An analytical report on

The Decentralization process in Libya

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1. INTRODUCTION

Libya has gone through complicated periods of centralization despite its early progress in establishing the first municipality since the eighteenth century AD, where the municipality of Tripoli was established. However, the poor administrative stability that the country has gone through during the previous decades affected the local administration and the importance of the municipal role it plays in order to achieve the wishes and aspirations of citizens and the enjoyment of their most basic rights. In 1995, the former regime replaced the municipalities with another local system called "Al Shaabiyat". Although these Shaabiyat enjoy more broad powers than municipalities today, they violate the principles of Decentralization, and the principles of good local governance because they are subject to the authority of appointment, not election, and also those appointed are military officers.

When the February 2011 revolution came through which the Constitutional Declaration emerged, the only law pertaining to local government was issued, the Law No. 95 of 2012, which is the fruit of this revolution towards decentralization and the extraction of powers from the center and giving them to local councils and start to achieve local development and benefit from the country's wealth and achieve Welfare of the citizen by delivering the most basic rights and services to them, through a local authority close to them, who contributes to their formation through the ballot box.

This law had a great role in uniting the country at the local level, organizing its work, unifying its directions and determining its demands in a unified legal context. However, this law faced great challenges, although it was issued in difficult circumstances followed by a political division in the country with the presence of interim articles that need to be modified with the passage of time and practice of these articles, like all statutory laws are subject to the principle of
development and improvement, and follow the reality and treatment of deficiencies in it.
All of these challenges were and still are a major obstacle in the application of this law and its implementation, due to the presence of other laws that hinder its work, and the absence of the legislator's role affected the enactment of laws regulating what preceded it and the issuance of explanatory and binding regulations to the authorities obstructing the local government law. The law remained almost inactive and frozen, and only the chapter related to the municipal elections was applied, and the central authority remained unchanged, adhering to the simplest powers of the municipalities, and the simplest jurisdiction that the municipality is supposed to supervise, such as cleaning, water and sanitation services, and the municipal guard is within the jurisdiction of the central authority and is run by ministries instead of municipal councils Elected.
How can a local authority conduct its business in light of the complete absence of its explicit powers stipulated by the law in its articles, and how can the municipal council fulfill the requirements and desires of its citizens under this abhorrent centralization without financial authorizations that were taken from them under pretexts such as fear of corruption, even though Libya ranks in the indicators of Transparency Organization Internationalism is low, and even the Libyan Accounting Bureau reports that corruption is rampant in the central authority, and this may be one of the main reasons for clinging to centralization and is the biggest obstacle to achieving development. While municipalities may be subject to direct oversight by citizens on municipal councils, which are considered the most successful oversight at the present time, as they relate to rights and duties.
As a result of all these practices, the municipal council has placed between a weak government gavel and the anvil of a citizen who, despite their high demands, are suffering from low basic services such as drinking water, electricity, sanitation, etc...

2. ANALYSIS OF POLITICAL ECONOMY

The Libyan economy has undergone great changes since the 2011 revolution due to the political and security situation in the country. For several years, several factors played an important role in the deteriorating economic situation in the country as a result of the emerging conflicts fueled by these factors. Between the proliferation of armed groups and their penetration into decision-making circles, and a holistic military system, citizens who depend on low salaries suffer in terms of providing security, weak basic infrastructure, and severely declining services. Between huge budgets from selling oil that are spent and not matched by development projects and improving the level of services, and closing the oil valves.

Libyan oil production in the summer of 2013 contributed to the widening gap between the official exchange rate and the black-market price of the Libyan dinar against the US dollar. As Libyans still lack confidence in the banking sector until today, more than half of the Libyan liquidity is circulating outside the banking system, in addition to the continuous discrepancy between official and unofficial exchange rates. The austerity measures introduced by the Central Bank of Libya in 2015 in response to the economic crisis mean that some armed groups will not receive salaries from the state. Libya's GDP per capita was last recorded at US $ 15,174.20 in 2019, when adjusted for purchasing power parity (PPP).

1 At a Glance: Libya’s Transformation 2011-2018 Power, Legitimacy and the Economy
through purchasing power parity, is equivalent to 85 percent of the global average.

The role played by the economic dimension of the Libyan crisis is not only among the motives of the conflict, but also makes it difficult for settlement and peace building efforts. The fall of the Libyan economy into the trap of informal activity and smuggling, pushing it towards networking the informal activities of their activities with organized crime networks to ensure protection, and in the end the intersection of their activities with criminal and terrorist groups. In addition to the emergence of groups of beneficiaries from the continuation of the crisis, and then the crisis becomes difficult for the settlement effort. It can also be said that controlling the Libyan crisis and managing it towards a supportive settlement requires, among other measures, a multi-level economic treatment; Creating incentives for tribal and ethnic loyalties to ensure the creation of enforceable consensus in the field of distributing values, normalizing economic and political life, preventing tribal employment of authoritarian positioning, and without directing bureaucratic options toward competition for scarce resources, legitimizing this competition with biased laws, and besieging the phenomenon of contraband trafficking by intensifying coordination.
Regional security and intelligence services with neighboring countries, rehabilitating militants and recruits within the professionally warring factions, and integrating them into an emerging economy sponsored by donor countries.

In the current situation, there is no clear vision for the state from which the rest of the institutions can derive their goals to achieve them. There is a weakness in the integration of policies, as everyone works in isolated islands. Therefore, we cannot say that municipalities contribute to achieving national development at a time when there is no common plan and vision for the state.

The Ministries of Planning and Local Government, the Committees of the Sustainable Development and the Supreme committee to transfer functions may have a major role in drawing current and future policies in order to achieve sustainable development goals, taking into account the role of municipalities in achieving them.

2.1. TERRITORIALIZATION OF NATIONAL PLANS AND SECTORAL POLICIES

With regard to the main national plans and their adaptation to the sectors, we find that there are no unified plans, policies and goals at the level of the central government even with regard to the three main regions (Tripoli in the west, Fezzan in the south and Cyrenaica in the east) and this is evident to us from the lack of balance in the distribution of government resources on spatial development. Some rural areas suffer from deteriorating services, poor urban development and local development, and often the focus is on areas with high population density and the lack of proper attention to rural areas. In addition, the weakness of studies and research for the development of plans and policies and their failure to complete them into implemented work, and if any, it is often not appropriate to the reality in most municipalities,
because the municipalities are not involved in developing these plans and policies.
The current government seeks to change this situation as it supervised several programs such as the Decentralization Forum that was held in September 2019 regarding the development of a strategic approach to local government in Libya with the participation of representatives from the Presidential Council, the Supreme Committee for the Transfer of Competencies, and the ministries of: local government, planning, economy and industry Finance, labor, health, the Supreme Council of Local Administration, a number of mayors, representatives of civil society institutions and academia, and representatives of the international community who are currently supporting local governance in Libya, including the World Bank, the United Nations Development Program, the United States Agency for International Development, The German Foundation for International Cooperation, the European Union, the Department for International Development of the United Kingdom and the Kingdom of the Netherlands. During this Forum, which was held over a period of three continuous days, the participants agreed on the necessity of doubling efforts to include its outcomes, including challenges, priorities and policy options, and to collect them with the aim of developing a strategic roadmap to support decentralization in Libya in the short and medium term. However, until now, the results are still intangible on the ground, and no financial mandates have been transferred to any competency.
We can say that there is no joint strategic plan for the sectors among them in order to serve the general policy of the state, because there is no clear vision and strategy for the central government to share it with the sectors that it pursues and follows its lines, this may be due to many reasons, the most prominent of which are:
- The political division, which in turn made more than one source responsible for setting policies, and this is a fundamental reason for the presence of more than one party that is being implemented without reference to others.
- Governmental instability and continuous change in ministries and reliance on regional quotas rather than competencies in choosing leaders and officials, which results in different policies and indefinite ways of thinking, thus the absence of a fixed plan that can be built upon, regardless of the differences and changes of government. Because the middle departments, even if they remain stable, follow the approach of their superiors, and plans will change with their change.
- Weak planning, if any, does not follow the participatory planning methodology, so local administrations are not involved, with weak communication between sectors and planning offices of the Ministry of Planning to agree on a single joint plan, thus resulting in a waste of resources and weak development.
- There is no reliable database and the difficulty in obtaining information, therefore it is difficult to analyze the situation and thus difficult to make the right decision.

2.2. **The Role of Local Authorities as an Actor for Development**

The prevailing image of the central government of local authorities as being ineffective and lacking the necessary skills for construction and development, and it does not consider them a partner except in solving problems, achieving stability, and obtaining local political support. In addition, most of the officials' speeches calling for decentralization and building local authorities contradict the procedures followed in reality, where the transfer of competencies and financial mandates is hindered.
by the evidence of non-transfer of the most important functions that are at the core of the work of municipalities such as municipal guards, cleaning, water and sanitation, all of these specializations are managed centrally. The municipalities have nothing to do with it. As it has been mentioned previously, planning processes are issued and municipal councils are not consulted, and they are not a carrier of their concerns, problems, proposals and opinions. For this reason, we will not find an integrated plan drawn up with the participation of the local authorities. Although the legal framework supports this as follows:

- **Article (44) of Law (59) of 2012 under the title: Economic regions states the following:** An economic region shall consist of one or more provinces and shall have a special council for regional planning as determined by a Cabinet decree at the proposal of the Minister and the Minister of Planning. The councils of economic regions shall combine to form the Supreme Council of Regional Planning. The Supreme Council shall coordinate the plans of such councils according to relevant directives, and the methods and schedules issued by the Ministry of Planning and the Ministry of Local Government, and shall refer the same to the High Council of Local Administration.

- **Article 45, entitled: The Supreme Council for Regional Planning, states the following:** The Supreme Council of Regional Planning shall be composed of the following:
  i. President of the Supreme Council of Regional Planning; presidency shall be annually alternated between the governors of the region’s provinces.
  ii. The governors of the region’s provinces.
  iii. Mayors of municipal councils in the district’s provinces.
  iv. Experts who are assigned by their ministries to the Council with the consent of the Minister.
- **Article (46), entitled: competences of the supreme council for regional planning, states the following:** The Supreme Council of Regional Planning shall be in charge of the following:
  
  i. Coordinate the plans of provinces and approve the priorities suggested by the Regional Planning Council, which shall be initially instituted as alternatives for the regional plan in light of the locally and centrally available resources.

  ii. Examine periodic reports to follow-up on the plan's implementation and to study the amendments suggested by the Regional Planning Council according to the circumstances of their implementation.

  iii. Submit the recommendations of the Council to the High Council of Local Administration to take necessary action in this respect.

### 2.3. **Added value of TALD spearheaded by the local authorities**

The extent to which the central government recognizes the added value of Territorial Approaches to Local Development (TALD) led by local authorities on the basis of their general mandate is reflected by the central government's recognition of the rate of collection of local revenues that the municipalities and local authorities collect within their borders in order to achieve sustainable local development. This has not been achieved because the central government is still obstructing this matter and even obstructed the opening of a special account for the collection of local fees and revenues. The regulatory laws still impeded this entitlement, although the municipalities presented development plans that had local resources sought to
implement them, so that some municipalities sought to provide revenues for them within the scope of their administrative boundaries and were subjected to accountability and legal follow-up for the presence of obstacles, whether in the country's fiscal or supervisory law.

The desire to achieve action on the ground was evident in the current circumstances when dealing with the Covid-19 epidemic. Several municipalities have formed special committees for this file, to discuss ways in which the country can be protected from the epidemic that has struck the world, including those who held meetings and prepared themselves by allocating sites for isolation and health care. With the announcement of a curfew in Libya, the municipalities worked to manage the crisis in cooperation with local authorities, to contain it and prevent the spread of the virus in Libya. For example, but not limited:

- **The municipality of Zliten** has established the Corona Control Committee in the municipality, and allocated a place for health isolation, after holding several meetings at the municipality’s office, with the municipal guards and the security, service and health agencies in the city.

- **In the municipality of Bani Walid**, the emergency committee worked on spraying and sterilizing several areas, neighborhoods, and streets of the municipality, and vital and service sites, as a precautionary step to prevent Corona virus.

- **The Municipality of Tripoli**, the Center, held meetings between the Municipal Council, the Central Hospital, Al-Ayoun Hospital, Burns Hospital, Obstetrics and Gynecology Hospital, and Children's Hospital, to find out the latest developments and discuss a mechanism for joint cooperation between hospitals and the municipality to confront the virus since the beginning of the crisis.
- **In Tobruk municipality**, at the beginning of the crisis, the municipality issued orders to close the car market and bird market, stop any group activities, and fully adhere to the curfew.

- **In the municipality of Abu Salim**, the council was able to provide preventive materials and supplies and supervised all the procedures followed through the Crisis and Emergency Committee, which appreciated the keenness of the owners of shops, cafes and restaurants, for their responsiveness and commitment to setting the working hours, which were approved by the Presidential Council.

- **Gharyan Municipal Council** also followed the formation of the operations and emergency room with Gharyan Central Hospital, Education.

- **The municipality of Ghadames** called on its citizens to reduce gatherings, use disinfectants in public places and facilities, cancel all activities and events within the municipality, and close all kinds of cafes and shops.

- **The Zintan Municipal Council** also holds periodic meetings with a number of government officials, including health, to take the necessary measures to deal with the crisis from its inception and to provide the necessary needs for that.

- **In Souf Al-Jumah municipality**, the council issued several decisions in particular, including a crisis management committee, clarifying the tasks of each team in it with a practical plan for that.

- **In the municipality of Wadi Al-Bawanis**, the council coordinated the establishment of a committee to combat the spread of the Coronavirus and met with a number of doctors in the area; The Council supervised the equipping of the sanitary isolation headquarters in Al-Zeghin area and the equipment
needed by the headquarters, including medical equipment and devices, and medical personnel.

2.4. **Effectiveness of the Transfer of Competences and Resources**

The transfer of competencies represents a degree of decentralization in the local administration within the scope of the state, as it entails the creation of new administrative and financial relations through a change in legislation and laws governing the existing relations between the central government and local units. Also, international experiences indicate that countries that sought to implement decentralization took a gradual direction to move between the different degrees of centralization, and that the legislative structure in them accompanied this move in order to give it the required legitimacy to support the practical application. The process of transferring competence and resources in Libya faces several challenges, including:

- The presence of a strong central authority capable of implementing decentralization;
- Clinging to centralization and financial resources by the ministries;
- Lack of proper understanding and awareness of what is required in the next stage;
- A viable legislative structure that supports the transition to decentralization;
- The mechanism for managing state revenues with a local collection system that is subject to transparency and accountability;
- Tensions, political disputes and quotas over the sharing of positions;
- Administrative divisions and borders.
3. NATIONAL MUNICIPAL COUNCILS ASSOCIATION

Municipalities went through their first electoral experience at the beginning of 2014, and it was a successful experiment par excellence. Upon completion of this entitlement, the municipalities began their work, and there was continuous communication with each other through meetings. One of the first meetings was on October 1, 2014, hosted by the municipality of Sabratha and in the presence of 44 municipalities, Voices were calling for the establishment of a body that would represent the municipalities and not be subject to the central government in light of the political crisis that the country is going through.

On November 8, 2016, in the presence of 13 municipalities it was agreed to set a name for this body (the National Municipal Councils Association) and to list agenda for the next meeting of the Association. On November 19, 2016, the first meeting of the Association was held in Tripoli and in the presence of 23 municipalities. The meeting was chaired by the oldest mayor (Mayor of Al Asabaa Municipality), while the youngest was rapporteur for the meeting (Mayor of Gharyan). In this meeting, Mr. Hussein al-Thawadi, the president of the Association, was elected, the reporter Mr. Muhammad Banoon (a member of the Tripoli Municipal Council), and the association's logo was adopted.

The second meeting of the Association, on December 29, 2016, in the presence of 26 municipalities, the General Secretariat of the Association Dr. Muhammad al-Harari (first minister of the Local Government Ministry), Mr. Saleh Saeed (former Minister of Local Government), and Mr. Ali Nasr (former Undersecretary of the Ministry). Then the association’s work began to follow.
At the association’s meeting on October 16 in the municipality of Souk al-Jum’a, some projects were presented to international organizations, and the possibility of expanding the membership door to join the association and emphasizing the abolition of the principle of regional quotas in choosing the Minister of Local Government.

On January 26, 2019, a meeting was held by the municipality of Tripoli, in the presence of the members of the association, the head of the Government of National Accord, the Minister of Local Government, the President of the National Planning Council, the head of the Commission for Standardization of Institutions and some international organizations operating in Libya. In this meeting, the role of local administrations in development and the need to address the obstacles they face were emphasized, and the importance of the association’s role in the next phase and its role with the central government were reminded.

Among the most important successes achieved by the Association is its relationship with the counterpart non-governmental institutions, the exchange of experiences and participation in programs related to local government. The Association has worked on a number of works and projects with non-governmental organizations, most notably the International Governance Academy, with which it implemented a joint project on amending the Local Governance Law 59/2012 and presenting a joint proposal on establishing a diploma for local administration targeting applicants for municipal council elections, which is under support for its implementation, as well as studying and evaluating for the first Four years in the recent history of Libyan municipalities, what are the failures and successes and how to benefit from them.
There was also a joint work with a youth institution through the Municipality of Zliten dealing with how to accommodate young businessmen and how to benefit from them in supporting young people and developing their capabilities and developing their skills in addition to developing a proposal for incubators of small and medium enterprises presented by the Association as a proposal submitted to the government, in addition to participating in many Seminars, such as a seminar on local government and decentralization with a feminist association, focused on the role of women in the next stage and how to support them to be a partner in decision-making.

NMCA has been registered with the Department of Civil Society Organizations at the Ministry of Foreign Affairs, which facilitates it to work with relevant international organizations in accordance with the regulations in force in the country. Among the most prominent things that the association relied on in its program to achieve its goals is the exchange of knowledge and access to international experiences, this was through the conclusion of contracts and agreements with international organizations operating in Libya and recognized in the diplomatic community with the Ministry of Foreign Affairs.

According to a meeting of Dr. Najat Zarrouk the Director of the African Local Government Academy with Mr. Mustafa Al-Barouni, Mayor of the Zintan Municipality, a discussion was held on how the NMCA might be involved in the United Cities and Local Governments of Africa, and based on these meetings, the NMCA membership in the union was completed.

On the other hand, among the most prominent of these relationships is also the project of evaluating the performance of ten municipalities that has been implemented with the International Republican Institute IRI. some joint works with the Association of Netherlands Municipalities (VNG), where a number of development projects were implemented in
number of municipalities, and coordination was recently made with the inclusion of a number of municipalities that did not benefit from the support provided by the European Union-supported organizations, and this was in consultation between the NMCA and VNG and a proposal was presented to them during Corona pandemic by identifying the most important priorities and needs that should be focused on to support the municipalities.

There was also cooperation between NMCA and the United Nations Development Program (UNDP) supporting the Central Committee for Municipal Council Elections and providing a program of priorities for work for the elected municipal councils at its second session. Among the supporting organizations and how to set priorities for each municipality according to its specificity, this is in brief the most important actions that prove the association's relationship with a number of international organizations.

So that, through this body (NMCA), the voice of the municipalities is united, away from this division, it’s is undergoing fundamental changes in terms of development and expansion of the membership circle, but it faces challenges that hinder its communication with all municipalities with the same efficacy. For example, communication with the municipalities in the east of the country is not an easy matter, although a number of the eastern municipalities are members of the association.

There is also communication between the head of the Union of Municipalities of Barqa (one of the three regions in Libya) with the President of NMCA through official letters and their desire to join the association.

However, the actual and direct communication is still faltering for many reasons, foremost among which is the political division, as well as the intervention of some military authorities in the municipalities there, and the suspension of a number of elected mayors from their
posts, assigning others, disrupting the electoral process in these municipalities, and creating parallel bodies to them. These bodies cannot achieve decentralization, but rather consolidate centralization more than civil authority itself. It is worth noting that there are fears among some mayors of municipalities in Barqa from participating in conferences, seminars and meetings, where they avoid media appearances, this matter prevents more than 20 municipal councils from joining NMCA in these current circumstances.

This is an example of the challenges facing NMCA, but it has advantages that qualify it to play an important role in the process of supporting local administrations to achieve spatial development. Other challenges facing the Association that must be developed

1- Financial support to build an expanded structure capable of planning, implementing, and operating in an organized and continuous manner

2- Amending some regulations and laws regulating the form and legal framework of the association in terms of subordination, decision-making power and representation as for the official authorities.

3- How to contain and join the rest of the municipal councils to the membership of the League and this needs programs provided by the Association and participations that increase the confidence of these councils in the League and this depends on the first item, which is financial support

4- The concrete transfer of competencies and financial mandates by the central government. When we talk about a tangible transfer of competencies and financial resources from the central government, in reality, this has not been achieved until the date of writing this report (everything related to the agreements and decisions that have been signed regarding the transfer of powers
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will be detailed later) all the terms of reference, agreements and decisions have not transferred their financial mandates as they are It was not among the priorities of the municipalities that we met in our previous meetings and visits accompanied by the Association President. Where they agreed on the local revenues, then cleaning, water and sanitation services and the municipal guard as a priority in the first phase, and then the transition to other competencies that the Higher Committee for the Transfer of Functions is working on.

3.1. SWOT ANALYSIS OF THE NATIONAL ASSOCIATION OF LOCAL AUTHORITIES

The following are highlighting the strengths, weaknesses, opportunities and threats of the association.

The Strengths

- The strong engagement and commitment of the Leaders of the Association;
- The Association has good relations with government institutions, including the confidence of the Minister of Local Government in the work of the Association by giving it a role to contribute to the measures taken for decentralization.
- Local and international cooperation and partnerships through the implemented projects, which were crowned with success in difficult circumstances and record time, thus the association gained experience qualifying it to work in this field.
- The Association has qualified human cadres, and within its organizational structure is a specialized department in building capacities for municipal councils.
- The neutrality of the association and its non-involvement in the political struggle has earned it the advantage of communicating with all municipalities despite the division in the country.

**The Weaknesses**
- There are a number of legal legislations that affect the association's work as a civic organization.
- The lack of a good understanding among some ministries of the role of the association.
- Weak association financial resources and lack of incentive system.
- The political division affected the desire of some municipalities to join the association.

**The Opportunities**
- The international trend towards local administrations, especially after the outbreak of COVID19 epidemic, enables the association to benefit from programs to support decentralization.
- The lack of a reliable and real database that enables the association to take the lead in establishing it.
- The important role of presenting a national reunification initiative based on the municipalities trust in the association.
- The successes gained by the association at the local level give it confidence and fortune with the following governments to advance its work.
- The citizen’s growing awareness of the role of local government and the unification of the municipalities voice gives the association an opportunity to raise its level of performance.
The Threats
- The political divide and unstable security situation may worsen.
- New laws and decisions that may enact and hinder the work of the local administration or the legal framework of the association with the central authorities.
- Economic reform is delayed.
- Negative influence on members of some disincentive and opponents of organized community work.
- Lack of awareness of the new candidates for the municipal councils about the role of the association

4. A STATE OF THE ART CONCERNING THE DECENTRALIZATION OF NATIONAL POLICIES
The term “decentralization” includes a variety of concepts that must be analyzed in any given country before determining whether to reorganize financial or administrative systems or provide services. Decentralization in Libya has undergone many changes for many years. However, the situation in general was representatives of the central government with legal and financial mandates, who provided services within their municipalities. At the present stage, there is a societal awareness about the importance of the role of local administrations, accompanied by efforts by the government to promote decentralization, which resulted in the signing of a number of agreements between the Ministry of Local Government and a number of other ministries, despite the blurring of the landscape in subsequent steps, but it is the beginning of actual work.
Are these agreements and decisions implemented on the ground or not?
And why are all these procedures late for implementation until now? What is the current situation of the municipalities in light of the non-transfer of authority and responsibility? What are the sectors that should be focused on first in the transfer of competencies?

The central authority started forming a supreme committee to transfer functions to local level. This Committee is headed by:

- Dr. Mohamed Amari Zayed, member of the Presidential Council of the Government of National Accord, and membership of;
- Dr. Milad Al-Taheer, Minister of Finance;
- Mr. Faraj Abu Matari Finance Minister;
- Mr. Mahdi Al-Amin, Minister of Labor;
- Ms. Iman Bin Younis, Minister of State for Institutional Affairs.

The results of the work of the committee so far were as follows:

- Review of the work done during the year 2018: The Committee reviewed what was accomplished during the year 2018 to accelerate the transfer of functions from ministries to municipalities, review the unified organizational structure of the municipalities, organize work with international supportive organizations, and form executive follow-up committees, which will follow up on the transfer of authorities and responsibilities.

- Organization on September 16, 2019, of the Local Governance Forum on developing a strategic approach to local governance in Libya, with the participation of all Actors and Stakeholders, namely, the representatives of the Presidential Council, the Higher Committee for Transfer of functions, the ministries of: Local Governance, Planning, Economy and Industry, Finance, Labor,
Health, the Supreme Administration for Local Administration, a number of mayors, municipalities, representatives of civil society institutions and academia, and representatives of the international community who currently support local governance in Libya including the World Bank, the United Nations Development Program (UNDP), the US Agency for International Development (USAID), the German Foundation for International Cooperation (GIZ), the European Union, the United Kingdom's Department for International Development, and the Kingdom of the Netherlands. During the three-day forum, participants agreed on the need to redouble efforts to include and collect its outputs, including challenges, priorities and policy options, with a view to developing a strategic roadmap to support decentralization in Libya in the short and medium term. The Presidential Council also emphasized the trend towards decentralization that preserves the unity, sovereignty and cohesion of the Libyan state, disciplined by law and political agreement, and rational and gradual decentralization that is based on solid institutional building for municipalities, and is based on real partnership with supportive organizations as well as the involvement of the private sector and the Civil Society. The Ministry of Local Government also stressed the need to establish the principle of decentralization and activate Law 59 of 2012 and its executive regulations, and the need to promote spatial development and encourage investment and the private sector within municipalities and enter into economic development projects at the local level that help in the service of citizens and municipalities.
- **On October 1, 2019,** to complete the work of the Higher Committee for the Transfer of the Local Administration functions, a minute of agreement were signed between the two ministers of local government, Dr. Milad Al-Tahir, Education Dr. Othman Abdel Jalil, to transfer the competences of the Ministry of Education related to the local administration. This is according to the agreement signed by the Prime Minister's Office. The powers stipulated in Law No. 59 of 2012 regarding the local administration and its executive regulations will be transferred from the Ministry of Education to the municipal councils. A technical committee was formed between the two ministries to start transfer procedures.

- **Decision No. 152 of 2019** was issued regarding the identification and transfer of some of the relevant functions of the Ministry of Economy, and then a committee was formed by Resolution No. 154/2019 by the Minister of Local Government, which is a joint committee between the Ministry of Local Government and the Ministry of Economy to oversee this.

- **A joint technical committee was formed between the Ministry of Local Government and the Ministry of Transportation** by Resolution No. 2 of 2019 by a member of the Presidential Council Dr. Mohamed Ammari Zayed.

- On 09/12/2019, the decision of the Minister of Local Government No. 166/2019 was issued to transfer some of the powers of the Ministry of Health to the local administration units:
  - Supervising the establishment and management of the municipal hospital.
  - Supervising the establishment, management, equipping, development and maintenance of clinics and primary health care units in the municipality.
• Setting and implementing plans and programs to improve the health level in the municipality.
• Prepare the necessary plans to provide medicines and medical supplies for the municipal health facilities.
• All other public health functions granted to local administration units in accordance with the legislation in force.

- **June 15, 2020 the transfer of the powers of the Ministry of Planning to the Municipal Councils** was signed under the supervision of the member of the Presidential Council and the Minister of Specialized Council Affairs and Chairman of the Higher Committee for the Transfer of functions. An agreement was signed between the ministers of the two ministries concerned to transfer the relevant powers. Provided that the General Secretariat of the Supreme Council for Local Administration undertakes, through the executive program for the transfer of functions, to take the executive procedures related to the procedure stipulated.

- Of course, the municipalities cannot perform their duties without financial authorizations, so on **October 6, 2019 the committee developed an agreement in which it announced a mechanism to transfer the financial allocations to the municipalities and open local revenue accounts within the financial arrangement’s decision for the year 2020.** In a step that is the first of its kind in the history of the Libyan state, the Committee agreed to submit a proposal to the presidential council that would allow the municipal councils to spend an amount of 750 million Libyan dinars (464 million Euro) from the revenues expected to be collected for this year, after the issuance of the decision to adopt the bylaw and the supplementary decisions of the Ministry
of Local Government. It is worth noting that the issuance of this regulation is a real step to activating decentralization in Libya and will open new horizons for municipalities to work and give them a high degree of independence by enabling them to collect local revenues, which will contribute to creating opportunities to achieve real local spatial development and enable the municipalities to provide services to residents through the practice of Municipalities for their legally prescribed tasks. However, despite the importance of the local revenue bylaw, it has not yet been adopted.

- Recently, measures were taken to transfer or delegate the functions of the General Services Company (waste collecting) for the Greater Tripoli Municipalities (13 municipalities). These measures are a pilot phase to know the ability of these municipalities to manage this jurisdiction and how to treat garbage accumulation in the capital in which the company failed in its first form.

### 4.1. Factors Affecting the Performance of Municipal Councils

In order to know closely the current situation of the local administration, some of the factors affecting the performance of the municipal councils, which were extracted from the minutes of the meetings with the municipalities, in addition to the workshops supervised by the Association and some other bodies, will be included, noting that these factors may be internal factors, i.e. within the scope of municipal authority, or external factors. Taking into account the interconnectedness of these factors at times.
4.1.1. **INTERNAL FACTORS**

- **Vision, structure and systems**
Municipalities suffer from weakness in strategy. The lack of a clear vision and strategy for the municipality is dispersing efforts and resources, as is the current situation. Municipalities are now receiving crises and issuing reactions without strategic thinking that enables them to work according to a well thought out plan to solve problems and move forward towards achieving their goals. In addition, the municipalities suffer from deficiencies in the structure, job descriptions, procedures manuals, and the lack of systems. These solid factors according to a McKinsey framework must be focused on in order to influence other factors.

- **Human Resources**
Municipalities suffer from the weakness of human resources and the inability of the municipalities to employ experts and specialists due to the low salaries allocated to them, so the municipalities had no choice but to borrow employees from other sectors, which in turn would not overemphasize their competencies. Some municipalities have tended to build capacity in partnership with various bodies, but they are still in dire need and concentrated in this field and in various aspects.

- **Digitalization of infrastructures, equipment and services**
Technology helps to catch up with advanced institutions, and this is what Libyan municipalities lack, which need to consider many technologies from modern management systems and archiving to waste recycling systems, water desalination and treatment, and some municipalities need to provide renewable energy sources.
4.1.2. **EXTERNAL FACTORS**

It is noted that there are many challenges facing municipalities, especially those that are outside their jurisdiction, including:

- **Political and security stability**
  The political conflict and division in the country and the resulting chaos and general instability with the poor performance of the security services inside the municipalities, and their lack of responses to the municipality authority, hindered the implementation of municipality decisions, and puts them under other pressures, which made it difficult for the municipalities to serve their citizens and thus the citizen’s dissatisfaction on the performance of municipalities.

- **The Political will**
  There is no doubt that the availability of political will is a major factor in the success of government institutions, for example the political will to set monthly salaries for new bodies (the General National Congress - Parliament) was determined and disbursed, but it was not available in the case of municipal councils, which did not even determine the value of their salaries until after more a year from the exercise of their duties, This is an indication of the interest of the previous executive government and the legislative authority in local administration.

- **The Constitution**
  The absence of a constitution is one of the reasons for the delay in the decentralization process. Where the prevailing climate of administrative chaos was provided, and some legislation was suspended, which was reflected in the absence of other local units (governorates and regions).
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- **The Legislation**
The Local Government Law No. (59) of 2012 was ignored by some governmental institutions, as well as the law’s contradiction in some of its articles with the laws prevailing in the country, such as the Public Property Law, as this has a direct impact on the performance of municipalities.

- **The Budget**
It is assumed that the municipalities are financed by the government by spending their budgets and by collecting their local revenues. However, it faces difficult financial obstacles such as the failure to allocate a clear and stable budget, the failure to disburse the required budgets on time, and their inability to collect their local revenues as a result of the delay in adopting the local revenue article.
The budget is disbursed to the municipality from the central government. However, this budget is limited and with spending items represented in operational and management expenses only. For example, the mayor can afford to buy a luxurious sofa, but he cannot maintain a hole in the street across from the municipal council (because it is not within his competence!). However, in order to provide services to their citizens, some municipalities spend on other sectors bypassing the law as a result of exceptional circumstances. On some occasions, an emergency budget is disbursed to municipalities, and there is no clear mechanism for this.

- **The centralization of powers and competencies**
Municipal councils do not have the full power to meet a broader range of citizens' needs. There are more needs that must fall under the decentralization clause, including important services for the population such as waste management, water, sanitation and municipal guards.
- **Lack of clarity of National policies**
As a result of poor planning, failure to adopt a clear planning policy and a lack of clarity in the state’s vision, this will lead to developmental imbalances and regional disparities in the development process, not to mention the dispersion of efforts and resources.

- **The open projects**
These are the projects that were started and were not completed. It is a problem that reflects low performance rates, poor planning, management and weak control.

- **Disarmament, demobilization and reintegration (DDR)**
After nearly ten years have passed, Libya has not yet stabilized, from the February 2011 revolution and what it witnessed from the 2014 war up to the 4/4/2019 war, the municipalities are witnessing the displacement of families and the involvement of some young people in fighting within armed groups, and this entails many entitlements. So, the municipalities need to consider in psychological rehabilitation programs for families and children, and programs for the integration of fighters into society after the war stops, so that they are not an obstacle to the municipality.

### 5. PRIORITIES OF ACTIONS TO CONSIDER FOR LOCAL AUTHORITIES
Municipal councils in Libya are going through a difficult situation in light of the recurrent crises caused by wars and conflicts, the Coronavirus pandemic, political division, the deterioration of the security situation, weak budgets, the lack of powers and the centralization of authority. However, some municipalities were strongly present in dealing with these crises with the least resources.
and as a result of the exceptional circumstances, plans and programs were devised to perform local services, such as maintenance of buildings and roads, equipping administrative headquarters, maintaining infrastructure, and serving the displaced, as it has succeeded in managing the crisis in its areas according to its available resources, even in periods of conflict and displacement or other issues faced. Most of them today deal with the Corona pandemic professionally with all its requirements. The success of 10 municipalities in achieving distinction is considered a first step for the advancement stage in the country, and therefore it is a joint responsibility between the central government, municipalities and the people.

1. Local Government Revenue Collection System
In order for the municipalities to fulfill their tasks, they need to collect local revenues that will be converted into services and thus enhance citizen's confidence in the municipality and the central government. The establishment of the local collection system, including the adoption of the Local Revenue Regulation, is an essential step towards decentralization, and thus to local autonomy.

2. Transferring priority competencies and functions to municipalities with their financial mandates
The transfer of basic competencies and functions that serve the citizen directly, such as civil status, water, sanitation, electricity, public cleanliness, waste management, slaughterhouses, cemeteries, public markets, management of state property within the municipality, public transport…, in addition to the municipal guard, which needs to be restructured and develop its objectives to be the municipality police that monitors the implementation of regulations and decisions. We
cannot say that some municipalities are unable to perform these tasks. This is one of the arguments for the advocates of centralization. Rather, municipalities must be supported in order to exercise their powers that are granted by the Constitution and the law. Fear of the phenomenon of corruption in municipalities is not justified, as was mentioned previously, because Libya's ranking in transparency is low, so there is no valuable thing to be afraid of. On the contrary, municipalities are subject to direct oversight and accountability from municipality residents, unlike the central authorities that the citizen does not know the road leading to it.

3. Recruitment system
In the current situation, most of the employees who work in municipal councils belong to other sectors that were seconded because the municipality was not able to employ them due to weak powers, the following resulted:

- The sectors will not agree to transfer the qualified human resources from them, thus often allowing the secondment of less qualified employees.
- The loyalty of seconded employees is often outside the municipal council.
- The municipality cannot deduct their salaries or give them incentives, because they receive their salaries from other sectors.
- Usually these employees look for other job opportunities, especially after they have received training from the municipal council and their qualifications are raised.

Therefore, municipalities need to put in place a robust employment system that will help them achieve their goals.
4. Learning, Training, and Capacity building

Learning, training and capacity building of the local administration, including mayors, members and agents of the municipality’s office, and employees assigned to perform the tasks received from the ministries are among the key needs to promote professionalism and performance at the local level in Libya. Libyan municipalities need support to build an engaged, competent, ethical, capable, skilled local Administration, to meet the population expectations, needs and priorities (building capabilities in transformative leadership, Local governance, policy/strategy design, management of local finances, project management, procedures management, HRM, communication, accountability, etc….). It is worth noting that the Association of Municipal Councils has a special department that works in this field and has some projects implemented.

5. Technical and material support

Municipalities need support in areas that directly affect citizens and feel them, and thus enhance their confidence in the municipality, such as: waste collecting - green spaces - parks - waste management and public dumps - maintenance and lighting of streets and roads - beautifying the city in general, as well as management systems.

6. Participation, inclusiveness, and citizen engagement

Bringing the government closer to local actors to involve the latter in public policy decisions in order to improve the efficiency of the measures taken and ensure their effectiveness.
7. Principles of Good Governance
The vision, missions, policies and activities of the municipalities need to integrate at all levels of organization and management, including in public service delivery, the principals of good governance (Participation, Representation, Fair Conduct of Elections, etc.).

8. Coherence and Coordination among International organizations
Several international organizations operate in Libya such as: The Pragma Foundation, Chemonics, German Foundation for International Cooperation (GIZ), International Republican Institute (IRI), International Cooperation Agency of the Dutch Association of Municipalities (VNG), United Nations International Children's Emergency Fund (UNICEF), Italian Agency for Development Cooperation (AICS), United Nations Development Program (UNDP), … etc. However, due to the lack of coordination and follow-up between these organizations, the focus is on some municipalities, while we find municipalities in which no projects have been implemented, and sometimes we find repetition of some projects in the same municipality. Establishing a coordination mechanism between the various organizations gives better effective results.

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All that was mentioned previously in this report is the result of actual municipal work during previous years and through the numerous meetings with municipalities from different regions of the country. Libyan municipalities share the same concerns and seek to be a real partner and not a goal by building effective partnerships with their Maghreb extension, African roots and their Euro-Mediterranean region, and for Libya to have a role in shaping Mediterranean policies, and aspires to build capacities towards good local governance, in order to raise the quality of Life in Libya and its surroundings./.

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