



FACT SHEET

Economic Stabilization for Libya Program

BACKGROUND

Contractor: The Pragma Corporation

Project Title: Economic Stabilization for Libya

Contract: Middle East Economic Growth Best Practices (MEG)

Duration: October 2017 – December 2018

Total Project Amount: \$17.6 million

OBJECTIVES

The Economic Stabilization for Libya (ESL) project has three components: it will provide technical assistance and capacity building to assist Libya in public financial management (PFM), improve electricity delivery, and accelerate employment generation.

The program will strengthen PFM processes such as budget planning and execution in selected Government of Libya (GoL) ministries, such as the Ministry of Finance, Ministry of Planning, and Ministry of Local Government, improving the ability of the GoL to deliver critical public services. ESL will provide similar PFM assistance to selected municipalities as well as improving the financial transfer systems between the national and municipal levels.

Regulatory and financial reforms in the electricity sector have been recognized as crucial elements of Libya's economic recovery and stabilization. ESL will develop sector policies and a regulatory framework as well as modernize operations at the General Electricity Company of Libya (GECOL) to improve the long-term financial viability and effectiveness of the electricity sector.

The employment generation component aims to create jobs in Libya through targeted firm-level assistance that increases competitiveness of the assisted firms, enabling the firms to expand and hire additional workers, enhancing inclusive participation in Libya's socio-economic transformation.

PROGRAM OVERVIEW

Strengthen public financial management (PFM) in Libya at both national and municipal levels for enhanced government legitimacy and delivery of basic services;

Enhance Libya's capacity to deliver reliable electricity in a fiscally responsible and sustainable manner; and

Assist selected high-growth Libyan private firms to expand and create jobs for members of at-risk populations, including youth.

ILLUSTRATIVE ACTIVITIES

Clarify Libya's legal and regulatory environment in relation to revenue transfers from the national to subnational level;

Enhance capacity at the Ministries of Finance, Planning, and Local Government for modern budget planning and budget execution, and assist Ministry of Finance in establishing a Macro-Fiscal Unit that will help the GoL in tasks such as revenue forecasting, medium-term budget planning, and public investment management;

Assist selected municipalities to develop capacity for budgeting, procurement, and service delivery and implement one or two pilot service delivery projects;

Assist GECOL in implementing its reform road map, including activities such as tariff reform, workforce realignment, setting up an independent regulator, and other reforms that will transform the electricity sector from an unsustainable burden on the government budget to a sustainable and financially independent sector;

In the employment generation component, the project will support client firms in identifying markets, technology, and partners to increase their productivity and growth;

Assist client firms to increase their competitiveness, expand, and create jobs;

Conduct media outreach to members of at-risk populations, including Libyan youth, about job creation and employment opportunities.