GECOL and the Hospitals division in the MoH; demonstrating that it is possible to work with national institutions in the East.</p>
Kikla (Included in survey)	<p>Substantial municipal involvement has not led to greater trust</p> <p>The Municipality took leadership in planning for SFL projects and communicated them widely within society, partly in order to help persuade IDPs to return to Kikla. The visibility of the Municipality, and its accountability to local communities was consequently much greater than in most other delivery areas. However, this is balanced by reduced trust in the municipal authorities (61% to 49%) and performance assessments (54%-35%), which may be because of the Mayor's military-style leadership.</p>	<p>Questionable impact on public perceptions of the GNA in Kikla</p> <p>There are mixed indicators on the impact of the SFL in increasing government legitimacy in Kikla. While not initially engaged, the GNA did make a public appearance in Kikla, which visually and symbolically tied them to the works that were undertaken. However, local interlocutors refer to the SFL as a 'UNDP' project and believe that the GNA is trying to benefit from UNDP's work. This is demonstrated by a decrease in GNA performance assessments (32% to 16%). At the same time, trust in the GNA more generally increased in Kikla from 31% to 51%.</p>	<p>Weak working relationships and some concern that GNA not fulfilling promises</p> <p>The Kikla Municipality is most closely aligned with the GNA from the initial target areas (even though it hosts a substantial pro-'Salvation Government' constituency). However, the Municipality felt that the GNA and MoP has not played an active role in the project, stating that "the MoP is now trying to claim credit for the UNDP work". This frustration partly lies in an assertion that the MoP committed to match SFL funding in Kikla. The Municipality claims that this commitment influenced decisions made on prioritisation. However, the funding has not yet been made available.</p>

	Community-Municipality	Community-GNA	GNA-Municipality
Ubari (Included in survey)	<p>Stronger relationship between Municipality and Tuareg. Some evidence that municipal is viewed as less dysfunctional</p> <p>Prior to initiation of the SFL, the Tuareg community in Ubari felt cut off from the Municipality as it was not represented by elected members. The SFL encouraged creation of a formal consultation process with the Tuareg, which led to appointment of a Tuareg representative as a non-voting member of the Municipal Council and a marked improvement in relationships. However, the Municipality has suffered from a general negative perception due to infighting in the Municipal Council for control. This is represented in a fall in trust (20% to 16%) and performance assessments (15% to 11%). The community is now hopeful with the appointment of a new mayor and linked social council.</p>	<p>No discernible improvement in the legitimacy of the GNA in Ubari</p> <p>There is no evidence that SFL rehabilitation works has increased the legitimacy of the GNA locally, with trust (15% to 8%) and positive performance perceptions (12% to 8%) reducing. This can be partly explained by limited involvement of the GNA in SFL activities. However, there are other causal factors: (1) competition from HoR/Interim Government/LNA in Ubari through parallel projects; and (2) the wider insecure environment in the South West, with violent episodes in Sebha and Barak Shati impacting on confidence in Ubari. The importance of these factors is demonstrated by the fall trust in the 'Interim Government' (from 20% to 8%), possible driven by an understanding of the role of competition between the GNA and the East in driving the violence.</p>	<p>Distance of GNA from Ubari municipality compared to closer municipalities</p> <p>An opportunity has been missed to increase cooperation between the Municipality and the GNA. This may in part be because Ubari was one of the first delivery areas, before working relationships had been strengthened with the GNA through the MoP. However, it is also because of distance from the Municipality; and seemingly less capacity and/or interest of Tripoli-based institutions to engage with Ubari Municipality. This includes in overall planning, with the engagement of central institutions, and on technical issues such as demining (where Libmac was not directly involved in activities undertaken).</p>
Sebha (Included in survey; but prior to selection as target area)	<p>Question marks over accountability of Municipality during prioritisation</p> <p>Sebha municipality is deeply divided with a number of fault lines, which are also reflected in the composition and functioning of the Municipality. The prioritisation of SFL projects went ahead in advance of Output 3 activities and the creation of required consultation formats and communication mechanisms (as had happened in Ubari). Performance assessments (9% to 15%) increased; but this was prior to the recent violence.</p>	<p>Too early to discern improvements in perceptions of the GNA</p> <p>As delivery of SFL renovation activities/equipment is at an early stage it is not possible to discern the impact on perceptions of the GNA locally.</p> <p>However, trust in the GNA (19%-37%) and performance assessments (14%-28%) increased during the survey period. At the same time, trust in the 'Interim Government' stayed stable at 17-20%. It should be noted that this increase occurred before the recent violence.</p>	<p>Distance of GNA from Sebha municipality compared to closer municipalities</p> <p>Sebha is potentially presently suffering from the same limited engagement from central authorities during SFL planning/delivery as Ubari. Although the potential for closer cooperation has also been undermined by the ongoing tensions in the Sebha area.</p>

	Community-Municipality	Community-GNA	GNA-Municipality
Sirt (Not included in survey)	<p>Municipality is compromised by limited representativeness, internal divisions, limited authority and delivery challenges</p> <p>The Municipality in Sirt is incredibly weak. Similar to the period before the influence of Ansa Sharia and ISIL, the Municipality is heavily influenced from Misrata. In addition, only three of the Municipality members seem engaged in its work. Given that Sirt is a military zone controlled by BaM, and with some armed groups influential in civilian issues (e.g. the 604 brigade) the Municipality has limited local authority. As such, its community relations are weak. The position of the municipality may have been further compromised by delivery challenges (see right).</p>	<p>Delivery challenges are likely to reduce positive perceptions of the GNA</p> <p>Initial SFL activities have experienced a number of delivery challenges that potentially undermine trust in both municipal authorities and GNA: (1) there have been issues with conflicting contracts, meaning that some rehabilitation works were threatened and have not been delivered; (2) criticism that some school rehabilitation work do not enable services to be delivered; and (3) accusation that citizens are being charged for ambulance services by ambulance drivers. All these issues need to be verified but have the potential to reduce confidence in the ability of the Municipality and GNA.</p>	<p>Relatively strong working relationships, enabled by approach of UNDP/donors</p> <p>While the Municipality is weak and there have been delivery challenges, the approach taken by the UNDP/donors to working through the challenges has contributed to stronger working relations between the Municipality and GNA. For example: (1) when the Mayor looked to change the prioritisation list, UNDP deferred to the GNA for decision-making; and (2) rehabilitation works were withheld until demining activities were undertaken, forcing a working relationship between the Municipality and Libmac. As a result, after Tripoli, Sirt Municipality has the most functional relationship with GNA in spite of the conflict challenges.</p>
Bani Walid (Not included in survey)	<p>SFL activities could contribute towards creation of an elected local body</p> <p>Bani Walid has two competing authorities: (1) Local Council appointed by Tripoli after the 2012 conflict; and (2) a Social Council, that better represents Bani Walid's community and has social authority. SFL activities in Bani Walid have so far entailed careful negotiation between the two Councils, based on confidence built since 2013. While SFL cannot increase public confidence in local authorities, given their division, its method of delivery could further enhance confidence between these bodies and even create the space for local municipal elections.</p>	<p>Fear of communicating GNA role and need for sequenced communication</p> <p>While relatively early on in delivery of SFL rehabilitation works/equipment, no activities or handover events have included reference to the GNA locally. This is based on a fear of the UNDP FC that reference to the GNA will close activities and damage personal relations. As such, a sequenced communication approach is required, whereby the role of the GNA is not immediately referenced, but increasingly so as works/equipment are delivered and the public/local elites are more likely to positively minded towards GNA-related messaging.</p>	<p>Boost in GNA-Municipality relationships</p> <p>The project has provided an opportunity for discrete planning sessions between the competing bodies in Bani Walid (Local and Social Council) and the GNA through the MoP. There is opportunity for these discrete planning sessions to be built on further. However, it is important that any relationships built with central authorities are structural rather than ad hoc and personalised, and that they are not restricted to one central institution.</p>

	Community-Municipality	Community-GNA	GNA-Municipality
Tripoli (Not included in survey)	<p>No activities have been undertaken and it is too early to judge the impact of the SFL on community-municipality relations.</p>	<p>No activities have been undertaken and it is too early to judge the impact of the SFL on GNA-community relations</p>	<p>Early coordination between Municipalities has strengthened GNA role</p> <p>There is substantial potential for inter-Municipality conflict and miscommunication during SFL planning and delivery, given the existence of 13 municipalities. The MoP (through its SFL/UNDP-funded advisor) has taken important steps to manage these challenges through bilateral communication with each Municipality and a joint planning session between all 13 Municipal Majors and the central authorities. This coordination and mediation has been conducted in partnership with the Tripoli Crisis Committee. In addition, key central government institutions have been more closely involved in planning for SFL projects in Tripoli. For example, the SFL project team has worked closely with the Primary Health Care Division in the MoH to ensure that renovation of Primary Health Care Units fits with its development strategy.</p>

The SFL is not presently enhancing legitimacy of the GNA, either in the target area or the wider public. The SFL has not increased trust in, or perceptions of the performance of, the GNA in the target areas. Instead, where the SFL is having a discernible stabilisation impact – Ubari, Kikla and Benghazi – its activities have had a positive impact on perceptions of the UN (rather than UNDP), with a secondary more limited positive impact accruing to local civilian governance. While some communication work was undertaken that directly linked the GNA to the SFL in Kikla, this was undermined by limited involvement by Libyan institutions. Communication work emphasising the role of the GNA was more limited in Ubari and absent in Benghazi, and it is too early to judge in Bani Walid, Sebha and Tripoli, although indications are not positive. Also, the GNA has not separately communicated its role in the SFL to the wider Libya public. Instead, UNDP has taken a lead on communication for the SFL and the ‘UN’ appears to be most closely associated with it among Libyans that are aware of the SFL.

Legitimacy (fairness and performance) depend upon involvement of national institutions. Association of the SFL with national Libyan institutions (as well as successful delivery on the ground) requires greater involvement of relevant Libyan service providers, rather than arms-length policy bodies, in the works themselves. Libyans are aware of when works are undertaken by Libyan agencies, and when they are undertaken by international organisations. Attempts to associated activities with the government, when it is not directly involved, are likely to have a negative impact.

The need for structured engagement between municipalities and central line ministries. Experience to date has demonstrated that there are significant opportunities to increase liaison between municipalities and central line ministries, especially in those areas where the influence of HoR/‘Interim Government’/LNA is more limited. For example, useful communication channels have developed with municipalities in Tripoli, Bani Walid, Kikla and Sirte. The SFL project team should be mindful of the opportunities of building such engagement. However, it is important that this engagement is not ad hoc, or with individual officials or departments. It needs to be structured and formal, so as to endure beyond changes in leadership, either locally in the municipalities or nationally in line ministries.

A variable approach would be most successful in East, South and West. The ability of the SFL to enhance the legitimacy of the GNA in target areas, depends on the local context, in terms of the influence of the HoR/‘Interim Government’/LNA. The GNA is the dominant political force in the West, the HoR/‘Interim Government’/LNA dominates in the East, while the South is presently contested between the two. Where the GNA dominates (the West) it should and can be more directly involved in SFL activities, with its role widely communicated locally. Where the GNA does not dominate (South and East), association with SFL with the GNA at a policy level can have a negative impact. In these areas, learning demonstrates that a different approach is more likely to be effective.

Limitations of engaging in a ‘branding’ war when an area is contested. The South is presently contested between the GNA and the HoR/‘Interim Government’/LNA. The principal approach of the SFL in these areas is to heavily communicate SFL projects as being associated with the GNA. Field work, especially in Ubari, demonstrates that this approach is counterproductive as it creates the impression that the GNA is looking to secure its own position, rather than respond to the needs of ordinary citizens. As such, a heavy focus on GNA branding may create further distrust in central institutions. A more effective approach would be to associate the SFL with central government institutions, without reference to the political divide, and hence to demonstrate that central institutions are focused on providing unbiased services to all communities.

Deepen working relationships with national agencies in the East. Experience to date has demonstrated that the SFL can deliver in the East in a manner that involves national institutions at a ‘non-policy’ level – e.g. with GECOL or the Hospital Unit in the MoH. Indeed, working with these agencies in the East is essential to reinforcing their role as national institutions and in preventing further splits within them.

Need for tailored location-specific communication plans. A specific communication message was developed for Benghazi, due to the de-linking of the SFL from the GNA there. In other areas there appears to be more of a uniform approach. However, it may be more effective to develop tailored communication plans that introduce the role of the GNA (or central institutions if the proposed model for SFL 2.0 is adopted) at the most useful point for building positive perceptions (e.g. after some works have been delivered). Can the SFL develop staggered communication strategies that build towards references to the GNA, depending on the level of antagonism towards/support for the GNA at the outset of activities?

Legitimacy in the GNA cannot be improved through rehabilitation works alone. The wider security environment is probably a key deciding factor when Libyans judge the fairness and performance (and by extension legitimacy) of the GNA. For example, success in Ubari will not be sustainable if the fighting in Sebha continues. Further, success in Sebha will not be achievable unless steps are made to achieve a sustainable ceasefire. This indicates that where possible a wider range of actions are needed to build GNA legitimacy. What tools are available within the SFL to deal with the drivers of violence? How should the SFL partner with other programmes that may work more directly on conflict mediation/management?

Coordination with other agencies. In some locations, there are multiple international programmes operating in parallel to the SFL, undertaking stabilisation-type activities. This includes UNDP’s Resilience and Recovery Project (R&R). The existence of multiple international projects is not just a coordination issue. As these projects do not have the same political goal as the SFL, they can potentially undermine the SFL if they do not follow the strategic direction set by the Facility. Further, they can have the impact of reducing perceptions of trust and performance in local/central institutions, if the scale and speed of delivery by these programmes is greater than the SFL; in part because they are not hindered by a requirement to operate with and for the benefit of central government. UN Coordination can be improved through improved technical coordination between the Mission and the programme and specialised agencies. It is recommended for completeness to include OCHA in this group as undoubtedly, they are already working on the relationship between humanitarian interventions, stabilisation and longer-term development projects. However, it is also essential that PB members take responsibility for requiring that programmes funded by them are required to follow the SFL’s strategic objective in target areas. Bilateral MoUs with key partners may help in this regard.



4 APR 2018, UBARI (LIBYA). Students are singing in a classroom. The Stabilization Facility for Libya delivered the prefabricated school. Photo: ©UNDP Libya /Ali Alshaarif



18 FEB 2018, BANI WALID (LIBYA). Workers are putting collected waste in a garbage truck. The Stabilization Facility for Libya delivered the vehicle. Photo: ©UNDP Libya



18 APR 2018, BANI WALID (LIBYA). Mr. Abdel Moneim Abdelmajid receives treatment in one of the ambulances provided by the Stabilization Facility for Libya. Photo: ©UNDP Libya /Malek Elmaghrebi

National government legitimacy recommendations

- It is essential that the SFL PB decides on whether 'legitimacy' (or another political goal in the case of SFL 2.0) is measured only within target areas or also across the rest of the country.
- There is a need for enhanced strategic communication of the SFL as a brand that is associated with positive measures to rebuild areas and communities damaged by war. This need is irrespective of the political goal chosen.
- Association of the SFL with national Libyan institutions (as well as successful delivery on the ground) requires greater involvement of relevant Libyan service providers, rather than arms-length policy bodies, in the works themselves.
- It is recommended that attention is given to identifying the opportunities to build structured and formal engagement between municipalities and line ministries. A standard template for this engagement will not be successful.
- It is recommended that attempts to build government legitimacy do not engage in a 'branding war' whereby the GNA is pitted against alternative governments, especially not in the East or South. Central government legitimacy will be most effectively built by strongly emphasising the role of national institutions in building stability.
- Adopted a variable approach for building legitimacy across the country, depending on the level of influence of the HoR/Interim Government/ LNA. This should be reflected in localised communication plans.
- Identify how the SFL can work with other processes and organisations when rehabilitation works are not by themselves sufficient for building stability and legitimacy.
- Ensure the SFL's local objectives influence and direct international assistance. If an area is selected for the SFL, it should become the primary vehicle for assistance, and other programmes targeting the area should be designed to help achieve the SFL's objective. Donors should take responsibility for ensuring programmes funded by them commit to contributing towards the SFL's stabilisation objectives in target areas.
- It is recommended to set up a UN working group on Stabilisation comprising UNDP, UNOPS, IOM, UNICEF and others as appropriate. One representative from OCHA should also be included in the Group.
- Greater local area coordination can also be achieved through local MoUs with other key partners such as Chemonics (USAID/OTI).

3. BUSINESS PROCESSES

3.1 Operating model

Project Management and Decision-Making

Strategic oversight

The current operating model poses problems for project management and decision-making. The programme oversight structure consists of the PB for the SFL, which provides the overall governance of the Facility. The PB provides strategic direction to, and oversight of, the SFL and ensures that the interventions funded through the Facility are in line with PB members' and government priorities. The PB is co-chaired by a PC representative (or appointee) and DSRSG/UNDP Resident Representative. Other government representatives may be invited by the PC representative on an ad-hoc basis when needed. The original Project Document noted that these ad hoc members may include the Supreme Council on Local Administration, MoP, or a line Ministry with a specific interest in a sub-project. Additionally, municipalities may also be invited to attend when the PB meeting is held to discuss specific interventions in municipalities.

All donors contributing over \$1m are full members of the PB. Donors contributing less than \$1m have one seat on the PB between them and select one of their number to represent them on the PB; so far only Switzerland falls into this category, so they are a PB member too. Hence the current PB members are Canada, Denmark, EU, France, Germany, Italy, Japan, Korea, Netherlands, Norway, Switzerland, UK and USA, in addition to the PC representative, the UNSMIL representative and UNDP. It is understood that Qatar will also contribute \$2 million and thus will join the PB.

To date the PB has only met four times missing its initial target of quarterly meetings. PB members have expressed their wish for more regular meetings and for their key staff to be briefed regularly on technical issues. Some of the PB has also recognised that it has engaged in detailed discussions and decision-making which detracts from their need to focus on strategic issues only. Project management has already planned to meet these needs by:

- Commencing technical meetings and putting a plan in place for the rest of 2018 to meet on the first Thursday of each month.
- Forecasting meeting dates 12 months in advance and seeking to safeguard these dates.

Decisions on selection of target areas have so far been made by consensus; although there was a good deal of discussion on some potential target areas (e.g. the potential for a 2nd round of activities in Benghazi). The PB is also used for supporting the approvals process on site and project selection. There is some evidence that this involvement in particular is a hindrance to speedy delivery. The PB may also consider, and take a view on, aspects of a proposed programme in a location other than the proposed Output 1 projects. For example, on additional measures that would need to be taken to achieve stability in an area. However, to date the PB's focus has fallen on selection of Output 1 projects rather than these more strategic questions.

Technical planning and coordination with national counterparts

The SFL's intention is evidently that government partners feel consulted and engaged, and that the government is involved; however, the SFL is a learning process and experience to date has not been entirely smooth. The Facility is a partnership between the donors, the UN and the Libyan PC, as established by the LPA. The PC (or its representative) can voice its opinion on the SFL in PB meetings. However, the Project Document and ancillary project material does not ascribe a clear role to national counterparts in the technical planning and coordination of SFL projects.

The MoP has de facto taken on this role, partly as a result of the Minister of Planning's appointment by the PC to sit on the PB. The MoP also asserts its authority in this role on the basis of the Standing Country Agreement with UNDP signed in 1978, and its mandate to assist planning and coordination across line ministries. The MoP is consulted and engaged, but has also taken direct measures to intervene in SFL projects' implementation. The UNDP and MoP do not always share the same understanding of 'what' input the MoP should have in technical planning/coordination matters, 'when' it undertakes this input and 'how'. This can lead to frustration and confusion on both sides, even when the input is beneficial for the impact of the Facility.

UNDP needs a government counterpart to assist with strategic planning, and with coordination with line ministries and local authorities (where those relationships exist). The MoP may be the right vehicle for that coordination, especially given its mandate and background in the project to date. However, the PB, including its PC representation, need to agree 'who' undertakes this coordination role, 'what' issues it would cover, 'when' government input into decision-making can take place and 'how'. This should be clearly articulated in a ToR and included in a new Operations Manual. However, this strategic/planning and coordination role should not impinge on the project's direct implementation by UNDP. It is also important that, in line with the principles of the suggested model, this coordination role is 'behind the scene', rather than gaining public prominence.

Implementation modality

The current operating model is the Direct Implementation Modality (DIM) whereby UNDP takes on the role of Implementing Partner. In DIM mode, UNDP assumes the responsibility for mobilising and applying effectively all the required inputs in order to reach the expected outputs. UNDP assumes overall management responsibility and accountability for project implementation. Accordingly, UNDP must follow all policies and procedures established for its own operations.

Evidently, DIM does not fully enable Libya Institutions to deliver through national execution. Despite the shortcoming of DIM, all PB members and Libya consultees wish to see it continue. This suggests the need to examine alternative means of developing partnerships with Libyan institutions and fresh partnership principles. Currently, the operating model is not well adapted to the reality on the ground; a 'divided' country. A revised operating model would need to be better at delivering across political and institutional divides

The speed with which UNDP can deliver programmes and projects, or provide goods and services, is naturally related to and contingent upon the key operational procedures for procurement, recruitment, and financial payments. The speed at which these operations are carried out becomes even more critical when UNDP's relevance and credibility are highly dependent on a time-bound delivery, as is the case for the SFL in front of the Libyan government and the SFL PB. UNDP did have a set of so-called 'fast track' policies and procedures for use in crisis situations. However, these no longer exist having been subsumed into the mainstream policies and procedures. Therefore, UNDP can use expedited operational procedures as a matter of course. There are no other procedures that can be brought to bear. UNDP must use the existing procedures to the maximum of their flexibility and adaptation.

UNDP has not yet prepared a dedicated Operations Manual for the project. This ought to be remedied quickly. The contents of a manual would describe the programme objectives and provide regulations/guidelines/norms/forms for all processes and procedures involving the municipalities, line ministries and communities. Its main purpose would be to promote consistency, transparency, accountability, efficiency and effectiveness in programme implementation. Preparation of the manual would also assist with project communications. Besides reference to UNDP's Standard

Operational Procedures (SOP), suitably adapted to the Libyan context, the Operations Manual would be expected to contain a list of specific operational principles, including any SFL-specific ethics or procedures. With so many donors to the SFL there may be some compromises required in agreeing the key operating principles but they ought to be agreed and included in the Operations Manual.

As noted in section 1, it is recommended that UNDP moves to working in partnership with service delivery agencies, both in order to achieve the overall political goal and to be more effective in the delivery of projects. However, increased involvement of Libyan public and semi-public agencies in SFL operations has to be balanced with the need to continue with UNDP DIM modalities. DIM gives both the local partners and donors the security that funds are spent correctly on the right goods and services, thus maintaining the focus on anti-corruption and local accountability. This is already helping to build trust with communities and local contractors in terms of project implementation. UNDP's procurement practices and management approach sets standards in Libya which have not been seen before and Libyan partners are relative novices when it comes to international cooperation. Transitioning into working with, and utilising public and semi-public agencies, and leveraging their assets, would need sensitive consideration. The latter would have ramifications for the operating model and would require the development of clear protocols and SOPs for consultation and working arrangements with the relevant partners.

The Role of the Project Manager, UNDP and 'Shared' Services

In a complex project such as the SFL, it is usually understood and expected that the Project Manager exercises full day-to-day control over the project resources, including funds, staffing, programme and technical matters, and of course being responsible for delivering on the project objectives, though subject to the specific institutional oversight mechanisms. This is not quite the situation for the SFL. UNDP has adopted a 'shared services' policy where most operational and technical activities – including inter alia, finance, procurement, human resources, communications, M&E and engineering consultancy – are managed and responsible to the UNDP Country Office (CO), with operations reporting to the Head of Operations. These services are funded from the various office project budgets at a percentage rate based on how much of that service the project utilises. The rate is agreed upon usually once a year, or more frequently if needed. This makes most sense, and works best, where a UN CO has many small projects that individually cannot afford a full-time member of staff for a specific position. In UNDP, the system is known as Direct Project Costing. In certain cases, this also supports donor engagement in complex projects.

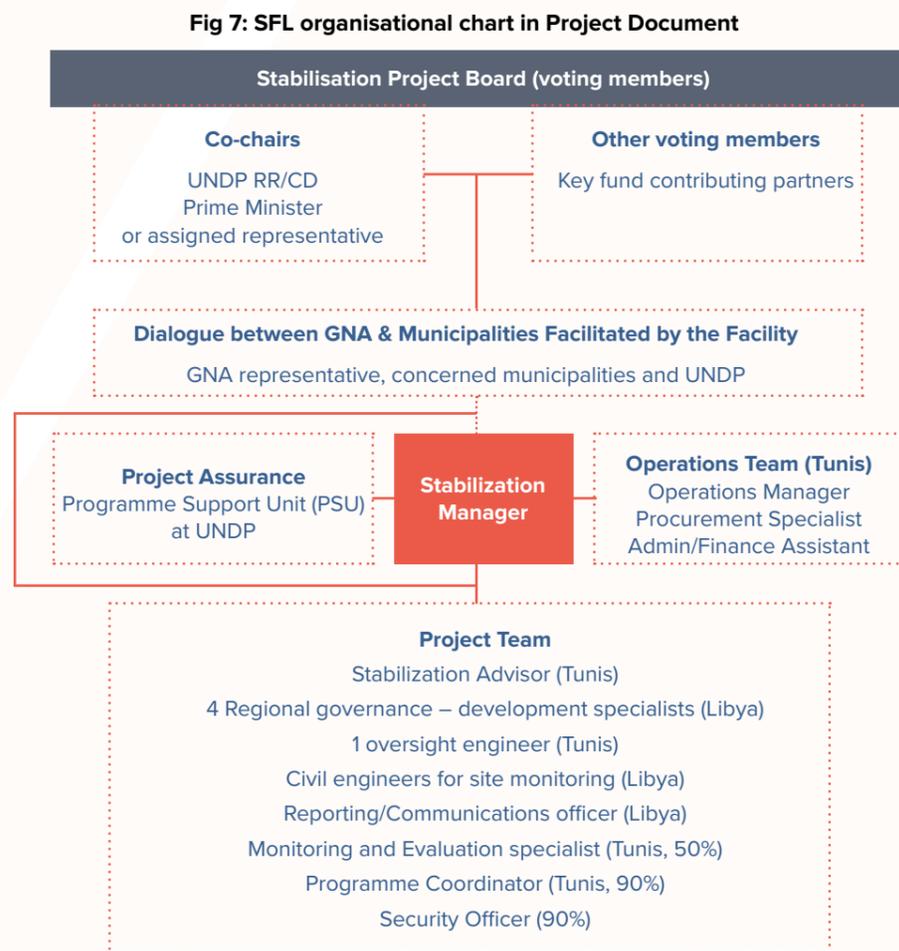
The UNDP shared services approach has however caused problems for the delivery of the SFL, with delays experienced in all operational areas for varying reasons. Not only has there been simply not enough staff available for the increasing workload, but the Project Manager can find: (1) staff, who are assigned to several projects, unavailable to work on the SFL in a timely manner; or (2) that the servicing of UNDP's corporate obligations takes precedence over SFL project requirements.

For comparison, in the commercial world in a similar sized project, the project staff would be appointed for the duration of the project and be directly managed by a Project Manager (Team Leader, Chief of Party, Chef de Mission, etc.), usually backed up by a full-time deputy for Programme and a deputy for Operations, plus the required technical experts. Headquarters would staff provide technical and operational backstopping as needed. The closest comparators in Libya would probably be the company 'Chemonics' working for USAID OTI and possibly GIZ implementing for the German Government. The shared services approach is not normally recommended in this situation, as the focus has to be on delivery and clear decision-making with the majority of the day-to-day management with the Project Manager. Implementing this approach should not be problematic as the Facility is now funded sufficiently well to finance all necessary technical and operations staff 100% who can then give their undivided attention to the SFL and will be based in the Tripoli UNDP Office.

This dedicated project team approach will also facilitate improved teamwork and ownership of the results. External contractors would report to the relevant technical output lead. It would be for UNDP to continue to provide the quality assurance and overall management direction and oversight through the key senior staff – the Programme Coordinator to backstop technical issues (if required) and the Head of Operations to backstop operations issues (if required). The Country Director is ultimately responsible for delivery of the SFL and so, in extremis, is also responsible for additional allocation of common-service staff, and/or surge support as required.

Project Organisation and Staffing

The original Project document provided a generic organisation chart (fig. 7) typical of a 'local area development' type project and, as noted, assumed a shared project services approach.



During 2016 and 2017 it became clearer that staff levels were insufficient, more posts would need to be filled and a more comprehensive and clearer organisational chart would be required. It appears that the opportunity was not taken to provide 'surge support'. This is surprising given that the UN in Libya regarded the SFL as 'programme critical'. In addition, the duration of initial appointments of many staff was too short (too many three-month or six-month attachments/contracts) and there were delays to key appointments (communications and M&E being the most obvious). The Communications Officer was appointed late in the day (June 2017) and staffing levels still seem insufficient for the amount of work required.

Whilst a full organisation chart cannot be designed until the management modality is clear, if the Project Manager does not control and direct resources or make key technical decisions, then he/she really cannot be held fully responsible for delivery.

Stabilisation projects require specialist technical advisers. The SFL, and the UNDP CO more widely, is lucky to benefit from an experienced Senior Stabilisation Adviser seconded from the UK government. The Advisor's inputs are currently also utilised across the UNDP CO, though mostly on the SFL. The inputs are welcomed and hopefully will continue. The expertise he provides is not currently a full-time line position in the project, but this type of expertise ought to be full time and integrated into the SFL. Without the Advisor's inputs to SFL to date, the project would be even lower on technical capacity. As it is, technical issues are often crowded out by the exigencies of the operational issues. The lack of relevant technical stabilisation expertise may also partly explain the low progress on Output 2. More capacity on the stabilisation elements is required though ideally the UK seconded Adviser would continue to offer wide ranging support across all three outputs.

Given the proposed refocus of the SFL in 2.0 to work on fewer areas to achieve clearly defined local stabilisation goals, there is also the need to build up a wider team of stabilisation, political and conflict-sensitivity experts. This team would allow for dedicated ongoing management of each target area. PB Members are urged to recognise the need to invest in the soft skills that will make the 'hard' infrastructure investments more sustainable.

Due to the upcoming significant increased investment in civil works, a more than doubling of the annual workplan financial target for 2018 and the likely pressure for even higher delivery next year, and the continued use of out-sourced engineering capability in-country, there is a need to also strengthen the engineering supervisory capability. Likewise, as set out below in section 3.6, the Monitoring, Evaluation and Learning (MEL) component of the project is still understaffed.

Nationally-contracted staff through 3rd party provider 'Committed to Good' (CTG) reported feeling 'conflicted' on occasion, as to whether they are working for UNDP, the MoP, the GNA or perhaps for the local government. This feeling was reinforced by questioning from local stakeholders as to nationally-contracted staff's role. In addition, national staff have found themselves in unclear management chains, with line/task management often coming from both UNDP and national counterparts (MoP or municipality). On occasion these tasks have been contradictory.

Project Reporting

Almost all consultees expressed a desire for improved project reporting. The annual report is due soon and will certainly provide a clearer overview of 2017 financial performance. The project does normally produce monthly updates on progress and a review of these updates shows that a good deal of information on progress is shared with the PB, however the updates have tended to appear focused on Output 1, with much less on Output 2 and 3. It should be noted that Output 3 specific reports have been generated by partner organisations.

Both the MEL and Communications sections in this report also address the issue of reporting, knowledge management and information sharing. With better reporting, over time the project should develop a clear record of design decisions, and records of adaptation and implementation in the various contexts. This record is an important repository of knowledge generated through the SFL. Knowledge products recorded might include inter alia 'dealing with corruption', 'conflict and gender sensitive engineering projects', 'addressing nascent decentralisation', perhaps research on 'local legitimacy'. Keeping the proposed Operations Manual up to date will also assist in meeting the need for information on standard processes, policies and working methods.

Operating Model recommendations

Project Management and Decision-Making

- Meetings of the PB focus on high-level strategic decisions only, are held semi-annually or quarterly as decided by the majority, and a diary is maintained and kept to, with meeting dates only moved in extenuating circumstances.
- All technical discussions take place in the SFL Technical Working Group and that this Group's deliberations are held in a more structured manner.
- The PB agree the ToR for a national strategic planning/coordination role, including 'who' undertakes this coordination role, 'what' issues coordination can cover, 'when' this national input can take place and 'how'. However, this strategic/planning and coordination role should not impinge on the project's direct implementation by UNDP.

Implementation modality

- Develop guidelines and SOPs for consultation and working arrangements with Libyan public and semi-public agencies, and for leveraging their assets.
- UNDP should review the effectiveness of the administrative and financial controls in place as well as their appropriateness to the current operating conditions, assuming a move of operations back to Libya (It is understood that the Country Director has already suggested that this review take place, thus it should continue, with a short report prepared for the next PB meeting).
- Draft in additional capacity to produce an Operations Manual with immediate effect.

Project organisation and staffing

- Ensure that all staff identified in the project organisation chart, deal primarily with and are accountable for providing services to the SFL Project Manager.
- Complete a full organisation chart, denoting each position funded by the SFL with the reporting lines set out. It is recommended that the PB give their approval periodically to the proposed staffing level and organisational structure of the SFL.
- Immediately strengthen the technical capacity of the project. Identified posts include a Senior (Chief) Engineer (International Appointment), Stabilisation Adviser with expertise in stabilisation operations, capacity development and local government (International Appointment) and a dedicated MEL Manager and focal point with experience in stabilisation operations (International Appointment).
- Hire a wider team of stabilisation, political and conflict-sensitivity experts. This team would allow for dedicated ongoing management of each target area.
- Consider the need for an expanded communications team.
- Clarify the status and line/task management of national staff, and how they related to UNDP vis-à-vis national counterparts.

Project reporting

- In response to the frequent request for improved technical information, project management should systematically produce learning products on key technical issues in the three outputs and circulate these products with stakeholders.

3.2 Procurement and engineering delivery

SFL Engineering and Procurement Officers are experienced in UN engineering and procurement services and systems. However, both the Engineering Services and Procurement Unit have struggled to keep up with the workload for the SFL since the project started. Recent improvements in both Engineering and Procurement business processes have given the impression in Libya, very positively, that contracting by UNDP whilst slow, is transparent and fair. This is resulting in increased numbers of bids for individual projects, which of course increases the workload for the staff in terms of bids to be appraised.

Besides simply being under-staffed, other issues faced jointly by the two Units are pricing and currency fluctuations, materials' availability, non-availability of national cost/price indices, variable building codes, ensuring widespread publicity for the bidding processes, and on occasion poor-quality contractors.

Procurement Unit

In mid-2016 there was one international staff and one national staff member. By 2017 this had increased to two international staff with some short-term consulting support. In 2018 and commencing shortly, an additional two procurement officers will join the team, though again on short term consulting contracts. The Unit provides a single service for all UNDP CO projects including, the two main projects – SFL and the EU-financed R&R Project. This means that the unit is not dedicated to SFL's work alone. There are a number of reasons for delays experienced in Procurement. Comprehensive consultation has revealed that the principle sources of delays in the procurement process for SFL are as follows:

- Approvals – all SFL projects are approved by the PB, the MoP, the relevant municipality and if needed the relevant line ministry (e.g. MoE and MoH etc.). Synchronising the process is not straightforward. It is not automated; rather it is a paper-based process. Automation of some processes would be a significant benefit.
- Forward planning – is occasionally poor despite the fact that UNDP can and does use 'Forward Planning for Procurement' procedures. Without accurate procurement planning it is difficult for the Unit to plan its work. Evidently, if the Procurement Unit is dedicated to SFL work only this is less of an issue
- Specifications – the Unit has experienced problems with field engineering staff (and vice versa) with regard to correct specifications of civil works and procurement of goods. This problem is also due to, in part, the time taken for end users to also approve specifications and the setup of LTAs that the UN has come to rely upon.
- HR issues – and delays concerning the appointment of SFL consultants.

The new e-tendering system in Atlas offers a significant opportunity to bring web-based automation to the project and more particularly to manage bidding processes end to end. This system currently being rolled out to UNDP offices worldwide can provide bidder self-registration, improved confidentiality, improved audit trail & transparency. The process improvements and potential costs efficiencies look extremely attractive. The system can also generate the sorts of procurement and delivery reports that donors are requesting.

Overall, the field assessments have demonstrated that the procurement process while taking time is believed to be transparent and not corrupt. At the same time, SFL has faced a number of conflict-sensitivity challenges related to procurement. Firstly, it has proven not to be sufficiently flexible to take account of the impact of procurement on local conflict dynamics. This is the case in Ubari, where conflict sensitivity dictated that the contracts and opportunities were felt to have been distributed 'fairly' between the component groups in society. Secondly, opportunities have been lost to develop the local economy or reinforce existing contractor relationships. For example, advertising for procurement has been done exclusively in English rather than also in Arabic.

Engineering Services Unit

The international staffed Engineering Unit is small, with currently only two persons based in Tunis. The Unit will move to Tripoli imminently. Working in Tunis for the last two years has meant that the work has been conducted remotely and all site visits and field related work is undertaken by Libyan Engineers contracted through CTG, a third-party service provider. It should be noted that the two Engineers also service all the CO projects. Thus, they too are also not fully devoted to SFL.

The Engineers are additionally involved in some training initiatives for FEs, as there have been problems with ensuring employment of suitably qualified and competent engineers. Their assessment is that the quality of FEs is rising and productivity improving, but both the FEs and the Engineering Unit feel more training is necessary. The Engineers believe that an Operations Manual would be of significant benefit to the project and will help all Engineering and Project staff. They also felt they had the most to gain from a comprehensive Operations Manual as they felt ignorant about many of the project processes, including conceptual design issues, and most particularly the objectives and relationship of Outputs 2/3 to their focus on Output 1. Communications with the field have also caused problems due to internet connectivity.

FEs and FCs validated and verified the feedback from the Tunis based Engineering Unit. FEs experienced all the same problems as the Tunis based engineers but evidently with a field bias. The FEs and FCs are the most frequent public face of the project dealing with local authorities, communities, and construction companies. They experience problems related to their perceived 'status' highlighting the issues around the project identity which are discussed in more detail in the sections on strategy and communications. Engineers reported feeling conflicted on occasion as their status was questioned by various stakeholders – are they working for UNDP, the MoP, the GNA or perhaps for the local government? Clearly, in some contexts this perception matters both in terms of legitimacy and security.

Staff are employed by CTG in order to circumvent the UN's own restrictions on staff numbers and movement in the country. Despite the fact they are not UNDP contracted staff, they play a vital role in the project. Besides being the eyes and ears on the ground, the FEs and FCs are able to understand the Libyan context and provide feedback to management, matching cultural understanding to the development 'language' of UNDP. They also play a pivotal role in managing local dynamics and any tensions that arise during the project. Improved training in understanding and managing these tasks would help enhance their performance.

The FEs and FCs have also experienced problems with perceived job insecurity, with some inexplicably receiving frequent sequential short-term contracts. Despite the impact on staff morale, turnover of staff is still remarkably low, which has proved beneficial for the project.

Social and Environmental Standards and Quality Assurance

UNDP has its own clear policies and standards on social and environment issues which are applied in all projects. All programming is meant to apply the core principles of human rights, gender equality, and environmental sustainability. Social and environmental sustainability are systematically addressed throughout UNDP's programming in an integrated way. Potential harm to people and the environment is avoided wherever possible and otherwise minimized, mitigated and managed.

The project risk log is the heart of UNDP's QA system and is maintained by the Project Manager. UNDP has identified programming quality standards that must be adhered to, by quality criterion, and applied at least annually to the project. The criteria are: strategic, relevance, SES, management and monitoring, efficiency, effectiveness, sustainability and national ownership. This QA task has not been completed to date. The findings and actions captured in the project risk log might usefully form part of the SFL quarterly reports.

Procurement and engineering delivery recommendations

Procurement unit

- Make maximum use of available derogations, fast track procedures, and simpler and shorter options for procuring services.
- Staff working on SFL, and paid from SFL funds, should focus on SFL work and report to the SFL PM. Some flexibility is expected in this arrangement as some procurement unit staff have specific expertise that may usefully be brought to bear on another Libyan project but then time allocated would need to be rebalanced.
- UNDP has an SFL procurement plan template and target timelines for carrying out procurement. It is recommended that these templates and guidelines should be adhered to wherever possible, that training in them is provided for FEs and FCs, and that they are shared with PB Members if requested.
- UNDP reports to the PB on how soon Atlas e-tendering system will be used on the SFL, and the intended benefits. The report will refer to how training will be organised for local contractors and other partners.
- In order to implement the e-tendering system it is recommended to design and implement a parallel training programme for SFL personnel and contractors.
- Consideration should be given to pre-qualifying local contractors for significant high value works.
- Use conflict sensitive procurement of goods, services and civil works to help manage community tensions and improve the benefits accruing to the local economy. The key to enhancing and promoting local procurement is to develop programs to train local businesses to produce goods and services that meet modern standards and requirements. It also entails ensuring that procurement is also conducted in Arabic in a process accessible to local businesses. In some cases it may also entail balancing open tender processes with local insights into how the distribution of contracts would be perceived and its impact on local conflicts.

Engineering unit

- Design and roll out a regular and targeted training programme for the FEs and FCs.
- In the drafting of the proposed Operations Manual, the FEs and FCs should be consulted as to scope and content.
- Consideration should be given to moving contracts over from CTG to Individual Contracts; those that remain on CTG contracts should have increased job security and DoC.

Social and Environmental Standards and Quality Assurance

- The SFL risk log should clearly identify the Social and Environmental Standards risks and risk categorisation, highlighting which are most relevant and what measures have been taken to address them. QA procedures should be respected and adhered to.

3.3 Project Finance

Donor management

The SFL has so far delivered \$12 million in works and equipment (Output 1) in six locations, out of \$24.2m allocated for those locations, and spent \$21 million overall since its launch in May 2016. It is authorised to work in a further six locations, with an additional expected budget of around \$24m for works and equipment. The first round of work required 21 Bills of Quantities and 28 separate procurement exercises. Naturally, this work fully occupied two engineers and two procurement staff for the first 15 months of the project (and this was before the EU-funded R&R project was initiated).

Table 7: Budget Execution

SFL Output	Approved Budget 2016	Budget Utilised	Budget Execution (%)
Output 1	13,165,215	4,727,541	36%
Output 2	2,248,440	289,473	13%
Output 3	1,082,000	469,167	43%
GMS (8%)	1,319,688	438,894	33%
Total	17,815,783	5,925,075	33%
SFL Output	Approved Budget 2017	Budget Utilised	Budget Execution (%)
Output 1	8,808,504	8,165,044	93%
Output 2	1,813,000	1,085,695	60%
Output 3	3,267,385	1,707,739	52%
GMS (8%)	1,111,111	876,679	79%
Total	15,000,000	11,835,157	72%
SFL Output	Approved Budget 2018	Budget Utilised	Budget Execution (%)
Output 1	7,790,683	4,029,666	52%
Output 2	1,734,859	536,812	31%
Output 3	10,291,118	889,632	9%
GMS (8%)	1,585,333	436,489	28%
Total	21,401,993	5,892,599	28%

The funds committed to the SFL are currently in excess of \$69.58m. Annex 2 lists the commitments made to the SFL by the various donors. It is noted that the PB had expected a matching Libyan contribution to the Facility. It was also suggested that the SFL could also encourage private sector contributions. A Government contribution of \$5 million emerged on the 12 April 2018. The SFL PB has recognised that each fund contributing partner may have their own restrictions and requirements on the use of their funds. Donors can and do earmark funds towards specific outputs. Annex 3 illustrates how funds are earmarked, and any specific conditions attached to that donation. The SFL project team and PB ensures that any restrictions on how a donor's funds are used are fully adhered to, even though this increases transaction costs and negates some of the perceived benefits of pooled funding. Genuine pooling of funds is an important demonstration of consensus among donors

Financial reporting and auditing

Annex 4 contains the latest financial report on the SFL as at 30 April. Despite the substantive funds available to the SFL, budget execution is still low, but it is rising. Table 7 demonstrates that in 2016 only 33% of the total budget in the Annual Work Plan was spent, but this rose to nearly 72% in 2017. UNDP clearly over committed themselves in their initial work plans and then did not deliver on their targets. Output 2 spending in total, since September 2016, is only \$1.37m. A major effort will be required to expand the funds allocated to and expended on Output 2 in a way that supports Output 1 given that this latter output will always use the majority of programme funds. The target spending for 2018 is \$21.4m, with resources left in-hand of \$26.67m. The proposed Annual Work Plan expenditure target of \$21.4m represents a near doubling of expenditure compared to 2017 and will require a quantum step up in terms of capability to deliver.

PB members have also requested greater detail in financial reporting. Currently the project reports against UNDP budget codes but donors require more detail and would clearly benefit from the budget being reported by activity and location. It is possible to achieve this using the UNDP ATLAS but this would require reconfiguration of ATLAS, then re-entry of all budget data into the system, logging expenditure by activity. Discussions on this are underway. The Project Document commits the SFL to auditing annually by an internationally accredited auditing firm. To date this has not happened but clearly expectations have been set.

Project finance recommendations

Donor management

- It is recommended, in line with donor's international commitments on aid effectiveness, that they minimise requests to place restrictions on the use of funds.

Financial reporting and auditing

- It is recommended that UNDP continues work on capturing project expenditure in Atlas by budget activity and adjusts future reporting.
- It is recommended that immediate steps be taken to conduct the required independent audit of the SFL.

3.4 Value for money

The review also asked to look at how SFL processes helped to deliver Value for Money (VfM), and how the trade-offs between pace and price have been struck. UNDP are naturally concerned that the management of the programme observes the public perceptions of propriety and VfM in the SFL. The review takes as its starting point a generally accepted definition of VfM, as developed by the Organisation for Economic Cooperation and Development's (OECD) Development Assistance Committee: 'The optimum combination of whole-life cost and quality (or fitness for purpose) to meet the user's requirement.'

While there are slight differences in treatment of VfM from case-to-case, there is strong consensus that VfM should be assessed using three key criteria:

- **Economy.** This is achieved if cost-savings cannot be generated without sacrificing expected results (i.e. without compromising effectiveness).
- **Efficiency.** This is achieved if processes cannot be simplified, thereby avoiding incurring unnecessary costs, without sacrificing expected results (i.e. without compromising effectiveness).
- **Cost-effectiveness.** This is achieved if the cost of results justifies the cost of inputs. In this context, 'results' are sometimes explained as impact and sometimes as outcome. However, being overly prescriptive with respect to the level of results to be evaluated could lead to important aspects of cost-effectiveness being neglected. Therefore, it is probably better to define 'results' for this purpose as the primary intended benefits of the programme.

Effectiveness (achieving intended results) is also commonly put forward as a criterion for VfM. However, it is not a criterion of the same sort as economy, efficiency and cost-effectiveness. It is a concept which is used to define economy and efficiency. A programme or project which is not effective cannot give good VfM, but not because of high or unnecessary costs, but because it did not even achieve its intended results in the first place. Thus, it is not necessary to even ask whether the cost of those results was acceptable or not. For this reason, we consider VfM in the context of the SFL to have three criteria (economy, efficiency and cost-effectiveness).

Value for Money in the context of the SFL

Because effectiveness and intended results are central to VfM, a VfM framework for an individual programme must therefore consider its expected and promised results. The source of this information is usually the programme Log Frame (or Results Framework) and the underlying ToC. The key concepts of VfM therefore apply to the SFL currently as follows:

- **Economy.** Economy is achieved if there is no way to reduce programme input costs without compromising the ability of the SFL to deliver key priority goods and infrastructure, or to develop the capacity of municipalities, and to build local peace infrastructure.
- **Efficiency.** Efficiency is achieved if there is no way to simplify programme processes without compromising the ability of the SFL to deliver key priority goods and infrastructure, or to develop the capacity of municipalities, and to build local peace infrastructure.
- **Cost-effectiveness.** Cost-effectiveness is achieved if the combined results of the project (i.e. key priority goods and infrastructure, or to develop the capacity of municipalities, and to improve peace infrastructure) are worth the cost of the inputs used to produce them.

Approach to analysing and reporting economy and efficiency

As stated, economy and efficiency are about capturing cost-savings without compromising effectiveness. In principle, analysis of the scope for cost saving can be done at two levels.

The first level concerns major design decisions about the programme; i.e. whether there are cost-saving alternatives to major choices taken by the programme, such as direct implementation by local authorities (national execution) and key aspects of remote management. The first level cannot be assessed in this review because high-level VfM decisions of this sort have already been verified

during the process of approving the Project Document. These types of high-level decisions cannot easily be changed. Also, as it is recommended to continue with the DIM approach by UNDP, many cost drivers follow on from that decision.

The second level concerns specific activities and steps within the programme as designed. For example, whether there are cost-saving alternatives to the design of projects, or modifications in the procurement process. UNDP has not yet carried out any systematic and detailed review of VfM in the project. It is therefore timely to undertake this exercise more deeply so that UNDP, the Libyan stakeholders and donors can be re-assured that VfM is a consideration at every stage of project implementation.

For the time being, it is possible to say the following:

- Staff costs for core UNDP staff are based on the common system of salaries, allowances and benefits applied by the UN, its affiliated funds and programmes and most of its specialized and related agencies. These costs cannot be altered.
- UNDP's years of operating in Libya give the team an in-depth understanding of realistic costs. UNDP has benchmarked CTG, service contracts, International Consulting Agreement (ICA) and national consulting fee rates against market rates and advisors' prior earnings. SFL CTG, ICA and National Consultant Agreement (NCA) charge-out fee rates have not increased during the project to date and are unlikely to do so. UNDP CTG, ICA, SC and NCA rates are competitive for the benchmarked rates for similar contracts. CTG rates are comparable across Libyan programmes.

To ensure that UNDP is delivering SFL goods or services in the most efficient manner, current efforts focus on:

- Implementing UNDP's tried and trusted engineering and procurement procedures, though recognising that some improvements are needed (see above).
- A like-for-like comparison between more expensive international consultants and less expensive regional and local technical advisors to ensure the most cost-effective use of resources without unreasonable losses in the quality of advice and ultimately the quality of the SFL outputs.
- Wherever possible SFL seeks to take advantage of local service providers and local markets to source goods at competitive prices.
- With respect to the move of UNDP back to Tripoli, there may be potential for cost savings in the longer run though there will be short term cost implications in moving staff back. Working through a headquarters in Tripoli is likely to improve quality of delivery as the need for remote management is reduced. This equation would need to be examined carefully in the light of prevailing security and other operational issues once the move is made.
- Active management of currency fluctuations.
- Controlling management costs in an exceptionally challenging and costly environment. Management costs, based upon data supplied by UNDP, suggest a figure in the region of 34% which is low for a fragile and conflict affected situation. However, this is most likely a result of low staffing levels.

Value for money recommendations

- Commission an independent assessment of VfM and prepare for ensuring periodic updates to VfM assessments.

3.5 Security, duty of care and ethics

Security and Duty of Care

Security and Duty of Care (DoC) impacts on operations. DoC for UN personnel while operating in high-risk environment is a key challenge as DoC impacts at an organisational, managerial, and personal level. With regard to the psychosocial health, human resources and administration, a recent UN report has concluded that there is a lack of mission-specific pre-deployment care and preparedness. A recurring theme was the frustration of staff with their inability to obtain accurate, updated information about the risks in their new role and duty station. As a result, the Strategic Group made recommendations for the development of a pre-deployment management package for staff, creation of a system-wide resilience mandatory briefing, and specific training for managers in high-risk environments. The CO relocation to Tripoli will undoubtedly throw up multiple challenges with regard to security and DoC and not just for moving staff. The recent UN Senior Management Team and Security Council Resolution moves to lift the evacuation status are welcomed but it is likely that significant movement restrictions will remain in place. PB members should expect a period of transition and adjustment as operations move to Libya.

The costs of moving operations to Tripoli need to be balanced against the improved ability to manage and implement the project. There will be some short term direct project costs resulting from the move to Tripoli, balanced against accommodation no longer required in Tunisia.

Some long-term Libya based UNDP staff will need to be integrated into the team. Most importantly, the FEs and FCs are not under UNDP's DoC. However, they are regarded as an indispensable part of the SFL project team. They naturally also have concerns about security and it appears that CTG, their employer does not have active security protocols in place. Regular checks are not made on the security and safety of the staff, this ought to be addressed

Ethics and 'Safeguarding'

The UNDP Code of Ethics establishes unwavering integrity at its root. The Code applies to every UNDP staff member (regardless of rank or level), consultant, service contractor, volunteer, and intern. All are expected to comply with this Code while working for UNDP. News and social media have recently reported allegations of sexual abuse, bullying, harassment and intimidation in the aid sector. In the UK, this has led to parliamentary inquiries and action taken by a number of NGOs and commercial companies. UNDP has a zero tolerance Policy for the Protection against Sexual Exploitation and Abuse. However, constant vigilance is required to ensure that the policy is monitored.

This review is a good opportunity to remind SFL staff that it is the responsibility of all, whether contractors or staff, to report any misconduct or breach of the Codes of Conduct that SFL personnel may become aware of. This is especially the case given the transition back into a working set-up in Libya.

Security, Duty of Care and ethics recommendations

Security and Duty of Care

- It is recommended that the PB Members approve a costed Transition Plan for moving SFL Operations to Tripoli.
- It is recommended that UNDP reviews the security and DoC arrangements for all non-UNDP contracted staff, consulting with staff as appropriate,

Ethics and 'Safeguarding'

- Internal orientation of the Code of Conduct for all national and international staff, with procedures set up to enable reporting of any misconduct or breach of the Code of Conduct that SFL personnel may become aware of.

3.6 Monitoring, evaluation and learning

This review regards MEL as fundamental to the success of the SFL. An effective and appropriate MEL system requires data to be collected, stored, analysed and used, and not just for donor reporting. An effective and appropriate MEL system will allow the SFL to assess, manage and demonstrate their effectiveness, and most importantly to learn from practice. From here on, the report will refer to MEL not M&E.

The SFL approach to MEL got off to a shaky start, with very slow recruitment of the MEL Officer included in the Facility's organisational chart. ToRs were drafted in September 2016 but the post was only filled in November 2017. The appointment was also made to provide support for the CO and consequently the staff member has still not been made available full-time to the Facility. Yet the SFL is sorely in need of significant enhancements with regards to MEL, to include a dedicated MEL plan and capability that has experience in stabilisation operations. This is not to say that the CO could not benefit from MEL across its portfolio of programmes in Libya. There would be significant benefits for linking evaluation and learning across SFL, the EU-funded R&R Project and improving dialogue between country technical staff. However, this ought not to be a choice between one approach and the other; both are needed especially given UNDP's wider corporate responsibility towards MEL.

The lack of initial focus on the MEL has meant that there is little in the way of an MEL strategy or plan, a lack of baseline data (except at the outcome and impact level) and thus limited capability to track implementation and outputs systematically, or ultimately to measure the effectiveness of the Facility and its projects. The current situation is really unmanageable and unsustainable. Deficiencies in MEL mean that there is no systematic approach to 'learning' - the L in MEL. In other words, without basic data and a means to collect it, it is impossible to ask the question 'are there better ways of doing this?' so that SFL performance can be systematically improved. It might be argued that this is slightly less a function of lacking baseline data, and key MEL indicators to track progress and more a lack of staff capacity in the project – the skills and time to stand back and ask these questions at the various levels continually. In any event, in fragile and conflict-affected situations, data is scarce, and Libya is no exception. This requires a higher than usual level of resources dedicated to MEL; a fact recognised by most Donors.

Learning should form an essential and integral aspect of a MEL strategy. Ideally the SFL MEL Strategy would include a detailed learning plan, development of learning products and a plan to share and manage that knowledge. The ambition should be to go beyond tracking activities and outputs, and make sure the system enables genuine learning by all actors.

Despite these problems, there are some building blocks of a MEL system in place. These include:

- There is a systematic approach to updating conflict analysis through Output 3.
- A contract for 3rd party monitoring of civil works and quality assurance is under procurement and a contract for MEL on Output 3.
- There is sufficient budget for MEL, and one staff member is in post (although as indicated above, this staff member is not dedicated to the SFL).

From a learning perspective the dynamic environment and uncertainty that is Libya today has implications for the way in which planning, management and MEL processes are conceived. Most significantly, management must be highly responsive and adaptive. The review of strategic issues demonstrates that there is a need to confront the inherent complexity and uncertainty in stabilisation and 'do things a little differently'. The report recommends a more agile MEL cycle to: (1) iteratively develop and reframe understanding of the problems faced, building an evidence base for the SFL approach, including the ToC or its successor (since the original was over-aspirational and difficult to measure), and identify other relevant interventions; and (2) continue to drill into key project assumptions, and continually validate design and measure results. Practically speaking this means collaborating with partners (including the PB) to regularly check that goals and objectives remain relevant, and constantly adjust and refine implementation strategies in response to changed circumstances and new insights. The feedback from the conflict analyses, mediation efforts and political understanding is fundamental to this effort.

Adaptive programming and project management principles are gaining some traction with donor agencies and implementing partners. The Adaptive Management approach uses information and

learning to inform adjustments during the program cycle. The challenge is to incorporate new ways of working whilst following the legitimate rules, regulations and procedures of UNDP and contributing donors.

SFL management might usefully consider the role of Geographic Information Systems (GIS) in supporting the MEL system. This could also help with understanding and mapping related activities, such as those underway in the R&R project. Integration of GIS into MEL activities will make it possible to link or integrate information that is difficult to associate through any other means. With GIS, MEL staff are able to use combinations of mapped variables to build and analyse new variables. Presenting data in the form of a map helps to understand the significance of where, when, and by whom. Starting now will reap benefits later.

Project implementation typically involves managing a high degree of uncertainty based on the PB's theories about what produces the desired impact results. There are no 'right' answers to these questions and no predefined best practice in stabilisation interventions. Identifying the correct measures for the SFL therefore requires the key stakeholders first to agree on what they are trying to achieve and how best to achieve it, that is partly the subject of the overall review.

For the PB members, it may be helpful to adopt a small number of higher level Key Performance Indicators (KPIs). These can provide succinctly the most relevant information for all the project stakeholders so that the best decisions can be taken about any actions needed to correct/improve project implementation. It may be that the PB wishes to focus on the variety and quality of outputs, speed/volume of activities and deliverables, or the number and types of beneficiaries served. Alternatively, perhaps the ideal mix for the PB may be on the more strategic impacts of citizen perceptions, legitimacy, local stability, political inclusion etc. with project management focused on more operational ones like VfM, uptake of services, sub-project delivery times etc., and reporting to the PB periodically on these too.

KPIs make up the key set of measures to track the progress of the project. Together they can form the most important section of the project performance management tool, arranged around the SFL LogFrame. However, KPIs for the SFL may not sit ideally with a classic LogFrame. Instead it is recommended to build KPIs around the revised ToC. It will be helpful to facilitate this exercise by helping the PB to:

- Agree upon its long-term impact goals.
- Make choices about the medium-term activities and outputs to deliver the long-term goals - i.e. what has to be done first to make the changes happen?
- Then create a focussed measurement system that enables the PB to track performance towards those impact goals - i.e. are we doing what we set out to do and does it have the intended outcomes?
- Once the PB has established the project's long-term impact goals, and how they believe they can achieve them through a revised ToC, the choice of how to monitor the progress with appropriate KPIs, becomes a lot clearer.

Given the importance of local level impact, it is essential that MEL is also conducted independently in each target area. The expanded stabilisation/political/conflict sensitivity expertise described above could play a key role in local level MEL.

It may be an option, as the SFL scales up, for the PB to consider whether it might be appropriate to provide a completely independent strategic MEL service. This could be at the SFL level or for UNDP at the portfolio level. Furthermore, an independent contractor could also provide guidance on how to design MEL activities according to best practice for assessing women's engagement in the SFL and to ensure gender is incorporated into programme design, and MEL tools. The alternative is to significantly invest in in-house capacity and do this soon. If it was decided to contract out MEL there would need to be a strong communications relationship with the project team and, if portfolio-based, with the CO teams. It would be unfair to expect UNDP to deliver unless the MEL

Monitoring, evaluation and learning recommendations

- It is recommended that the SFL raises the profile of its MEL activities and links this to clear learning objectives for the project.
- It is recommended that UNDP should make available dedicated MEL staff for the SFL in line with the SFL organisational chart. Ideally the SFL will appoint a Knowledge Management, Evaluation and Learning Manager.
- It is recommended to strengthen both reporting and MEL by integrating GIS into MEL activities. This will make it possible to link or integrate information that is difficult to associate through any other means.
- Develop target area specific MEL processes that help to measure progress towards the objective set for each target area.
- It is recommended to adopt a small number of higher level KPIs for both the national and local change models, to support reporting to the PB. These can provide succinctly the most relevant information for all the project stakeholders so that the best decisions can be taken about any actions needed to correct/improve project implementation
- Undertake an assessment of whether a completely independent strategic MEL service would add value to MEL within the Facility. One idea to consider is the establishment of an Evaluation Advisory Group. This would provide advice to the SFL PB who will need to consider future decisions about an evaluation, an evaluation system or the evaluation function. This Group could be an Evaluation Steering Committee, or a lead donors/s, or a management group within the project.



18 DEC 2017, UBARI (LIBYA). Students in a classroom at Al Qoraniya school renovated by the Stabilization Facility for Libya. Photo: ©UNDP Libya

3.7 Communications

Strategic communications

Strategic communications are communications with a purpose, conducted to achieve specified, agreed and measurable objectives and effects, in this case mobilising support for the purpose and intent of the SFL. For the purposes of the review, 'strategic communications' refers to the way in which policies and actions are communicated to the public (local and international), in order to build up an alliance of people willing to support the desired outcomes of the SFL. Successful strategic communication is an integral and transformational part of SFL delivery. Without a strategy behind them, communications are not strategic.

The communications component of the project has however experienced some difficulties despite its vital role. There was no communications strategy per se at the outset of the SFL for a number of good reasons. In 2016 the SFL project team developed a plan for the delivery of five key messages intended to support the political goal of maximising GNA legitimacy, with target audiences and means of delivery. That plan foundered when it proved impossible to recruit the key individuals. What has survived is therefore not a communications strategy but a visibility plan that focuses mainly on social media.

Whilst there is no strategy, many communications products are being prepared including monthly updates, media monitoring (including social media), press releases, and city briefs. The current communications situation might best be described as 'message driven, not strategy driven'.

External communications

External coordination is also complicated by having to provide information to multiple stakeholders. A key SFL intention is to manage coordination with similar projects. This would include information sharing on lessons learned, the criteria for site selection, mapping of activities and specific sites of rehabilitation, empowering the same or different power groups in society, coordination on the capacity development of local implementers, and coordinating relationships with key Libyan government counterparts including line ministries with key service delivery responsibilities. The communications team can contribute to how this might be improved. A project website exclusively for the SFL with appropriate branding could solve some of the communications issues as well as supporting an intranet function to aid information sharing and transparency for the key stakeholders.

Internal communications

There are evidently some internal communication and coordination issues but these are readily rectified. Some problems are the result of a requirement for remote management and widespread locations but other issues are a reflection of the need to satisfy multiple stakeholders and the requirement to route all communications through the MoP. Other problems internally are caused by the lack of focus on organising and collating project information in a useable format, and thus being able to interrogate and present such data and use for presentation purposes.

Communications recommendations

Strategic communications

- It is recommended that work commences on a new Strategic Communications Plan in line with revisions to the SFL strategy,

External communications

- It is recommended to design and maintain a dedicated SFL website with an intranet function.

Internal communications

- It is recommended to invest time and energy into organising an appropriate database for the project with some basic GIS functionality.

3.8 Risk management and contingency planning

Role of donors

The very existence of the SFL, a strategic use of pooled funds, encourages better donor coordination, and improved targeting and management of resources. The SFL can also serve as a platform for common risk management responses from the donors, recognising that Libya poses specific reputational and fiduciary risks for all donors. The daily reality of working in Libya brings into sharp focus the differences in risk appetites, incentives, constraints, and strategic agendas of all actors involved and can impact upon or highlight attitudes that influence the preferred technical solutions brought to bear. Thus, there are a number of practical measures that donors can use to support UN agencies in managing risks in fragile situations such as Libya.

Implementation of the SFL, presented as a joint approach among donors, should be based on a convergence of political choices, most notably as these relate to the strategic objectives pursued in a particular context, the degree of risk aversion, and the nature of the relationship that donors seek with UNDP in this instance. Without this there is a risk of undermining any joint technical solutions that donors choose to adopt jointly and that UNDP applies. Most notable is the degree to which the SFL engages with central and local authorities and other local centres of power. So far, the risk for reputational issues has caused difficulty for SFL implementation, in particular for the communication of its political role. In addition, as in many conflict situations there is also a perpetual risk of engagement with stakeholders that have armed group affiliations.

Risk management

The SFL maintains a Risk Analysis/Risk Log, last updated in 28 February 2018. However, it is relatively short given the risks faced in Libya. Although some may consider it long for use as a day-to-day management tool. Currently, the Risk Log progresses from risks to project impact to risks to project activity (delivery). While the risks classified as 'strategic' are high-level, they deal with risks to the effectiveness of the project rather than risks to the wider aspirations (stability of Libya) beyond the project's reach. However, given the ambition associated with the project, higher level 'stability' is not beyond reach. In sum, a full and comprehensive range of risks should be assessed and monitored with a specific focus on the high-risk/high impact ones. With the upcoming move back to Libya this task is a priority.

Given the extreme challenges in the field it may prove beneficial for the project to take a more systematic approach to risk management by adopting the OECD conceptual approach to risk management in fragile states. This is broken down by 'Contextual Risk' (risks of state failure, return to conflict, development failure, humanitarian crisis), 'Programmatic Risk' (risk to programme staff in the field, risk of failure to achieve programme aims and objectives, risk of causing harm through interventions), and 'Institutional Risk' (risks to the aid provider, such as security, fiduciary failure, reputational loss, and domestic political damage). This may be more comprehensive as opposed to the UN's usual approach of looking separately at strategic, political, operational, organisational and financial classifications.

The risk management framework is not well developed at the local level being more strategic in nature. It may be useful to develop a more localised risk management framework for each location through Output 3, so that local issues and risks can be clearly understood and communicated.

Contingency planning

The SFL project currently has no specific 'contingency plans'. The UN does not generally undertake contingency planning for specific risks but against threat levels based on realisation of categorised risks and their levels. This then informs security related planning (mitigation measures, movement restrictions, suspension of missions, relocations, evacuations, etc.). The UNDP CO in this case would likely undertake refreshed 'Programme Criticality Planning' which looks at levels of threat and levels of necessary programming under such threat. So as far as UN planning is concerned the impact would therefore be based on the threat this creates for the UN to operate in Libya. In the 2016 UN Country Team Review the SFL was rated as 'Programme Criticality 1', and missions related to the SFL have been higher on UNDP's Programme Criticality ranking than any other project. While most would accept to rank it below immediate humanitarian actions in the event of crisis, it is probably right for UNDP to rank it at the top of its stabilisation list and above other developmental projects.

Risk and contingency planning recommendations

- A full and comprehensive range of risks should be assessed and monitored with a specific focus on the high-risk/high impact ones. With the ongoing move back to Libya this task is a priority.
- Consider adopting the OECD conceptual approach to risk management in Fragile States.
- It is recommended that UNDP and Output 3 partners look closer at developing a local risk management framework to log carefully the impact of local conflict dynamics.

3.9 Gender and the SFL

This report looked at how effectively the SFL responds to the differing needs of girls, boys, women and men. To date there is no specific gender analysis developed for the SFL. By this, it is meant that the SFL is not informed by an analysis that assesses the root causes of inequality in all aspects (social, political, economic etc.) as well as gender perspectives – meaning women and men's concerns, issues, experiences in the design, planning and implementation of the Facility. It seems that women have not yet played an especially significant role in the SFL project to date though the establishment of a Women's Centre in Ubari merits some attention. There is potential for the centre to be used as a safe space for multiple purposes, including inter alia, vocational training that may assist women to establish their own income generation activities.

The SFL Project Document does not contain Gender Equality Markers and does not set out a commitment for spending a certain % for gender specific activities. This is surprising given that gender equality and the empowerment of women are at the heart of UNDP and many donors' development mandate. Besides gender equality being a matter of human rights, it is also a driver of development progress. UNDP corporately has a Gender Equality Strategy (2017-2014) and UNDP is well placed to ensure that gender equality and the empowerment of women are integrated into every aspect of the SFL. UNDP already has at its disposal helpful tools to ensure gender is mainstreamed into project design and work planning.

The initial Project Document commits to incorporating human rights, protection, gender and inclusion during the prioritisation and sequencing of activities. The SFL LogFrame also contains an indicator specifically about women at the activity level, and the current M&E tool at Outcome and Impact level (a perception survey) does collect sex-disaggregated data and analyses findings by sex (including assessment at each stage of the difference between men's and women's responses). So, at Outcome and Impact level, though there are no targets set for women's perceptions, the analysis is careful in its gender focus. Furthermore, while the SFL also has no gender-specific elements to its current ToC, SFL partners in implementing Output 3 are expected to have a solid gender-inclusive aspect to their methodology. Execution of this may leave room for improvement but the expectation is set and should be maintained. It is also worth noting that the earmarked US Department of State funds (and indicators) also include several further targets for women's participation.

It is recognised that some work is underway on gender mainstreaming in the conflict analysis of local peace structures and through a second initiative on the potential for establishing women's networks for local peace under the SFL. This is to be commended and encouraged. Similarly, the US-funded M&E/Monitoring and Verification system, which UNDP is obliged to use as part of its funding agreement, also promises to provide sex-disaggregated data on the uptake of facilities renovated. This is not an area that has been addressed to date, nor is there a baseline to work from. However, SFL does welcome the generation of some fresh data.

In conclusion, there is room to improve the SFL's treatment of gender. UNDP's recently-developed gender concept note on gender addresses: (1) developing a gender challenge function for Output 3 partners; and (2) the potential for creation of Women's Networks for Local Peace linked to the SFL – may help here. It is recommended that the SFL work plan is reviewed in the light of UNDP's global and project specific commitments, existing initiatives should be pursued vigorously. The presence of UNICEF, UNWOMEN, the UNDP's AMEP project and UNSMIL Gender team suggest that this necessary review can be undertaken without recourse to any international consulting support to develop an additional set of technical gender guidelines. It is also likely that SFL will be more effective in gender mainstreaming by supporting work being initiated by individual partners rather than focusing on the development of new technical guidelines.

Gender recommendations

- It is recommended that the SFL work plan is reviewed in the light of UNDP's global and project specific commitments.
- It is recommended that gender awareness and sensitivity considerations are fully integrated into all SFL project activities as an imperative. Initiatives such as the creation of Women's Networks for Local Peace linked to the SFL should be encouraged.



2 DEC 2017, KIKLA (LIBYA). A child receives vaccination at Kikla prefabricated health center provide by SFL. Photo: ©UNDP Libya /Malek Elmaghrebi

