COUNTRY STRATEGIC FRAMEWORK

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PREFACE

Review and Revalidation of the SF Development Hypotheses and Results Framework

USAID/Libya conducted a mid-course stocktaking process within the evolving Libyan context. This revised and extended Country Strategic Framework (SF) for 2021 - 2026 includes key updates to the earlier version covering 2021 - 2024, while several elements remain unchanged. Most critically, the goal statement from the SF remains the same: **"Strengthen the foundations of a more stable, inclusive, and self-reliant Libya."** This goal reflects the U.S. foreign policy position that stability in Libya is important for U.S. national interests, and that a peaceful political transition is the only sustainable path forward to resolve the conflict. A stable, inclusive, and self-reliant Libya is one in which historical, economic, and social grievances that serve as drivers to the conflict are mitigated and addressed. Diverse voices; including those of women, youth, and indigenous populations; must be reflected throughout Libyan society and political and economic life. Furthermore, Libya must be free from destabilizing foreign influences and able to chart its own development path. In support of this goal, the SF identifies two development objectives: **1) Effectiveness of key Libyan governance institutions improved**, and **2) Libyans empowered to mitigate drivers of instability and conflict**. These development objectives were also retained from the earlier version of the SF.

USAID/Libya's previous SF, the *USAID/Libya Program Plan,* emphasized progress made in support of the political process and potential end to the conflict. USAID/Libya's updated SF reflects that U.S. foreign policy has evolved to focus on strengthening the foundations for a democratic political transition. This includes a greater emphasis on technical support for local elections and accountable municipal governance, economic empowerment and diversification, civil society engagement, transparent and accountable public institutions, and strengthening Libya's resilience and stability. The updated SF also increases focus on understanding and countering the activities of external actors who seek to exploit and perpetuate divisions within the country and appreciates the regional linkages that affect Libya's internal stability and hinder or promote conflict.

Changes to the Strategic Framework Implementation
The Programming Areas under the updated SF have been adjusted as follows:

DO 1 EFFECTIVENESS OF KEY LIBYAN GOVERNANCE INSTITUTIONS IMPROVED		
2021-2024		**Updated 2024-2026**
1.1 Build capacity to advance elections and political transition **1.2** Enhance fiscal transparency and promote targeted reforms **1.3** Strengthen municipal service delivery and financial management **1.4** Improve the business enabling environment	→	**1.1** Build capacity of citizen-serving institutions in support of an inclusive political transition **1.2** Enhance fiscal transparency and public accountability **1.3** Strengthen Libya's ability to respond to and recover from shocks

DO 2 LIBYANS EMPOWERED TO MITIGATE DRIVERS OF INSTABILITY AND CONFLICT		
2021-2024		**Updated 2024-2026**
2.1 Engage civil society to support inclusive political transition **2.2** Strengthen entrepreneurship **2.3** Preserve moderate spaces **2.4** Support conflict-affected and vulnerable populations	→	**2.1** Engage civil society and the Libyan people to support inclusive development and moderate spaces **2.2** Promote economic diversification and licit economic opportunities **2.3** Strengthen information integrity to combat polarizing influences

For DO1, the programming areas move away from a specific focus on elections toward a focus on the end result of a democratic transition in which Libyan institutions uphold the social contract. This shift is in response to a broadening of USG foreign policy objectives and a move away from a somewhat narrow focus on elections as an end goal. This means that USAID will support Libyan institutions to be better able to serve citizens, in a transparent and accountable way, and adequately prepare for shocks, so that citizens do not unduly suffer.

For DO2, the shifts in programming areas allow USAID to more clearly demonstrate its value to interagency USG foreign policy goals. This includes efforts to ensure that Libya does not further splinter and that moderate actors are empowered to resist extremism and violence. Similarly, USAID economic growth efforts are not just about increasing employment opportunities, they are also about curbing the growth of an illicit economy that destabilizes Libya and the overall region. Finally, shifts in programming areas enable USAID to specifically focus on the information domain and the impacts of malign actors--areas which significantly contribute to Libya's overall stability. This reframing of activities is in response to emerging USG concerns as well as analysis that underlines the destructiveness of illicit activities to Libyan society.

Significant New Learning for Sharing Within and Beyond the Agency
USAID/Libya has adopted an additional emphasis on learning. As such, in addition to third-party monitoring and the standard Performance Plan Reporting process, a baseline study is currently underway and follow-on exercises related to activities in Libya are planned. The results from the baseline study and other learning exercises will directly feed into adaptive management of USAID/Libya's activities.

COUNTRY CONTEXT

Libya has experienced a recurring cycle of political division and conflict since the 2011 civil war. The divided governments in the West and the East have not engaged in large scale conflict since 2020, however, militia level skirmishes periodically occur, and the threat remains that a localized clash could unhinge the tenuous balance of power or grow into a larger conflict. Much of Libya has been historically neglected by central authorities; however, this is particularly true for southwestern Libya, which has been marked by communal conflict, a shortage of basic services, ineffective border control, rampant smuggling, fragmented or collapsed institutions, and the absence of a meaningful licit economy, despite being the source of the country's vast oil and gas wealth. The region has long been isolated and disconnected from national political dynamics. The South has become an increasingly attractive area of operation for a range of malign actors and is a hub for migrant and commodity smuggling. This makes southern Libya a priority area for the United States Strategy to Prevent Conflict and Promote Stability (SPCPS), focused on addressing the root causes of instability within the southern region.

STRATEGIC APPROACH

The *USAID/Libya Strategic Framework (2021-2026)* seeks to strengthen the foundations of a stable, inclusive, unified, and self-reliant Libyan state. This includes targeted investments to develop representative governance institutions that are able to transparently and equitably manage Libya's energy wealth, promote the inclusion of marginalized groups in political and economic dialogues, and mitigate drivers of conflict and instability. USAID assistance will directly

align with, and contribute to, pertinent U.S. national security strategies and U.S. foreign policy priorities.

- **Preventing and addressing protracted conflict.** The SPCPS, also known as the Global Fragility Act Strategy, emphasizes the need for inclusive political processes to resolve ongoing violent conflicts. USAID assistance directly contributes to the "stabilization" goal of the strategy by advancing democratic governance and electoral processes; promoting institutional transparency and accountability in key economic and governance institutions; understanding the economic dynamics of marginalization in the South and promoting economic empowerment opportunities that both elevate the economic status of marginalized groups and address underlying drivers of instability; and supporting efforts by legitimate local authorities and national and local actors to reduce violence, establish stability, and peacefully manage conflict.

- **Transparency.** USAID works with Libyan stakeholders to forge consensus on crucial reforms, expand dialogue, and enhance public outreach and consultation with the ultimate goal of achieving more accountable, transparent, and inclusive governance. USAID assistance is conducted in partnership with Libyan governmental and quasi-governmental institutions.

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

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

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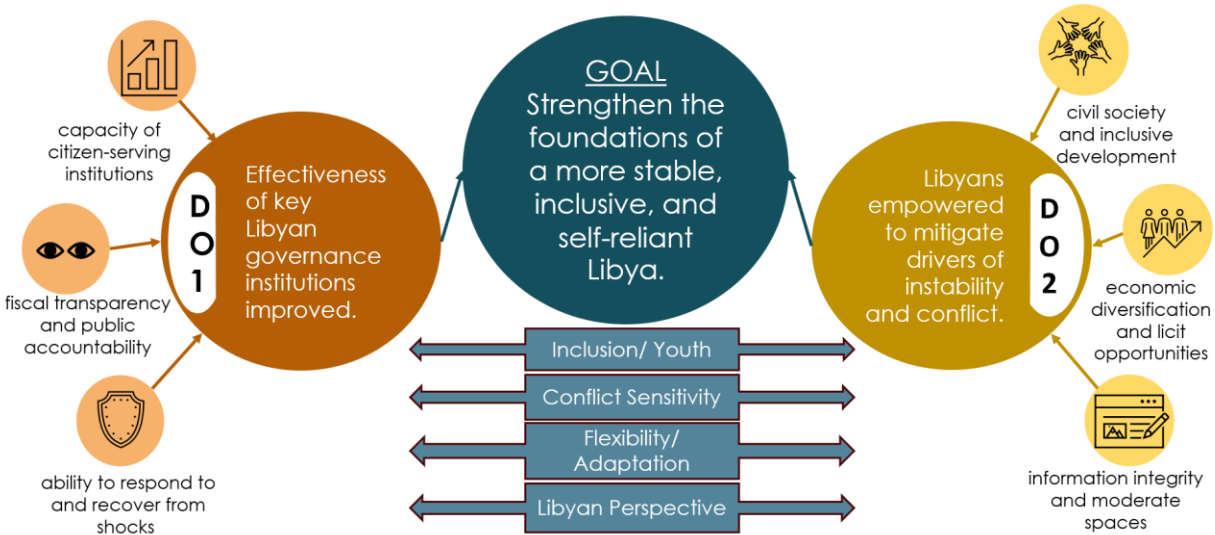
RESULTS FRAMEWORK

STRATEGY GOAL

USAID/Libya will maintain its goal statement, **"Strengthen the foundations of a more stable, inclusive, and self-reliant Libya,"** for its (2021- 2026) strategic framework. This goal reflects the U.S. foreign policy position that stability in Libya is important for U.S. national interests and that a peaceful political transition is the only sustainable path forward to resolve the conflict. A stable, inclusive, and self-reliant Libya is one in which historical, economic, and social grievances that serve as drivers to the conflict are mitigated and addressed; diverse voices, including those of women, youth, and indigenous populations, are reflected throughout Libyan political and economic life and society; and Libya is free from destabilizing foreign influences and able to chart its own development path. In support of the goal, the strategic framework identifies two development objectives: **1) Effectiveness of key Libyan governance institutions improved**, and **2) Libyans empowered to mitigate drivers of instability and conflict.**

USAID/Libya Strategy Results Framework

Cross-cutting programming principles and operational considerations are:

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

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

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

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

DEVELOPMENT OBJECTIVE 1: EFFECTIVENESS OF KEY LIBYAN GOVERNANCE INSTITUTIONS IMPROVED

DO 1 will support governance institutions to demonstrate legitimacy at all levels by building the

capacity to meet citizen needs, deliver public services, and strengthen accountability. "Effective" governance institutions at the central and local level are those that have the ability to develop and implement coherent national strategies for reform and development; to ensure distribution of national income and resources based on needs and priorities; and to promote national identity above regional or tribal affiliations. Public accountability and transparency is a crucial aspect of strengthening governance institutions, to ensure that justice and citizen oversight provide an adequate check. The end result is to ensure that institutions are able to meet the needs of all citizens, both anticipated and unexpected, even in the face of shocks.

AREA 1.1. BUILD CAPACITY OF CITIZEN-SERVING INSTITUTIONS IN SUPPORT OF AN INCLUSIVE POLITICAL TRANSITION

USAID will partner with and provide capacity building for a range of Libyan institutions that serve the Libyan people. Capacity building assistance would include traditional national level authorities. USAID support would also extend to municipal governments to bolster their ability to successfully deliver services and represent citizen needs. Strengthening a range of institutions that directly impact the lives of Libyans to better advocate for their needs and interests and to engage in the governance and decision making process will also address a key driver of instability—exclusion—and build Libyans' confidence in the ability of the government to deliver essential services, function more transparently, and build the basis for an eventual democratic political transition.

USAID will continue to support a political transition and unification. Paramount to this task will be empowering Libyan actors and institutions to take a lead role on supporting an inclusive and accountable political transition. USAID, where appropriate, will support Libyan actors and voices on key themes related to the constitutional process, elections, and reconciliation so that Libyans can chart a path forward that protects their sovereignty.

USAID aims to strengthen the core functions and the capacities of Libyan institutions to deliver public services. USAID's programming will work in all regions of the country to visibly, demonstrably improve specific services prioritized by citizens. Efforts may include:

- Training and capacity development for municipal councils in areas such as participatory planning and decision-making, financial management, budget planning and execution, project management, procurement, and public outreach, as well as in relevant technical areas such as city-related engineering, urban planning, paving and maintenance, solid waste collection and disposal, and emergency response capacity;
- Improving internal and external municipal government management systems and processes, such as constituent outreach, strategic communications, liaising with the central government, and developing municipal development plans, including public investment and own-source revenue plans;
- Strengthening coordination among municipalities and mayors and relevant municipal-level line ministries to include continued support for national municipal bodies and associations;

- Strengthening the implementation of Law 59, through sub-national governance legislation and national dialogue on the decentralization agenda;
- Strengthening participation and inclusion, including among women, young people, indigenous populations, and persons with disabilities; and,
- Supporting the electoral legal frameworks, voter registration, voter outreach, and domestic observation among other efforts.

AREA 1.2. ENHANCE FISCAL TRANSPARENCY AND PUBLIC ACCOUNTABILITY

USAID assistance will help economic institutions better manage financial resources, enhance the capacity of the state institutions, right-size state subsidies, and assess state owned enterprises for privatization. Efforts may include:

- Providing technical assistance to reintegrate, restructure, review, and strengthen the operations of key Libyan economic institutions needed for long-term stability and effective management of Libya's resource wealth;
- Providing technical assistance to targeted central or national level institutions to build core capabilities needed for successful public financial management;
- Supporting the development of a national development plan, including a public investment plan, as well as working with the government to establish clear and transparent budget planning processes that utilize the budget as a national development policy tool;
- Providing assistance to the electricity sector, supporting implementation of its reform roadmap. This includes maintaining a stable, modernizing energy grid, as well as exploring opportunities for renewable energy and potential privatization;
- Improving management, oversight, and transparency of oil and gas revenues;
- Improving Libya's ability to meet international standards for countering corruption, terrorist financing, and money-laundering;
- Supporting the government's strategic messaging to increase government transparency and communicate how the government is delivering for the Libyan people;
- Promoting the unification of key public institutions that are divided between the East and West; and,
- Coordinating with the USG interagency to advance economic transparency and accountability.

AREA 1.3. STRENGTHEN LIBYA'S ABILITY TO RESPOND TO AND RECOVER FROM SHOCKS

A vital aspect of a self-reliant Libya is the presence of systems and institutions that can ensure Libya has the ability to respond to and recover from shocks of all varieties. USAID has long provided humanitarian assistance and transitional assistance in conflict or disaster affected areas within Libya, and will continue to respond when emergency needs develop. However, foreign assistance is not a substitute for domestic capacity to prepare for, respond to, and recover from shocks. Economic shocks due to oil price fluctuation is a key example, however, in the future Libya is also likely to face natural disaster shocks similar to Mediterranean Storm Daniel that

caused massive destruction in Derna and the east in 2023. Efforts may include:

- Support for the rights of ethnic minorities, youth, women, and internally displaced persons;
- Fostering a culture of volunteerism, cooperation, and participation of marginalized populations in community-led development and civic planning and engagement;
- Providing opportunities and building capacity for members of traditionally-marginalized groups to meaningfully participate in regional, national, and international peacebuilding conversations and political processes;
- Disaster risk reduction and emergency response planning; and,
- Partnering with the interagency to address the drivers of conflict through Global Fragility driven policies and programming.

Programming in this area, as appropriate, will identify opportunities to complement, reinforce, and/or sustain the support provided through USAID's Bureau for Humanitarian Assistance.

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

USAID views "drivers of instability and conflict" as major impediments to ending current hostilities and supporting the emerging political settlement necessary to ensure long-term stability, inclusiveness, and self-reliance. USAID included the theme of "empowerment" in this DO, with empowerment viewed through two lenses. Libyans can be *directly* empowered through USAID programming that increases capacity building/human capital development for youth, women, indigenous populations, civil society organizations, and non-governmental organizations that represent Libyan interests; strengthens private sector small and medium enterprises (SMEs) and entrepreneurs; and defends the integrity of the information ecosystem. Libyans are *indirectly* empowered if they receive services that improve their livelihoods, enable them to effectively pursue their needs, and have access to useful information.

AREA 2.1. ENGAGE CIVIL SOCIETY AND THE LIBYAN PEOPLE TO SUPPORT INCLUSIVE DEVELOPMENT

Recognizing the vital role of civil society in creating the foundations for democratic transition and channeling local voices, USAID will strengthen the capacity of civil society organizations (CSOs), including those representing women, youth, indigenous groups, and other marginalized populations. Assistance will support civil society's ability to play an active role in the political and social life of Libya, as well as encourage inclusion of all Libyans. Efforts in this area may include:

- Supporting civil society to have a strong advocacy and oversight role;
- Rapidly responding to opportunities to promote peace and stability in Libya, such as by supporting the inclusion of women, youth, and persons with disabilities in national reconciliation processes;
- Providing institutional capacity building and small grant assistance on conflict mitigation, peace-building, civic engagement, policy development, advocacy, and oversight

initiatives;

- Building a network of CSOs that convene inclusive community dialogues and engage citizens to ensure their engagement in an inclusive political transition;
- Supporting advocacy campaigns and efforts to support women as leaders in Libya's political process;
- Creating community feedback mechanisms to communicate local issues and provide a venue for citizens to express themselves;
- Supporting CSO involvement in oversight of political and peace processes; including community, academic, and professional consultation; to discuss equitable distribution of natural resource revenues;
- Strengthening civil society's engagement in public-private economic dialogue; and,
- Advocating for Libyan civil society engagement as a necessary condition for an eventual democratic political transition.

AREA 2.2. PROMOTE ECONOMIC DIVERSIFICATION AND LICIT ECONOMIC OPPORTUNITIES

Resource management, job creation, and economic diversification are essential to Libya's long term sustainability. USAID programming in this area will focus on improving entrepreneurship skills and business opportunities for targeted groups, with a particular focus on promoting inclusive economic opportunities for vulnerable communities in Libya, including women, youth, indigenous populations, internally displaced persons (IDPs), persons with disabilities, and/or potentially former militia members. Efforts may include:

- Supporting market-linked and demand-driven vocational and technical training;
- Supporting entrepreneurship training and mentorship;
- Increasing the productivity of micro-, small-, and medium-enterprises (SMEs) to catalyze job creation and economic recovery;
- Improving business development services to the SME sector;
- Developing the capacity of Libyan commercial banks to lend to SMEs;
- Helping SMEs develop business plans and other documents that are needed to access bank loans;
- Improving access to finance and improving commercial regulations/laws such as company registration, investment law, secured transactions and collateral registries, trade, bankruptcy, competition, and property rights;
- Promoting access to credit for private sector development inclusive of cash flow based lending, reliable credit reporting and the establishment of a movable collateral registry;
- Providing technical assistance to the LAB, CBL, and other public institutions to reform policies and procedures to improve transparency, oversight and accountability in line with international best practices;
- Supporting the Africa Trade and Investment Activity—part of the Prosper Africa Initiative—to foster increased linkages and investment opportunities between the U.S. (including U.S. businesses) and Libya; and,
- Coordinating with the USG interagency to advance economic transparency and accountability.

AREA 2.3. STRENGTHEN INFORMATION INTEGRITY AND MODERATE SPACES TO COMBAT POLARIZING INFLUENCES

USAID will strengthen moderate actors to counter hate speech, improve media literacy, promote moderate voices, and dampen destabilizing influences. USAID efforts may include:

- Supporting accurate media reporting and public information campaigns;
- Enhancing the capacity of civil society to monitor and identify fake news, information manipulation by foreign state and non-state actors, and hate speech;
- Enhancing the capacity of civil society and other actors to understand the extent and nature of information manipulation by foreign state and non-state actors, with a focus on foreign actors;
- Developing online resources for Libyan citizens to help in the identification of sources of information manipulation by foreign state and non-state actors and raise awareness on this topic; and,
- Supporting the Ministry of Education in implementing a nationwide civic education curriculum that reinforces inclusion and tolerance and acknowledges the important role that diverse voices play in a democratic political transition.

MONITORING, EVALUATION, AND LEARNING APPROACH

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

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