



Strengthening the capacities of Libyan institutions

Ejraat platform

Context and objectives

Creating a local company is a complicated process in Libya, requiring significant time, resources, and effort. As part of EU4PSL's component 1, discussions were conducted with the Ministry of Economy and Trade (MoET) that identified the potential value of a One-Stop-Shop for entrepreneurs. To answer to this request, Expertise France, in partnership with UNICTAD, the MoET, General Authority of Information (GIA), and General Commercial Registry, initiated a project to streamline the process of registering a new business in Libya and make it more accessible through creation of a digital platform including a step-by-step guide to administrative procedures, thereby enabling an environment more conducive for entrepreneurship.

1

Map procedures related to business integration and integrate into a **digital platform**

2

Work with stakeholders on **simplifying** the registration process

3

Launch platform and **transition ownership** and management to the GIA

Challenges and mitigation

Difficulty coordinating data collection with stakeholders

Recruitment of a full-time national expert dedicated to data collection and the integration of procedures into the E-regulation system

Ensuring agreed policy updates are implemented

Regular meetings with local stakeholders and awareness-raising of the MoET

Results

- Creation of the Ejraat platform displaying **20 procedures** in Arabic and English: <https://ejraat.gov.ly>
- Almost **30% of steps** for a local company creation process were trimmed

"Ejraat is not just about digitalization, it's about registration. This improves transparency and accessibility as you know who is doing what."

Julien Schmitt
Country representative



To duplicate

- Sharing Libya's experience with other countries
- Using study tours as an important step to push partners to take action

To strengthen

- Ensure sustainability by reinforcing GIA team
- Automate the process (to be carried out under E-NABLE)



Strengthening the capacities of Libyan institutions

Trade help desk

Context and objectives

Through this activity, Expertise France and the EU aimed to connect Libyan enterprises with their Mediterranean and global peers and establish a Trade Help Desk (THD) in order to provide expert operational support to Libyan enterprises willing to trade with the EU.

1

Identify what specific needs a Trade Help Desk should address with stakeholders, as well as **National Focal Points**

2

Focal Points, MoET, and GUCC **collect data**; ITC assesses quality and **integrates** within Euromed Trade Help Desk

3

Build capacity of relevant institutions to answer users' inquiries through the Euromed Trade Help Desk

4

Build capacity of relevant institutions on using the Euromed Trade Help Desk for market analysis and research

Challenges and mitigation

Sustainability of local network

Decree officially establishing the members and functions of the local network

Difficulty with coordination between ministries/actors

Local coordinator with experience working in the Libyan government mobilized in order to facilitate implementation and generate engagement

Results

"The trade help desk is a key element for promoting the Libyan market and tool for linking Libyan traders to the EU trade network."

Mr. Mussa Ezubik

Director of PSD department - MoE



- Libya has been **integrated** into the Euromed Trade Help Desk: <https://euromed.tradehelpdesk.org>
- Libya's trade data has been integrated in other **ITC tools**
- 2 Focal Points** have been trained on enquiry management
- Ten local trainers** have been trained on use of the THD, and continue to train others

To duplicate

- 'Training-of-trainers' approach to capacity building
- Partnering with organizations rather than individuals, especially organization with their own network and resources

To strengthen

- Training of trainers could have been done earlier, allowing more time for supporting trainings to take place across Libya
- Ensure sustainable flow of data for the database moving forward



Strengthening the capacities of Libyan institutions

Reforms Guide

Context and objectives

The Reforms Guide is a list of top-20 reforms for improving the private sector in Libya, as well as a practical guide on how to implement them. It is part of Expertise France and the EU's support to public and private policymakers, Chambers of Commerce (CoCs), and General Union of Chambers of Commerce for improving the business environment for private sector operations.

1

Launch a **survey of Libyan enterprises** to identify obstacles to business and top reform priorities

2

4 CoCs **Specialized Reform Working Groups** are established to elaborate the Reforms Guide based on their expertise and the survey's results

3

The top 20 high-priority **reforms and operational solutions** for improvement are identified and published in Reforms Guide

Challenges and mitigation

Difficult relationship between the CoCs and the General Union of CoCs

Implementation of mediation dialogues for conflict resolution, led by EF in a neutral environment

COVID-19

Pivoted from face-to-face surveys to an online survey

- | | |
|--|--|
| 1. Access to finance | • licenses |
| 2. Limitations of ownership options | • 4. Transparency and consistency in policy-making |
| 3. Costs of establishing & maintaining | • 5. Incentives for working in private sector |

Results



- The **Reforms Guide** is published by CoCs and General Union of CoCs and presented officially to the government and media
- One concrete **decree** has been passed based on the Reform Guide priorities

To duplicate

- Co-designing survey with CoCs and experts to make it as relevant and actionable as possible while also generating engagement
- Creation of working groups to delineate who will be working on each category of reforms (legal, labor, finance, and public policy)

To strengthen

- Facilitation of public-private dialogue as part of research and analysis



Supporting youth and women economic empowerment and entrepreneurship

Raedat and Boost It

Context and objectives

Through this activity, the EU and Expertise France aimed to address the isolation faced by aspiring entrepreneurs, especially young female entrepreneurs, in Libya and to equip them with the skills and resources they need for successful ventures. It is made up of two programs: Raedat, for women entrepreneurs, and Boost It, for youth entrepreneurs.



1

Identify **local CSOs** and build their capacity to select and mentor youth and women entrepreneurs

2

Support entrepreneurs in developing a **viable business plan** and train them on relevant skills

3

Provide technical, operational, and financial **support to entrepreneurs** in starting their business

4

Provide **mentoring** on market access and network-building



Challenges and mitigation

<i>COVID-19 pandemic</i>	Blended learning approach for trainings, and contest became a TV show to adapt for social distancing – which also enhanced visibility and impact
<i>Regional differences in beneficiary needs</i>	The project operated through local CSOs, who better understand the local context and can adapt support accordingly
<i>Security situation</i>	Overall flexibility – trainings were adapted to online; location of events were not shared with public; entrepreneurs adjusted their ventures

Results

- **Three** Raedat national TV contests for women entrepreneurs were held, resulting in **36 winners** of a year of mentorship and **5,000 Euro** grant
- **85%** of ventures experienced growth and **90+** jobs were created as a result of Raedat support
- **Two** Boost It acceleration programs were implemented
- **19 startups** were mentored from six Libyan cities with a total of **171,000 Euros** in support
- Capacity-building was provided to **6 CSOs**



To duplicate

- Working through trusted civil society organizations
- Using innovative tools such as the TV show together with external communications to expand impact, increase visibility, and reach more people
- Training CSOs/beneficiaries on financial reporting early on

To strengthen

- Project design needs to anticipate and adapt to the needs of different kinds of beneficiaries, such as specific social and financial barriers for women and those from the South
- Dedicate a grants officer for follow-up on grants



Supporting youth and women economic empowerment and entrepreneurship

The Containers

Context and objectives

One of the key challenges faced by women entrepreneurs in Libya is access to market, especially for women located in remote areas. This means they often must use social media or small local markets as their points of sale, limiting their reach and pricing. This activity was designed by Expertise France and the EU as an innovative approach to address these challenges by placing two shipping containers, one each in Benghazi and Tripoli, which would sell the products of Libyan women entrepreneurs on a rotating basis managed by local CSOs.



Challenges and mitigation

<i>Administrative challenges</i>	Specific franchise from the French and Tunisian authorities was secured; a freight forwarder was selected to handle transportation and customs procedures
<i>Procurement expenses</i>	Facing extremely high costs for shipment, the containers were instead sent by road
<i>Security situation</i>	After an incident of burglary, security was procured for the containers

Results



Containers have been **installed in Tripoli and Benghazi**, but due to administrative delays from the Tunisian Ministry of Industry, they are not yet operational as of the end of this project. The container in Benghazi has been **donated to a local CSO** working on women's empowerment.

To duplicate

- The innovative design of this activity holds significant promise for impact, and especially for increasing the equity of EU4PSL's impact
- Operating the sales points via CSOs with only startup capital provided by EU4PSL is a strong mechanism for sustainability

To strengthen

- Better understanding of the administrative context for this type of intervention may have resulted in a program design which suits current conditions
- Stronger relationships with relevant actors may have mitigated some of the administrative delays during implementation



Improving access to finance for MSMEs and start-ups

Venture Capital Fund

Context and objectives

Non-traditional forms of financing such as venture capital and equity finance are virtually nonexistent in Libya, limiting growth opportunities for MSMEs and start-ups – and this problem is exacerbated by liquidity issues in the financial sector. Based on experience from the SLEIDSE project, Expertise France and the EU determined that establishment of a Venture Capital Fund (VCF) would be an effective way to finance innovative MSMEs in Libya as well as develop valuable expertise, advice, and industry connections. This was carried out under EU4PSL in partnership with Tadawul Financial Group.

1

Analyze **legal environment** and survey the **market**

2

Identify **potential investors** and educate them on VCFs

3

Structure the fund according to Libyan **context** and international **best practices**

4

Develop **policies and procedures** of the VCF and provide capacity-building



Challenges and mitigation

No precedent of private investment funds in Libya

Reliance on technical assistance and careful implementation in accordance with existing laws

Lack of staff with previous investment experience in local market

Training of junior staff with business background on relevant investment skills, provided by Venture Squad

Legal structure nonexistent for VCF in Libya

Pivoted to another legal structure for the Fund requiring less approval

Results



- The first **Venture Capital Fund** has been established in Libya
- **Six** team members trained
- Due diligence completed on **15 startups**, **3** currently in process of receiving funds



"For the venture fund, the effect was bringing innovation in the Libyan market."

Lisjana Hila
Chief of Component 3

To duplicate

- Finding a strongly motivated local partner
- Identifying a technical assistance partner with experience in implementing VC funds
- Adapting to the current context and legal framework as necessary

To strengthen

- Provide continuous training for sustainability of impacts



Improving access to finance for MSMEs and start-ups

Regulatory Framework

Context and objectives

Although MSMEs make up a significant portion of Libya's private sector, existing banking regulations do not encourage banks to provide financial services to MSMEs, and few banks have the intention or ability to extend their reach to MSMEs. In this context, the EU and Expertise France implemented an activity to create a regulatory framework conducive to MSMEs in Libya by leveraging their long-term relationships with relevant actors such as the Central Bank of Libya (CBL). Under EU4PSL, the goal of this activity was to both support policies that promote financing to MSMEs, but also support their implementation through collaboration with banks.

1

Meet with banks to understand their willingness to serve SMEs and what services an SME unit can offer, and with **CBL** to reinforce their role in SME financing

2

Provide **customized support** for implementation of the SME unit within the structure of each bank and **develop** policies

3

Coordinate **study tours** to expose stakeholders to international microfinance practices

4

Collaborate with CBL to **draft circulars**, provide input, and finalize before publication

Challenges and mitigation

Reluctance to start financing SMEs

Identifying and beginning with banks willing to finance SMEs as a first step to motivate others

Effectively marketing to eligible MSMEs

As marketing campaigns from banks may attract wrong audience, Stream Incubator and online "Investment Days" were used to recruit

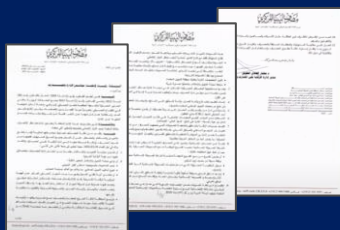
Lack of data

Investigatory meeting with relevant stakeholders

No legal differentiation for microfinance

Increased CBL's knowledge of microfinance through field visits to see firsthand how it is implemented in other countries

Results



- Publication of a circular **requiring banks to establish an SME unit** by the Central Bank of Libya
- Publication of two circulars **demanding banks to dedicate 10% of their portfolio** to MSME financing
- **Six partner banks** established the SME unit within their structure

To duplicate

- Exposing stakeholders to best practices from other countries, such as through study tours
- Customizing support to the individual needs and pace of each bank
- Work with regulator to adapt regulatory framework to enhance access to finance for MSMEs

To strengthen

- Choose maximum 2-3 pilot banks
- Stronger involvement of top management of the banks
- Facilitate effective targeting of entrepreneurs through trainings and/or partnership with NGOs



Streaming entrepreneurship within the education system

Entrepreneurship curriculum



Context and objectives

One of the key barriers to a culture of entrepreneurship in Libya is lack of awareness, and a 2016 OECD SMEs study underlined the necessity of adopting entrepreneurship at all level of the Libyan education system. For this reason, Expertise France and the EU aimed to mainstream entrepreneurship education within Libyan universities by institutionalizing it as a curriculum, thereby building entrepreneurship skills and promoting the private sector as a viable career path.

1

Needs assessment of all partner universities to determine the **framework** of the entrepreneurship module

2

Draft curriculum developed by Lyon 3 University with input from partner universities

3

Curriculum approved by universities, and **decree** recognizing module signed by MoHE and each partner university

4

Professors at partner universities **trained on course content** and online teaching modalities by international and regional experts



Challenges and mitigation

Lack of existing curricula reflective of Libyan context

Curriculum and framework both developed with universities to suit local business and cultural context

COVID-19 pandemic

Capacity-building provided on remote course delivery

Ensuring sustainability

Training of local teachers



Results

- **A decree** was signed by the MoHE to create a bachelor-accredited business development course

- **44 professors** were trained to deliver the entrepreneurship module

- Module has been integrated into **12 universities** and taught to **458 students**

"We succeeded in supporting universities' entrepreneurship curricula, and training teachers on these subjects; people start to understand the meaning of entrepreneurship."

Mohamed Alaswad
Deputy Team Leader



To duplicate

- Adapting entrepreneurship curriculum to local context
- Identifying case studies for module from real Libyan entrepreneurs
- Ensuring adaptation and flexibility

To strengthen

- Ensure all universities and students, regardless of their region, urban/rural setting, and resources have equal ability to benefit from the program



Streaming entrepreneurship within the education system

Junior Enterprises



Context and objectives

One of the key barriers to a culture of entrepreneurship in Libya is lack of awareness. For this reason, Expertise France and the EU collaborated with the education sector to expose young Libyans to entrepreneurship through Junior Enterprises: university clubs, formed and managed exclusively by university students, that provide paid services to companies. The aim is to close the gap between theory and practice and to form better-prepared students out of college, by integrating the culture of entrepreneurship into all subjects and spreading its importance throughout all levels of the education system.

1

University students selected to be on the board of **Junior Enterprises** (JEs) in each university

2

JEs are integrated under **Entrepreneurship and Innovation Centers** and boards are established in each university

3

Workshops are delivered to Junior Enterprise members

4

All trained teams hold **elections** to define roles among their members



Challenges and mitigation

Problems with NGO registration

Universities rejected the registration of Junior Enterprise as an NGO. EF facilitated a solution by having them registered as a club under the supervision of the student union or EIC in each university.

COVID-19 pandemic

EF adjusted the mode of course delivery (e.g. by having in-person meetings only when possible).

Internal conflict in Libya

Timelines were adjusted to better suit the context changes and needs of beneficiaries

Results

Ten Junior Enterprises with **113 students** involved were established to develop entrepreneurial skills and fill the gap between academic theory and job market. **One** of them has been officially recognized by Junior Enterprise Global.



"This activity was very insightful in terms of understanding what the students want as well as what the private sector needs."

Sohaib Sbeta
Chief of Component 4



To duplicate

- Strong relationships with partners, such as ministries, education systems, and governmental institutions
- Flexibility to university timelines and student schedules

To strengthen

- Addressing administrative or bureaucratic conflicts - especially with student unions
- Ensuring sustainability of activities and impacts



Streaming entrepreneurship within the education system

Study Tours



Context and objectives

Throughout Eu4PSL, exposure to international best practices was found to be a powerful way to engage stakeholders. Under the education component, study tours were used in two ways: Libyan university representatives and the Ministry of Higher Education and Scientific Research (MoHE) were sent to Paris and Rome to learn from other universities how to introduce entrepreneurship curricula, and students were sent to Tunis to learn about establishing and running Junior Enterprises.

1

Conduct a **needs assessment** to determine what skills participants need and are interested in

2

Connect with **relevant institutions** and inquire whether they are able to host or meet with a delegation

3

Plan **activities and meetings** and set dates

4

Confirm availability of Libyan participants, **launch logistics**, book flights and accommodation



Challenges and mitigation

Procuring visas

Select a smaller number of participants

Identifying relevant host institutions

Search for countries and organizations facing similar problems to those in Libya

Results



"Overall, we have successfully implemented entrepreneurship curricula in universities, even though some students had never heard of this word before, and some professors initially did not believe it could be feasible."

Sohaib Sbeta
Chief of Component 4

- **Two study tours in Paris and Rome** were organized for university representatives and MoHE

- **Two study tours in Tunis** were organized to provide technical support and capacity building for JEs

- **'Employability Initiative'** launched as a result of Rome study visit, bringing together MoL, MoET, large Libyan enterprises, and the Ministry of Technical Education to discuss ways to prepare students for labor market

To duplicate

- Collaboration with highly relevant institutions, preferably with similar cultural backgrounds and challenges
- Prepare a variety of activities such as meetings, workshops, and training.

To strengthen

- Adaptability, especially when working with high-ranking officials due to their changing schedules
- Flexibility in the timeline, especially when working with large groups of participants
- Language barriers

