

Fact Sheet

Title of the proposed Joint Programme Public -Private-Community Partnership for Solid Waste Management

UNCT Libya

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Lead UN entity and contact person

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Relevant UNDAF Outcome/s and Output/s

United Nations Strategic Framework for Libya – 2019-2020

- Outcome 1: Governance and rule of law
- Outcome 2: Inclusive sustainable economic recovery and growth
- Crosscutting dimensions: accountability, environment, sustainability and resilience

The Outputs included in the UNSF should be amended to incorporate this JP.

Relevant objective/s from national strategic document/s

National Development Strategy – Due to the crisis the country is in, Libya does not have an overall development strategy

Ministry of Local Government (MoLG), Solid Waste Management Sector Strategy, 2020-2022

- Objective 1: Revise institutional arrangements for SWM
- Objective 2: Introduce performance-based contracts for SWM
- Objective 3: Upgrade solid waste management infrastructure
- Objective 4: Community awareness raising and participation in SWM
- Objective 5: Facilitate recycling practices
- Objective 6: Upgrade solid waste processing and disposal infrastructure
- Objective 7: Raise awareness of benefits of recycling

SDG targets on which the progress will be accelerated (includes targets from a range of SDGs and development pillars)

Goal 1: End Poverty 1.4

Goal 2: Zero Hunger

Goal 3: Good Health and Well-Being

Goal 4: Quality Education

Goal 5: Gender Equality

Goal 6: Clean Water and Sanitation

Goal 7: Affordable and Clean Energy

Goal 8: Decent Work and Economic Growth 8.4

Goal 9: Industry, Innovation and Infrastructure

Goal 10: Reduced Inequalities

Goal 11: Sustainable Cities and Communities 11.a

Goal 12: Responsible Production and Consumption 12.5
12.8

Goal 13: Climate Action

Goal 14: Life Below Water

Goal 15: Life On Land

Goal 16: Peace, Justice and Strong Institutions 16.6

Goal 17: Partnerships for the Goals 17.7

Self-Assessment

The proposal reflects the integrated nature of the SDGs Yes

The proposal is based on an inter-agency approach (two or more UN entities involved), with RC coordinating Joint Programme preparation and implementation Yes

The proposed results are part of the UNDAF and aligned with national SDG priorities Yes

The proposed Joint Programme will be led by government and include key national stakeholders Yes

The proposal is based on country level consultations, as explained in the Concept note, and endorsed by the government (the letter of endorsement) Yes

The proposal is based on the standard template for Concept Notes, it is complete, and it includes: Yes

- Theory of Change demonstrating contribution to SDG acceleration and transformation to implement the 2030 Agenda and awareness of relevant financial policy efforts at regional or national level,
 - Results-oriented partnerships, including a strategy to engage and partner with IFIs/MDBs,
 - “Quick wins” and substantive outcome-level results, and
 - Initial risk assessment and mitigation measures.
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The proposal is expected to leverage resources for the SDGs at scale Yes

Proposal for Joint Programme

1. Summary of the Joint Programme

Libya faces a serious solid waste management problem, with insufficient unreliable local collection services in only 62% of municipalities, unsightly smelly solid waste piling up, landfills nearing capacity with mixed solid waste including hazardous and commercially recyclable materials, health and environmental risks. This problem is the result of population growth, urbanization, changing consumption habits and insufficient SWM; capacity gaps exacerbated by the conflict and compounded by lack of incentives to improve service or efficiency.

This situation is exacerbated in the light of the recent coronavirus pandemic and is worsening rapidly.

Solid Waste Management (SWM) Joint Programme (JP) will support the Ministry of Local Governance (MoLG) to implement the National Solid Waste Management Strategy 2020-2022 and will contribute significantly to the overall objective of ensuring that the people of Libya benefit from sustainable solid waste management at neighborhood, municipal and national levels. The JP will accelerate the above-referenced SDGs for Libya.

During its four years, the JP is expected to result in significant improvement to urban solid waste management, including (a) reliable neighborhood collection; (b) appropriate recycling and processing of solid waste; (c) reduced flow of solid waste to landfills - amounts are recycled or sold and (d) increased hygiene habits for citizenship and SW workers.

The overall improvement in SWM will result from JP/MoLG medium-term results (two years) along four pathways:

- * Strengthened public management of solid waste sector, including creation of regulatory, contractual and monitoring framework for public and private sector actors to carry out collection, sorting, recycling and commercial marketing of SW
- * Bringing onboard private sector provision of collection and recycling services on commercial terms (including Public Service Companies on the same terms). This will include piloting Build-Operate-Transfer (BOT) or other arrangements for private management of pilot biogas and commercial recycling facilities, waste transfer stations and landfills
- * Encouraging citizen participation to improve neighborhood hygiene and disposal, monitor collections and report issues to improve service and accountability, including through implementation of an app that won the Libyan Innovation Challenge Hackathon (UNDP, November 2019).
- * Ensuring appropriate administrative controls and safe work practices for contamination against any outbreak of viruses or diseases derived from solid waste management. Encouraging to raise awareness on the prevention of any virus outbreaks through the app and other advocacy measures will be encouraged widely as well.

The proposed JP is ready to enter the piloting stage.

2. Thesis and theory of change of the Joint Programme

The Solid Waste Management (SWM) Joint Programme (JP) will establish the policy framework and pilot operational arrangements to improve solid waste collection and efficiency by leveraging private sector involvement. Introduction of BOT concessions with national and international firms will stimulate commercial recycling of usable waste and biogas generation. Both mechanisms will increase the

capital assets of the sector. Pilot demonstration of the productive role of the private sector in SWM will lead to expanded role of PPP beyond this sector.

The high-level Theory of Change is that if (a) municipalities are delegated the authority to contract for and supervise solid waste collection on the basis of nationwide quality and cost standards, with local planning of collection zones and monitoring of solid waste delivered, together with improved infrastructure (collection bins and transfer stations), potentially including BOT for transfer stations, landfills and recycling and (b) private sector firms are contracted on terms that incentivize productivity and provide for profitable provision of collection and recycling services and (c) community members recognize the importance of SWM, deposit their solid waste to facilitate collection, monitor services received and register their complaints with the municipality, then solid waste management as well as general hygiene and health conditions subsequently will improve for their neighborhoods and the country as a whole.

The medium-term outcomes will result from multiple JP outputs at the institutional, regulatory and operational levels, including:

* Ensuring an appropriate division of responsibilities between the MoLG, municipalities, and operators. The MoLG will be responsible for overall regulation of the SWM system, including setting standards and terms for contracting/pricing/payments. Municipalities will be responsible to coordinate and manage the system locally, including dividing the entire municipality into SW service zones to be tendered, licensing operators, neighborhood level collection bin infrastructure and managing transfer stations and landfills.

* Private firms will be responsible for solid waste collection/transport, subject to tender and payment according to service provided (including provision of adequate equipment to prevent workers from exposure to contaminated waste). Public Service Companies will compete on an equal basis with private firms. Private firms will be encouraged to develop recycling and commercial processing/marketing businesses. The JP will pilot the use of BOT concessions or private management for recycling and biogas generation, and potentially for broader management of transfer stations and landfills.

* Through educational and outreach campaigns in schools and communities, residents will be encouraged to improve community hygiene, deposit solid waste in neighborhood central locations to facilitate collection, and report on issues with SW services (app). This will be an opportunity to raise awareness about COVID 19 in the immediate months and other virus/diseases as well as general hygiene conditions.

Core JP inputs include advisory, technical and capacity development support to enable each actor to carry out its role. In addition, in a limited number of pilot cities the JP will provide direct support for infrastructure (collection bins and transfer station upgrading and equipping with scales and sorting areas), biogas generation and recycling as well as for education/awareness campaigns.

3. What are the expected results of the proposed Joint Programme?

The expected lasting results at the end of the JP, as outlined in the Preliminary Theory of Change (above) and Preliminary Results Framework (below), include:

- Strengthened more effective public sector
- Improved enabling environment for private sector participation in SWM
- Reliable neighborhood solid waste collection
- Improved public health, hygiene and environmental conditions
- Commercially viable recycling and reduced landfill
- Successful pilots encourage other municipalities to replicate the efforts

“Quick Wins” in the first one to two years include:

- More capable and effective MoLG and municipal authorities

- City SWM plans in place including contracts with private collection companies
- Increased citizen participation facilitates and monitors SW collection
- Increased citizen and solid waste workers awareness on hygiene habits to reduce coronavirus spread.
- Solid waste collection more frequent with cleaner neighborhoods in pilot cities
- Successful private SW collection companies
- Improved SW collection infrastructure in neighborhoods, institutions and transfer stations
- Green technology is introduced and installed

The Preliminary Results Framework indicates the linkages to specific SDGs and UNSF outcomes and identifies the indicators to be used to measure the results. Libya currently, due to the conflict, does not have a national development plan. However, due to the urgent SWM situation in the country, the MoLG's SWM strategy will provide the framework for this JP.

This JP will act as a catalyzer for private financing for the SDGs. The government will continue to play a key financing role in the solid waste management services, and open space for the private sector to engage in financing this sector. The development of an adequate regulatory framework, SWM system and institutional capacity will promote innovative forms of financing (such as public-private partnerships) and contribute to de-risking and risk sharing.

The results will be sustainable once the JP concludes thanks to the improved organization and capability of the public sector, commercial viability of the services and contractors, improved efficiency, and the reduced level of public resources required to maintain the solid waste management services expected by the Libyan population and government. Capacities of the municipalities and the MoLG will be strengthened during the four years implementation as they will be key partners of the project and the SWM systems will have been running for months once the project phases out. Active participation of women in the different steps of the JP will be promoted and ensured.

4. Describe the innovative nature of the Joint Programme

- Innovation from a financial standpoint, in terms of not being widely adopted in the financial markets (such as a lending facility where the cost of borrowing is tied to borrower's contribution toward the achievement of the SDGs, such as by progressive reductions in water usage).
- Innovation in terms of its application to a new specific sector or geography (such as educational loans for migrants whose repayment is set as a percentage of future income).
- Innovation in terms of attracting new participants and investors (such as commercially oriented investors).
- Innovation in terms of its use within the UN system, in accordance with UN reform principles (for example, where multiple UN agencies collaborate on the setting of the parameters for due diligence of the pipeline of an SDG-aligned private equity fund).

The implementation of SWM including PPP is a very innovative approach in Libya, where until now, all these services have been provided, paid and managed by the public sector. This will be the first sector, providing basic services to the citizens, to implement a PPP. In line with the MoLG SWM Strategy, the JP will increase the role of private sector service providers incentivized to improve service and reduce costs; apply the same performance-based incentives to collection by the Public Service Companies as private companies.

During recent years, solid waste management in Libya has been extremely challenging, creating a situation that highly affects the daily

life of the population. There have been local contracts for solid waste collection in the past, but they were on a more limited scale and not managed to improve service and reduce costs. The companies were not paid based on performance and this resulted in low performance and low accountability. Despite the environmental concerns related to SWM in Libya, the utilization of biogas green technology and energy has not been pursued. BOT and other private management arrangements have not been applied until now in the solid waste management sector. There is an openness to this approach which did not exist previously. The introduction of biogas and recycling plants both represent technical innovations in Libya. In both cases the PPP mechanism is expected to bring significant additional private sector resources to respond to the SWM needs of the country. Furthermore, successful demonstration of the positive value of PPP is expected to facilitate wider involvement of the private sector.

5. Expected added value of the UN and the Joint SDG Fund

UNICEF and UNDP have long experience in Libya and the widest presence throughout the country.

- UNDP, with the Stabilization Facility in Libya, supports the solid waste sector providing equipment and support to municipalities in the East, West and South. UNDP is also about to launch BCtA (Business Call to Action) as the first Arab country in the ME with strong connections to the businesses.
- UNICEF, with the EU Emergency Trust Fund and other sources, supports projects on the humanitarian development nexus. UNICEF has strong governmental partnerships, including GAWR, MoE and MoH to coordinate the implementation of proposed UNICEF activities.

UN agencies will act as catalyzers promoting improved neighborhood solid waste collection, piloting technical approaches that are currently absent from Libya (biogas generation and commercial recycling), and piloting the regulatory framework for financing and involvement of the private sector in SWM.

The UN works in partnership with the UN-recognized GNA government and works in close technical cooperation with municipalities throughout the country having presence in the West, East and South. Pilot municipalities will be selected to ensure presence in all major regions. This JP will showcase the positive impacts of a SWM system in the municipality and the value of PPP for public services. Trust of the private sector in the UN will provide added support to the legitimacy of the effort and the confidence of partners to participate.

Criteria for award of the performance-based SW collection contracts to private/PSC providers will include criteria for gender balance and minimum remuneration rates.

The Joint SDG-Fund will enable UNDP and UNICEF to utilize their joint leverage towards the municipalities and the private sector actors. UNDP and UNICEF presence will reduce the perceived risk for private providers to engage under performance-based contracts.

6. Leadership and implementation of the Joint Programme

The JP has the potential of capitalising on and linking to the experience, lessons learnt, and best practices from the PUNOs' joint expertise in Libya and throughout the world.

UNDP is the lead agency in close coordination with UNICEF. The PUNOs will use common planning processes and coherent and joint

monitoring. They will jointly select the pilot municipalities for their work. The project will be managed by a Project Manager embedded in UNDP supported by the Development Coordination Officer embedded in the RCO to ensure ongoing sharing/learning and accumulation/integration of best practices, and to foster coordination and coherence of activities.

A JP Steering Committee comprised of the Project Manager, UNDP and UNICEF project leads, MoLG representative and other technical stakeholders will meet on a quarterly basis to review programme and work plans and suggest adjustments when appropriate. There will be a Board meeting every six months and more often, if required by the implementation. The Board will be formed by the UNDP Resident Representation, UNICEF Resident Representation, UNDP Project Manager, UNICEF project coordinator and a donor representative, if available.

The PUNOs will coordinate closely with other UN entities when appropriate, with particular attention to UNWOMEN to ensure gender balance and employment and community education campaigns, as well as with IOM regarding employment and outreach to migrant populations.

UNDP and UNICEF will cooperate closely with Ministry of Health (MoH) and Ministry of Education (MoE), NCDC (National Center for Disease Control). Moreover UNICEF has 3 WASH program officers, 2 WASH consultants, relevant partnerships with NGOs and a roster of private companies who have been technically assessed and are able to implement needed activities.

UNDP and UNICEF's M&E, Communications, PMS (Programme Management Support), Partnership experts from the country offices will work closely with the Project Manager to ensure proper implementation.

7. Expected period of implementation

This JP will be implemented over a four-year period beginning in 2021. UNDP/UNICEF presence in all regions enables rapid start of implementation once funds are approved. The most critical milestones for the JP are all aligned with the MoLG strategy (see Results Framework above):

Year 1

- Division of labour between MoLG and municipalities finalized and implemented
- Municipal SWM Operational Plans developed for pilot cities and others
- Procurement of waste collection bins and trucks undertaken
- Awareness raising materials developed for schools and municipal community outreach
- Tender processes launched for local SW collection contracts
- BOT or other private contracting arrangements for waste transfer stations, landfill and recycling prepared
- Community participation App developed
- Third party monitoring contract prepared

Year 2

- Biogas facilities procurement
- First year awareness programme in schools and municipalities implemented
- App running and used by municipalities and citizens

- BOT implemented for recycling

Year 3

- SWM systems implemented in the municipalities

- Citizens properly separate solid waste

- Management contract for biogas facility prepared

- SWM in schools and health facilities of the targeted municipalities operational

Year 4

- Successful implementation and running of the SWM system

- Handover of management to pilot municipalities and the MoLG

8. Cost, co-funding, and co-financing of Joint Programme

The proposed JP budget total is USD 8.2 million as full funding for the JP: with USD 5.8 million for UNDP and USD 2.2 million for UNICEF, and USD 0.2 for technical support in preparation of the final JP proposal. MoLG will provide its own funds for country-wide implementation. JP funds will be used for:

- Technical advisory services of UNDP with MoLG/municipalities for duration of the JP: 400,000 USD
- Technical advisory services of UNDP for pilot implementation: 300,000 USD
- Procurement of neighborhood collection infrastructure (bins) for pilot implementation: 900,000 USD
- Procurement of collection trucks for pilot implementation (if included) 1,000,000 USD
- Procurement costs for upgrading pilot transfer stations: 800,000 USD
- Technical advisory services of UNICEF for SWM school education programme: 150,000 USD
- Technical advisory services of UNICEF for health facilities SWM infrastructure: 1,000,000 USD
- Community outreach and procurement of collection bins for schools and health facilities: 450,000 USD
- Cost for pilot demonstration of biogas generation facility: 600,000 USD
- Cost for pilot demonstration of recycling facility (BOT provide management): 2,500,000 USD
- Contract cost for third party monitoring of pilot transfer stations and landfills: 150,000 USD

In terms of value-for-money, value is the national implementation of the MoLG SWM strategy and its pilot application on several municipalities. This will demonstrate the usefulness of PPP in delivery of public services, increasing public and private sector interest to apply this approach in more situations. The reasonableness of the cost of the JP will be assured by the application of UNDP and UNICEF procurement procedures and guidance to government in the use of performance-based contracting.

9. Risk assessment

The project will operate within the context of Libya's protracted insecurity and instability. UN agencies have extensive experience with this, using the conflict sensitive approach.

The principal implementation risks to JP success are related to the assumptions of the programme, most of which are with regard to the interest and capacity of the key actors. The risks relating to "interest" of the parties are assessed as minimal. The risks relating to capacity for private sector collection services may be higher and vary from city to city, particularly regarding the availability of trucks for

solid waste collection. This issue will be assessed more carefully once the Concept Note has been approved and will be taken into consideration in selection of pilot cities. Should the lack of availability of sufficient trucks be confirmed, the agencies will include procurement of trucks to be leased or sold to the private companies – this could require increase to the budget for the final JP.

The most significant political risk to the UN would be association with eventual reduction in public employment, which is currently quite inflated in the solid waste sector. The JP will not be involved in these employment issues. Rather, these issues should be addressed within the framework of broader public employment reform, with an adequate social adjustment fund and appropriate training programmes.

Other potential risks to be addressed include:

- Problematic relationships between ministries and their local government counterparts
- Risk of escalated political instability in the region and possible changes of governments
- Access issues related to security and infrastructure, including deteriorating security situation
- Lack of nationwide legitimacy of national counterparts
- Local aspirations versus Government standards
- Interests to maintain rather than reform the current payment system
- Insufficient and unreliable monitoring and reporting
- Weak coordination with other development with other development partners in same areas

The main mitigating measures to be applied include: maintaining a high level of strategic patience; persistently pursuing mutually beneficial partnership arrangements; adopting a principled and iterative approach to programming; ensuring quality design of technical solutions, including piloting, feasibility, implementation and stable operations; systematic and on-going engagement with local communities; managing local expectations and avoiding scope creep; the development and maintenance of core strategic communications and messages; third-party monitoring of SW deliveries to transfer stations; and implementation via DIM.

10. Convening the private sector and engaging IFIs/DFIs

The SWM JP will convene the private sector in two main ways: first, as provider of neighborhood SW collection services and second through BOT or other contractual arrangements for separation and commercial processing of recyclable/reusable materials in mixed solid waste, management of transfer stations and landfills, and biogas generation facilities. MoLG strategy centers on private collection services contracted on a competitive basis with performance-based payment, together with private recycling on a commercial basis. The BOT option for management of transfer stations and landfills will be piloted in one of the cities with direct JP operational support, while biogas will be developed in three pilots.

UNDP has had discussions with key IFIs (AfDB, IsDB, IBRD) and cooperation agencies (USAID, Germany, EU) related to their potential involvement. All have confirmed their interest to be kept well informed of the JP's progress and interim results. Furthermore they have identified potential interest for three types of related involvement: (a) support to nation-wide upgrading of SWM infrastructure based on successful assessment of the JP pilots; (b) broader application of BOT arrangements for waste management facilities and other public services; and (c) possible support for social safety net for public sector reorganization.

11. Leverage and catalytic function

“Co-financing” refers to the parallel financing of programs or projects through loans, grants or other financial investment. (Note that it differs from “co-funding,” which refers to funding directly transferred to the JPs by the UNCT). “Leverage” refers to the ability to trigger the mobilization of additional resources to achieve the same objective and should be measured as the ratio of co-funding to the total funding amount.

=> Indicate the expected/estimated private finance leverage of the Joint Programme.

“Private finance leverage” refers to amount of complementary investment from private sources (non-ODA and non-public budgets) that is attracted into the initiative. “Leverage” should be measured as the ratio of private finance investments to the total funding amount.

There is no special co-financing required for this JP, although the MoLG and municipal authorities will provide their own staff and resources without cost to the JP. Once the performance-based PPP approach has demonstrated its effectiveness, local authorities throughout the country are expected to support it. Through successful implementation of this pilot project, investment and funding by private sector actors in solid waste management and other basic services will be ensured through creation of an enabling environment for investments through a sound governance framework.

Central to this Joint Programme is the leveraging of private sector resources for efficient provision of SWM services to neighborhoods and for commercial management of recycling and biogas facilities. The JP is expected to demonstrate the positive role of PPP arrangements on a pilot basis, and lead to their expanded use throughout the country. The JP will pilot both technical innovations (biogas generation) and management innovations (PPP) which are expected to demonstrate their value along both dimensions. Management of the biogas and recycling facilities through BOT or other private management arrangements will become business models that other municipalities and private actors will be interested to replicate.

By the third year, UNDP, UNICEF, national government and municipalities will be empowered to further encourage private investors to invest in BOTs and PPP.

12. Technical support and seed funding

If this SWM JP Concept Note is approved, certain technical support will be required to complete the proposal or to serve as seed funding to facilitate rapid start of implementation. That support includes:

- assessment of potential pilot cities
- determination of requirement to include procurement of SW collection trucks in JP
- preliminary design of some technical inputs
- feasibility assessment of BOT arrangements for recycling, transfer stations and landfill
- ongoing support for development of SWM policy framework with MoLG
- specialist support to finalize preparation of JP project proposal

The estimate cost for the preparation of the final JP proposal is: USD 175,000.

This sum has been included in the estimated total budget requested in this Concept Note.

Signatures

Signed Signature Form

[RC Signed SWM SDG Fund Proposal.pdf](#) 1.31 MB

Government Endorsement

Letter of Endorsement

[Libya Supporting letter in Arabic.pdf](#) 292.23 KB