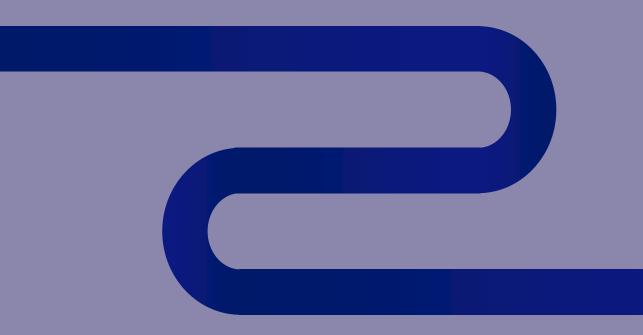# Case studies

E-NABLE:
EU for a Resilient Libyan Economy

February 2024

About E-nable

Considering the Libyan context and current economic needs, establishing the E-nable project was essential to support Libyan institutions and the private sector in economic governance and digital transformation. The project utilizes the expertise acquired by Expertise France in Libya over the past several years while building on the World Bank's analyses and OECD studies to brace the transition towards digitalization and support the foundation for a dynamic, diversified economy and a competitive private sector.

The European Union funds this three-year project to the tune of €5M and entrusts Expertise France with its implementation.

The overall objective of the project is to improve the capacities of key economic institutions for sustainable, diversified, and digital economic recovery to institutionalize the private sector's economic growth with the support of both private and public sector organizations.

E-nable consists of **three main components** which are closely linked in terms of the objectives and activities they seek to achieve. They mainly focus on:

1) Strengthening the capacities of the Ministry of Economy and Trade and related stakeholders in designing public policies for economic diversification.

2) Contributing to leveraging digital innovations for inclusive and sustainable development in Libya .

3) Encouraging financial institutions to extend credit to the private sector and provide financial tools and solutions to SMEs.

For more info visit www.e-nable.ly

Approach

A case study serves as a detailed exploration aiming to provide comprehensive insights into a development intervention. It draws upon information gathered through various tools, such as interviews or observation. In our context, the case study serves as a learning tool, aiming to communicate valuable lessons that can contribute to enhancing future performance, whether within the specific project or program under examination or more broadly.

Three distinct case studies were conducted within the E-nable project.

- **Study Tour**: This case study focuses on the study tour and its role in consolidating learned knowledge while facilitating discussions with decision-making bodies. The key question guiding this case study: *In which conditions the Study Tour could be a powerful tool for long-term impact and a mechanism to enact change?*

- **Digital Lab**: This case study explores the establishment of a Digital Lab as a potential solution for digital development. It examines the process, challenges, and outcomes associated with setting up the lab and its impact on digital development initiatives. *What are the main lessons learned from implementing digital innovations in complex contexts?*

- **Reforms guide**: This case study delves into the impact of considering activity implementation during the diagnosis/design phase. Specifically, it focuses on the reforms guide within Component 1 of the EU4PSL and E-NABLE project, evaluating how premeditated planning for activity implementation influences project outcomes and effectiveness. *What are the main lessons learned from the reform guides implementation and generation of roadmap*

Each case study offers a unique perspective on different aspects of development interventions, contributing valuable insights for enhancing future project performance and informing decision-making processes.

Case Study 1: Study Tours

Introduction

This case study focuses on the study tours **initiated under the EU4PSL project and were successfully integrated into the E-NABLE project**, drawing on the lessons learned and successes from the former. These tours are designed to **promote knowledge exchange, assimilate best practices, pinpoint challenges, develop strategic relationships, and immerse Libyan stakeholders and project staff in practical scenarios**.

Aligned with the three components of the E-NABLE project, the study tours included a visit to Estonian FinTech ecosystem in Tallin, to Morocco's Special Economic Zones and to trade entities in Geneva, Switzerland, focusing on public policies for economic diversification and creating a conducive business environment. Moreover, a visit to a digital lab in France was organized to explore digital innovations in the governance of economic institutions. Additionally, a tour to Jordan is planned for enhancing the skills and knowledge of top management and staff from the CBL who are working on regulations to liscense leasing companies in Libya, aiming to improve the services and products offered by financial institutions.

These tours were **carefully tailored to address specific goals within each component of the E-NABLE project**, offering a rich learning experience and practical exposure to various international models and practices.

Context

The E-NABLE project emerged as a response to Libya's economic difficulties, characterized by a historically inefficient system, Gaddafi-era public sector dominance, and challenges from the Arab Spring and Covid-19 pandemic. These factors contributed to a frail private sector, high unemployment rates, and a weak business development environment. Further, the economy's reliance on oil has led to corruption and data scarcity. Against this backdrop, **E-NABLE seeks to strengthen economic institutions, emphasizing a shift towards digitalization.**

In this context, **the study tours under E-NABLE were developed to extend Libya's international economic engagement beyond oil.** Recognizing the limited business environment, these tours aimed to expose Libyan stakeholders to successful practices in economic diversification, digital governance, and financial services from other countries. These experiences were intended to inspire and inform participants, helping to apply global best practices within Libya's economic reform efforts.

Impact Assessment

The impact of the study tours under the ENABLE project is best understood through the experiences and insights shared by both the participants and project managers. These tours provided valuable opportunities for **consolidating learning, facilitating discussion with decision making bodies, networking, and direct exposure to successful practices in economic diversification, digital governance, and financial services**.

Geneva, Switzerland - Trade Entities: Participants delved into the operations of various trade entities. One participant shared, *"We were given an insightful tour, showcasing brand identities and strategies for managing negative reviews"*. They noted the emphasis on reducing client inquiries and engaging directly with primary operations. The experience highlighted the importance of secure data sharing, as one participant mentioned, *"we opted to use the technical platform provided to securely upload our details"*.

Tanja, Morocco - Free Zone: The visit to a free zone in Tanja offered insights into the realities of investment and business management. A participant reflected, *"It was a nice experience; we met investors and learned more about how to face our challenges"*. They observed the need for effective project coordination, suggesting, *"maybe that can be taken into consideration in the future"*.

Paris, France - Digital Lab: The tour to a digital lab in Paris provided an understanding of governmental procedures and innovation in digital governance. A participant noted, *"It helped simplify things and really get away from complicated procedures"*. They appreciated the clarity and efficiency observed, saying, *"the projects were short, clear, straight to the point, and sustainable"*. The head of Component explained: *"It was not initially planned, as it emerged during the implementation process when they realized the activities were a bit abstract and there was a need for stronger understanding, especially on how to structure a digital lab"*. *"There were a lot of questions and exchanges, as the participants didn't have opportunities to talk with people in the same field"*. The choice for France permitted to learn from a long-term process and reflect on mistakes to avoid replicating them and win some time. And to conclude: *"It is the most impactful activity until now"*.

The study tours have led to immediate **tangible outcomes, such as agreeing on the initial deliverable** for the Digital Lab (a mapping of initiatives), and the introduction of a **new regulation** by the Central bank of Libya, inspired by the lessons learned from the tour in Egypt.
Recognizing the significant influence of study tours in facilitating the adoption of new regulations, they have been identified as a **key instrument, integrated into the project's framework from the outset as an essential component of the project cycle**.

Lessons Learned

The study tours under the ENABLE project have imparted several key lessons that are vital for shaping future initiatives. A paramount lesson is the **utility of a polyvalent tool that can be employed at different stages of a project and for a variety of objectives**, such as facilitating peer-to-peer learning, fostering brainstorming sessions to build consensus, maintaining stakeholder engagement, and aiding in the finalization of specific documents. This underscores the necessity of maintaining the **flexibility to deploy this tool as needed**, even if it wasn't initially included in the plan, to cater to evolving project demands.

For regulatory initiatives, it may be advantageous to schedule study tours early in the project. Conversely, in capacity building activities, a more effective approach might involve prioritizing theoretical learning before practical application, with study tours being deferred until after the training concludes. Equally important is ensuring a **balanced mix of participants, including both decision-makers and implementors**, to enrich the learning and application process. The **experience and expertise of the hosts** also play a crucial role, contributing significantly to the success and relevance of the tours. Lastly, the tours highlighted the **value of continuous learning and networking for Libyan stakeholders**, broadening their perspectives and fostering opportunities for economic reform and collaboration.

Recommendations

Define the specific objectives

As a polyvalent tool, study tour can serve multiple goals and intervene at different stage of the project. Hence, it's crucial to set a reasonable time to define specific, achievable objectives for the study tour that align with the broader goals of the project. This helps in selecting the most relevant sites, speakers, and activities that will contribute to achieving these objectives.

Customize to needs assessment

Align the design of the study tour to a thoughtful needs assessment. Identify the relevant participants and adequately prepare them before the tour. Pre-tour workshops can be helpful in setting the stage for what participants should look out for.

Identify the relevant destination

Based on the specific objective, choose an appropriate destination: opting for a country with a similar profile can provide a practical model to follow, while selecting a more developed country may offer insights from a more mature process. Also consider other factors such as logistical and financial limitations, the experience of the hosts, language barriers, etc.

Capitalize on best practices

Ensure debriefing sessions and gather feedback from participants and hosts. Document the study tour, including key learnings, insights, and experiences. Share this documentation widely within the project. Develop a mechanism to integrate the lessons learned from the study tour into a global guideline for Expertise France to capitalize on the best practices.

Case Study 2: Digital Lab

Introduction

This case study focuses on the Digital Lab initiative, a key component of the E-NABLE project, aimed at developing a **digital strategy for service delivery to users and businesses**. Launched under the supervision of the General Information Authority and with technical support from Expertise France, this initiative is designed to **align with global digital advancements** by collaborating with various state institutions and technology experts. The goal is to employ modern technologies and information systems to **support digital transformation and innovation across all sectors in Libya.**

Context

A significant challenge in the Digital Lab initiative has been the **lack of digital expertise within the initial and professional training of the Libyan workforce**. This gap has necessitated a focus on training programs. Initially, there were hurdles in assessing the capacity of Libyan partners, particularly in their ability to deliver services within the Libyan administration. It took time to scale their skill level and comprehend the limitations they faced, including the quality of available equipment and their understanding of digital tools. Feedback from partners indicated that the European standards of digital use in administrative processes were not in sync with the Libyan administrative culture, skill levels, and equipment availability. As a result, **the project's ambitions and expectations were significantly adjusted from their original scope**. Moving away from the initial plan, which proved unsuitable for the Libyan context, **the project shifted to a more responsive approach**. This involved actively listening to feedback and adapting the program accordingly, focusing on **realistic objectives and integrating local feedback, rather than imposing external experiences and standards.**

Impact Assessment

The Digital Lab initiative, as part of the E-NABLE project, has had **a significant impact on the development of digital strategies for Libya**. The mapping of digital innovations showcasing international and national examples enhances the **visibility of initiatives**, **adding value to the activities** done to improve digital access and **encourages further developments around digitization.**

Key informants praised the ongoing efforts to map sector-by-sector digital innovations in Libya, emphasizing the importance of optimizing the Digital Lab entity and showcasing successful initiatives from the administrations. However, challenges were identified, such as **the absence of a physical location in Tripoli and a team that lacks multidisciplinary expertise:** *"the methods employed need to be innovative".* Another participant, who collaborated with the team in a consulting capacity, shared insights into the collaborative nature of the initiative: *"The challenge was to facilitate a united front where all involved parties could convene as a single entity".* This approach emphasized inter-institutional synergy and the importance of complementarity between different institutions.

An additional challenge faced at the level of the composition of the body is that participants come from other administrations and are **active in a voluntary manner**. Although a formalized decree officializes their role and participation in the Digital Lab, the Lab is not their core job, therefore **the level of commitment and proactive engagement depends on the goodwill of each individual**. These structural constraints represent a limitation in the potential and large-scale impact of the Digital Lab, and context sensitivities must be considered in the selection of the team. In fact, as a general comment, informants described the Libyan context as more **reactive than proactive**, therefore highlighting the need to select the right people to **create strong relationships with active participants in the co-creation and innovation of the Lab**. Stakeholders noted a solid basis for this practice in which Expertise France already ensures regular meetings and benefits from working with enthusiastic experts committed to the activity.

Finally, a stakeholder involved in the digital mapping process also pointed out **the need for a common understanding of digital innovation**, leading to the introduction of an e-learning platform which proved to be a solid *"example of knowledge transfer through e-learning and adaptability"*, facilitating feedback on innovation concepts. These testimonials illustrate the multifaceted impact of the Digital Lab and **Expertise France's ability to promote flexibility and adaptability in its design** approach and project execution all while maintaining continuity in its objectives.

While there are successes in collaborative approaches and knowledge transfer, there are also clear areas for improvement, particularly in fostering a culture of innovation, enhancing the operating environment of the Digital Lab, and ensuring the project aligns with Libya's unique context and needs. These insights are vital for the ongoing development and success of digital strategies in Libya.

Lessons Learned

Firstly, **the need for a multidisciplinary team** was evident, as the predominance of computer engineers from the public sector in the participatory body selected by the GIA limited the breadth of innovation and problem-solving capabilities. Additionally, not having the Chairman active on a regular basis impeded the possibility for him to personally observe this drawback and revise the selection of the team.

The absence of a dedicated physical space for Digital Lab in Tripoli highlighted the importance of **a collaborative environment for fostering an innovation culture and transparency**. Stakeholder experiences underscored the value of interinstitutional synergy and collective brainstorming across various sectors, demonstrating that collaboration enhances the effectiveness of digital strategies. Building strong relationships and keeping the team engaged through regular meetings is key to ensure proactivity. The overarching goal should also be changing the **state of mind to promote professionalization, coordination, co-design and coworking through establishing links between the private and public sector**.

Furthermore, **adapting the project's ambitions to fit the Libyan context**, including skill levels and available resources, was a key lesson in ensuring the relevance and success of digital initiatives. **Aligning definitions and expectations around digital innovation**, as seen through the introduction of e-learning platforms, is crucial for creating a shared understanding and vision. In light of this objective, scheduling **a Study Tour for the Digital Lab at the beginning of the process** rather than at a later stage would have been beneficial to inform the strategy of the Digital Lab.

Recommendations

Expand team expertise

Enhance the Digital Lab team by incorporating professionals from various disciplines beyond computer engineering. This diversity will bring new perspectives and skills, crucial for fostering innovation and addressing complex digital challenges. Furthermore, it is crucial to include the younger generations as they would be the most qualified to lead such proactive unique endeavors.

Promote cross-sector trust and collaboration

Encourage ongoing collaboration and communication between different sectors and institutions. This approach will enhance the development and implementation of digital strategies, leveraging collective expertise and insights.

Standardize digital innovation concepts

Develop and disseminate clear definitions and standards for digital innovation for all involved parties by utilizing the Study Tours in the inception phase and developing educational tools like e-learning platforms to monitor the alignment of understanding and expectations to ensure a cohesive approach across the board.

Capacity-building in developing an operational mindset

Although as external facilitators Expertise France does not have control over the decision-making process and data management systems in Libya, efforts can be made to sensitize the actors in the Digital Lab to help transition from an administrative mindset to a more operational perspective as part of the capacity-building process.

Case Study 3: Reforms Guide

Introduction

This case study explores the E-NABLE project's alignment with the EU4PSL project's activities, specifically **focusing on Libya's economic policy reform**. A critical component of this initiative is the 2023 **"Reforms Guide"** developed through extensive collaboration between Libyan companies, entrepreneurs, Chambers of commerce, government officials, and economic experts, both Libyan and international. This guide **identifies 20 top-priority reforms to foster a business-friendly environment and stimulate private sector growth in Libya**, addressing key issues such as company registration requirements, seed capital thresholds, and equipment leasing agreements. It is a **medium- and long-term vision**.

Context

The "**Reforms Guide**" was created **against the backdrop of Libya's challenging business environment, as reflected in its low ranking on the World Bank's "Ease of Doing Business" index (186th out of 190 countries in 2020)**. The guide emerged from a large-scale consultative process, **highlighting barriers to the growth of Libyan enterprises and proposing practical recommendations for economic reform**. Developed in cooperation with the German Agency for International Cooperation (GIZ), the EU4PSL project, funded by the European Union and implemented by Expertise France, aimed **to foster constructive public-private dialogue**. This collaboration sought to E-NABLE a sustainable reform process, with the ultimate goal of **diversifying Libya's economy, enhancing its resilience, and promoting sustainable growth**. The "E-NABLE" project, an extension of EU4PSL's work, continues to support these efforts, focusing on economic diversification and digitalization, and addressing the challenges of transitioning to a robust private sector.

Impact Assessment

The National Economic and Social Development Board in Libya played a key role in piloting and implementing three critical reforms from the "Reforms Guide". The first reform addressed the requirement for **company registration**, changing the rule that previously mandated multiple founders. Now, a single individual can establish a company in Libya, **simplifying the process and encouraging entrepreneurship**. The second reform involved **adjusting the seed capital requirement**, lowering the threshold to make company establishment more accessible. The third focused on **organizing equipment rental agreements** to protect the rights of both parties involved.

In support of this initiative, Expertise France facilitated training for five board members on Power BI in Tunis, enhancing their technical capabilities.

Despite these advancements, **challenges remain in fostering a robust private sector**. The government faces difficulties in reducing public sector employment due to political sensitivities, leading to a gradual approach of supporting private sector growth to absorb public sector employment over time. Educational institutions are unequipped to prepare graduates for private sector workforce, leaving a gap in skills and desire for private sector engagement. The private sector also struggles to offer competitive benefits compared to the public sector such as permanent employment and social security benefits.

The Reform Guides, envisioned with a long-term perspective by EU4PSL is rooted in **the proactive engagement of local partners**, who brought to the table not just participation, but a commitment that **transformed stakeholder buy-in from a mere possibility into a reality**. Thanks to the adopted **participatory approach**, the Reform Guides stand as a testament to collaborative success, setting a precedent for future endeavors. It has been a masterclass in transitioning from knowledge acquisition to tangible reform.

The General Union of the Chamber of Commerce and the National Economic and Social Board have been pivotal in this journey, underscoring the necessity of a participatory body that leverages these tools for continuous improvement and applicability in subsequent projects. While the reforms reflect specific temporal circumstances, their underlying process offers a timeless blueprint for change. The main lesson here is clear: the essence of these reforms lies in a methodology that can—and should—be **replicated, ensuring that future interventions are just as impactful and responsive** to the evolving tapestry of Libya's economic fabric.

Lessons Learned

The Reforms Guide has offered several critical lessons, emphasizing the efficacy of a **participatory process** complemented by a long-term vision and capacity building as a methodology that can be replicated across various potential future projects. This approach is particularly beneficial in contexts involving multiple stakeholders, both in the public and private sectors, and is **relevant in areas lacking a dedicated coordinating body and facing challenges to the status quo**.

A methodical, step-by-step strategy, starting with the engagement of key stakeholders to collect data and question existing conditions, proves less risky and more manageable, despite the potential challenge of data availability for informed decision-making. The benefits of such a methodology are diverse, including increased adherence to and coherence in project activities, aligned with agreed-upon priorities. However, the success of these initiatives hinges on the establishment of a permanent body to sustain reforms, law adjustments, impact evaluations, and ongoing private-public dialogue.

Effective communication has also been identified as an essential factor in successfully reaching and engaging with the intended audience. This coherent set of lessons provides a blueprint for **fostering economic diversification and advancing projects** with a broad stakeholder base, highlighting the importance of adaptability, stakeholder engagement, and the strategic structuring of oversight bodies for **long-term success**.

Recommendations

Replicate the participatory approach

The success of the Reforms guide was largely due to proactive partner participation in their design and implementation. This multi-actors participatory approach is recommended to be repeated in future projects/interventions.

Adopt a gradual approach

Avoid overambition at the outset. Begin by assembling key stakeholders and assist them in data collection, addressing the challenge of data availability for fact-based decision-making, and critically examining the current situation.

Advocate for establishing permanent bodies

Encourage the formation of a governmentally paid permanent body or a long-term committee to continue the supervision of reforms, build on existing capacities and methodologies, and maintain the private-public dialogue.