**Local Governance Programme in Libya 2014-2016**

**Concept Note**

**Proposed Strategic Framework**

Building on UNDP’s work in the local governance sector during the last two years 2012 and 2013, and based on extensive consultations with the Ministry of Local Governance (MoLG), selected local councils and civil society, enriching recommendations regarding support for local governance in Libya specifically in areas of capacity building and provision of services has materialized. Consequently, potential support options have been formulated and are waiting to be shared with the MoLG, which have agreed in principle to design and set-up a joint technical cooperation program to deliver such support. The program outlines a strategic framework and scope of interventions over the next two years (2014-2016) as follows:

1. **Policy Development, Legal and Regulatory Framework**
2. **Capacity Development, Institutional Structure and Mandated Functions**
3. **Local Economic Development (LED)**
4. **Provision of Services and community infrastructure**
5. **Policy Development, Legal and Regulatory Framework**

The Government of Libya has developed the legal and regulatory framework of the country’s local government system through preparing and endorsing Law No. 59 that defines the nature, structure, mandate and finances of a Local Administration System. This effort is driven by the MoLG, a newly established entity that has been requested to take the lead on this issue, while it is clear that there is lack of clear coordination mechanisms with regards to policy formulation, implementation and monitoring both vertically and horizontally, namely between the center of the Government (Prime Minister’s Office) and the line ministries, as well as between the line ministries themselves and with the MoLG.

In support of the Development of the Policy, Legal and Regulatory Framework of the Sub-National System of Government, the scope of future assistance under this component will include the following:

1. Supporting the Government of Libya (GOL) on structuring and launching a systematic and well-grounded process for developing a National Vision for Libya’s sub-national system of government;
2. The elaboration of a Decentralization Policy that captures the articulated National Vision to be used to inform the process of drafting of the Constitution and specifically, the articles that define the structure, legal status, mandate, accountabilities and functional and resource assignment of the sub-national system of government. The Policy will also be used to ground and guide the process of development of the system’s legal and regulatory framework and ensure the adherence and alignment of primary and sector policies with it.
3. Supporting the development of the legal and regulatory framework of the sub-national system of government. Since the Law has already initiated this effort, UNDP would provide support to the ongoing effort and support its modification and gradual alignment and merging into the visioning and policy reform process.
4. Supporting the development of a national strategy for the implementation of the decentralization reform and application of its “Policy, Legal and Regulatory Framework” on the ground. Such a Strategy would encompass:
5. Reform and alignment of primary and sector policies, laws and regulations with the endorsed decentralization and local government framework;
6. Alignment and restructuring of state and local institutions and organizational and operational systems to reflect the new decentralization legal and regulatory reform; and
7. Development of capacities of sub-national and central authorities on new functions that have been assigned through the gradual move to apply the new system of decentralization and local governance.

This National Decentralization Reform Strategy and its course of action would be implemented through a National Programme which would involve all relevant primary and sector ministries as well as newly created local tiers of government/administration. It is common wisdom that such a national programme, to bear fruit on the medium and long-term, would need to be implemented over a relatively long period (usually 5 – 10 years) in a gradual fashion factoring-in absorptive capacity, institutional sustainability and the availability of the necessary financing.

1. **Capacity Development, Institutional Structures and Mandates Functions**

The pressing nature of local development conditions in post-revolution Libya, and the high expectations on the part of local populations for a speedy process of improvement to their living conditions, quality and reach of basic services, including access to employment opportunities, has put the central and local governments at risk of a weakening government as well as loss of confidence of the people. Given the urgency to show tangible results on the ground and the fact that such results are more likely to be achieved at the local level, initiating focused support to an initial set of localities where conditions are pressing, should be of high priority, especially with regards to the introduction of clear operating systems, procedures. Usually, core operating systems and procedures of a new local governance system are agreed upon and introduced and on-the job capacity is developed on performing them early in this process and these would include the following:

* Base administrative functions of the local government/administration;
* Public expenditure management systems and procedures;
* Asset management systems and procedures;
* Local revenue mobilization and management systems and procedures; and
* Basic service delivery systems and procedures such as street cleaning and solid waste management, street paving and lighting, some basic social services and others.

This requires a systematic programme to enhance capacities of current and future Local Units. In this respect, and to build on the Local Governance Project- Phase One initiatives, UNDP-Libya initiated during August 2013, a joint programme with the MoLG to work with pilot municipalities as the main entry point for the provision of meaningful support that will focus on the following:

1. **At the local level (Pilot Municipalities):**
2. Conflict Resolution and Crisis Management

Organize a number of capacity building events on conflict resolution and crisis management in areas that have seen armed conflict during and after the liberation of Libya. An economic recovery is impossible to achieve without, security, peace and stability. Enabling local municipalities to deal with the conflicts that erupt between ethnic groups, militia groups, tribes and other types of conflicts will greatly enhance their ability and readiness to turn to development instead of being busy resolving conflicts on constant basis. In addition to that, it is important to organize capacity building events for newly elected local government official to discuss the role of traditional ways of working in their social settings, such as the clan, the tribe or extended family, which have distinctive characteristics different from other parts of the world and may not easily adapt to modern western-style approaches to management by developing a hybrid management system based on a mix of new and old systems to make the needed contribution in empowering local government to bring about the economic growth that is so vital to Libya's transitional period. This idea will encourage a larger participation from the local community to discuss their local economy and devise solutions for the challenges they are faced with and propose practical projects to start the early economic recovery process.

1. Decentralization and Local Governance Concepts

It is expected to continue conducting courses on the concepts and principles of decentralization and local governance to enhance the understanding of local governance units of municipal services and local development requirements in the Libyan decentralization context. The course will focus on recent thinking about decentralization, local governance and participatory and inclusive rural development in a Libyan context. The aim of this course is to strengthen the capacity of development local councils, administrative staff, executive offices staff and CSOs at the local level, to engage in complex local governance processes. As a result of the course, the participants will be able to:

* Analyze the institutional context of decentralization and local governance with a specific focus on rural development, gender and power relations;
* Develop strategies to improve the involvement of different actors in local governance and rural development (including social and productive service delivery, land governance, natural resource management, local economic development);
* Practice a broad range of methodologies and approaches to support learning, lobby and advocacy, citizenship and participation; and
* Challenge the impact of one’s own intervention and identify opportunities to contribute to change.

1. System Creation, Activation and On-the-Job Capacity Development

Enhancing the basic administrative/managerial skills for the municipality administrative staff through conducting number of managerial courses to be able to perform their municipal mandates, these courses shall include but not limited to:

* Human resources: including administrative processes, management of human resources
* Communication skills and client service
* Preparation of Organizational structures, job descriptions
* Reporting: Preparation of Reports including technical and administrative reports
* Monitoring and evaluation total of 4 hours (one day)
* Archives

1. Public Expenditure Management Systems and Procedures

Enhancing capacities of target localities. 15 pilot municipalities were jointly selected with the MoLG to effectively perform a set of Public Expenditure Management (PEM) functions that include the following activities and related competencies:

1. Carryout participatory needs assessments to define and prioritize the needs of their communities in the area of basic service delivery. Local council members will be engaged fully during this phase to help them build strong lines of accountability with the their communities and develop a nuanced understanding of their needs and how they prioritize them;
2. Develop participatory programme-based local development plans (medium term 3-5 years) and derive annual investment/implementation programmes;
3. Develop the budgets required to implement the annual investment programme
4. Carryout effective and transparent procurement procedures for the implementation of the annual programmes;
5. Effectively manage project implementation; In this regard, UNDP is proposing in other section in this concept note to establishing fund for local Initiatives (infrastructure, economic recovery and job creation) which will include capacity building component with specific focus on procurement and Project implementation at the local level;
6. Carryout the required accounting procedures to keep accurate track of financial transactions both income and expenditure; and
7. Produce good quality quantitative and qualitative reports summarizing their annual actions and achievements.

This set of PEM procedures will enable localities to improve responsiveness to people’s needs through a participatory needs assessment process and develop integrated/multi-sector plans to address such needs. It will enable them to develop well-structured annual budgets and to procure implementation services to implement such plans efficiently and transparently. Competencies in effective public expenditure management could significantly increase the efficiency with which public resources are used and in many cases have improved the service delivery effectiveness of local governments. Such improvements tend to increase confidence of central governments in the abilities of local governments usually leading to increases in the level of centrally allocated budgets to the local level.

1. **At the central Level (Ministry of Local Governance):**

A Ministry of Local Governance is usually mandated with supporting and supervising an evolving system of local government/administration. Given the fact that the MoLG has only been created in 2012, the definition of its mandate may not be sufficiently specified. Furthermore, its internal institutional structure, departments and capacities are yet to be developed to perform its expected task. Therefore, supporting the MoLG in developing its institutional structure and mandated functions will be critical to the process of development of the local government system.

This will entail developing the capacities of local governance units, supervising their legality as well as their performance in terms of contributing to and alignment with national development plans. UNDP is in a position to provide the required support to the MoLG to develop its institutional structure and to build the set of capacities that will enable it to undertake its mandate as well as perform its main functions including:

1. Support the development of the Ministry’s mandate and institutional arrangements/structures and capacities to:
2. Development the policy, legal and regulatory framework of the system of local government/administration:
3. Provide policy and technical guidance to the negotiations with primary and sector Ministries to align their own policies, legal and regulatory frameworks with those of the newly enacted decentralization and local governance legal and regulatory framework;
4. Play a lead role in the structuring of newly created local government/administration institutions at the Governorate and Municipal levels (or other tiers agreed upon in the new legal framework) and develop their operating systems and procedures for performing their base set of functions;
5. Work closely with primary Ministries on the development of systems and procedures to enable local governments to perform primary functions that have been delegated or devolved to them under the new legislation and support (with the direct involvement of primary ministries) the provision of on-the-job capacity development to enable local governments to perform these functions;
6. Work closely with sector ministries on the development of systems and procedures to enable local governments to perform service delivery functions that have been delegated or devolved to them under the new legislation and support (with the direct involvement of sector ministries) the provision of on-the-job capacity development to enable Local Governments to perform these functions;
7. Support the Supervision component of the Ministry’s mandate.

UNDP will support the development of the institutional arrangements/structures, systems and capacities of the MoLG to:

1. Develop a credible database and data collection tools and methodologies and support localities to derive the qualitative indicators reflecting the local governance performance of local governments;
2. Develop the database and the data collection tools and methodologies for gather quantitative data on the performance of local governments/administrations towards the promotion of local development; and
3. Set-up and activate a local government/administration monitoring and evaluation system which enables the tracking of the legality of local actions and the monitoring of performance in addressing local development needs and contributing to national development.
4. Support the establishment of Libya Local Governance Center/Institution.

UNDP will support the establishment of such center and the development of the institutional arrangements/structures, systems and capacities closely with the MoLG. The Libyan Local Governance Centre/Institution is expected to be the leading national local governance research and policy institution. The primary goals of the Center/Institution are to foster, develop and nurture, at the sub-national level, an international mutual understanding between Libya and other nations and the exchange of ideas that relate to government administration and management at the local level.

The Centre's mandate shall include but not limited to:

* Enhance professionalism and skills in local governance units, showcase innovation and best practice, and facilitate a better-informed policy debate
* Build on existing local government programs and networks
* Encourage innovation and best practice across local government
* Foster good governance and strategic leadership
* Support action to improve local government workforce capability to address skill shortages and attract and retain skilled staff
* Promote new and improved training and development programs and
* Stimulate and inform debate on key issues for local government in coming decades.
* Support the knowledge needs of the local governance sector in the Libya in relation to governance and development.
* Promote a culture of learning and knowledge sharing in local governance in Libya and to support the MoLG in its role as a primary catalyst for excellence in local governance.
* Provide training to municipalities and governorates leaders at the local level on decentralization and municipal services or any other relevant subjects
* Develop training curriculum and manuals to be used in training the local governance units
* Certificate/authorize training firms from private sector to train at the local level on the developed curriculum
* Create the nucleus of a Local Governance and Local Development Assessment System to be used to track the performance of local governments/administrations and measure changes that are taking place in the state of local development.

In brief, the Local Governance Centre/Institution will conduct research and reports on various topics related to local governance issues and practices. It organizes international study programmes for local government officials in Libya. It sponsors seminars to introduce and discuss International practices to Libyan officials. It is expected to develop internships and exchanges of officials, researchers, academics and students interested in learning more about local Governance. Finally, it will help to promote the creation of sister city and state relationships between Libya localities and other countries local governments.

1. **Local Economic Development (LED)**

In line with UNDP's Project Documents for Libya's transition period, it is hoped that as a result of the interventions, the targeted local authorities will be better able to plan and manage public services and development activities in their constituency, thereby meeting the populations’ demand for more equitable and efficient service delivery and expanded economic opportunities. The local government Law No. (5) encourages the establishment of Economic Incubators to promote local economic growth, create new jobs which will lead to improved security, speed up the early recovery process and achieve and stability through capacity building support in setting up small and medium enterprises (SME) across the country.

Given the pressing need at the local level for triggering sustainable and equitable growth in economic activities, the scope of initial support by UNDP will include:

1. Economic Recovery Intervention Activities - Fast Track

Set up an Economic Incubator that will support in the setting up of the already-conceptualized SMEs Incubator, which was explored by LEDB some five years ago and was initially implemented on a small scale in Tripoli and Benghazi to build on what has already been achieved. This project can be further developed in close cooperation with the Ministry of the Economy, LEDB and MoLG in partnership with the private sector.

1. Local Economic Development Activities - Slow Track

The introduction of basic capacities that enable localities to engage more effectively in facilitating and promoting modest Local Economic Development (LED). This will be done through the introduction of the following set of specialized but simple methodologies and on-the-job capacities to be embedded and applied in combination with the PEM set of procedures described above:

1. Introduce a specialized but simplified methodology for the assessment of the local economy, its primary characteristics, potential for growth and the set of challenges that stand in the way. This methodology can be applied during the needs assessment phase of work described above;
2. Support the creation of a consultative LED Forum to bring together the local authority; LED related public sector agencies, the private sector and other relevant stakeholders to discuss and agree on actions needed to stimulate equitable economic growth;
3. Methodology and on-the-job capacity development to produce an LED strategy to stimulate equitable growth to be implemented be a range of relevant actors including the private sector, locally active central ministries and agencies, local government and others; and
4. Support the efforts of the localities to implement the interventions in the strategy that fall within their mandate to coordinate and facilitate the implementation of other interventions by other public as well as private actors.
5. **Provision of services and community infrastructure - Local Development Fund:**

Libya is undertaking broad decentralization process to facilitate local development and decentralized services delivery implementation implemented by MoLG aimed at strengthening capacity for strategic local development planning, fiscal planning, financial management and effective monitoring, accountable and transparent local governance. UNDP Libya is in a position to facilitate community access to basic services through local governance institutions; to enhance investment in public services and goods through testing the local development fund (LDF) model, direct service provision and promotion of public-private partnership. The establishment of the LDF shall serve as sustainable mechanism for financing participatory municipal planning and budgeting and project implementation and provide a regular link between community needs and municipality resources. The purpose of the LDF is:

* Develop the capacity of local governance units to plan, budget and provide resources for local development and basic services delivery with specific focus on infrastructure, economic recovery and Job creation projects. The Capacity building component will focus also on enhancing the capacity in the area of procurement and project implementation at the local level;
* Pilot a discretionary capital fiscal transfer system at the local level; and
* Act as an incentive for decentralization reforms as the lessons and experiences are documented and systematically fed into the reform process to improve services delivery.