

Libya

Capacity Development Activities in Fiscal Year 2023

Public Financial Management (May 30-June 3; November 21-23; December 13-17)

Jointly with the Accounting and Finance Training Institute of Libya, the mission trained authorities on (i) how to update the macro fiscal framework with the latest fiscal data available and (ii) the management of fiscal risks. The training spanned over five days and was attended by eight officials coming from the budgeting department and the macro fiscal unit of the Ministry of Finance and the Central Bank of Libya. The training included practical exercise on fiscal risks to identify the main sources of fiscal risks for Libya, their likelihood, impact, and quantification, as well as mitigation measures. Furthermore, the mission worked extensively on updating the macro framework, focusing on the wage bill and estimating the fiscal impact of a series of envisaged fiscal reforms, with the objective to create both a baseline and a reform scenario.

METAC organized a virtual workshop on strengthening the medium-term fiscal framework at the Libyan Ministry of Finance. The workshop was a continuation of METAC's support to establish a medium-term fiscal framework (MTFF) that would support fiscal and economic analysis and the budget preparation process in the future. Training was provided on updating the fiscal framework with the latest available fiscal data, using the framework in fiscal risk analysis and producing different scenarios, and in reporting on quarterly budget actual performance. Further training activities will continue to enhance the macroeconomic unit's capacity to managing the fiscal framework.

A joint in-person mission by METAC and the IMF's Fiscal Affairs Department (FAD) provided CD support to the Ministry of Finance (MoF) to support the authorities in conducting a review of their public financial management (PFM) framework, identifying reform priorities and further CD needs. The mission was conducted in Amman, working with representatives from the MoF and its affiliates. The mission discussed the need to overhaul the entire PFM framework over the medium-term. This will include major revisions or upgrades in processes, systems, and legislation. The reform process should be designed consistently and coherently across PFM areas and in a feasible manner. Notably, the potential reforms in budget execution processes, cash management, GFMS, and Charts of Accounts are all interlinked. Budget planning and the budget preparation process need to be improved as well.

Revenue Administration (May 30-June 7; June 14-16; August 4-12; August 13-15; November 20-29; January 22-31)

METAC provided a remote capacity development activity to assist the Libya Customs Administration Authority in the full deployment of the ASYCUDA World IT customs management system. The mission established a primary diagnosis of the IT system in place and proposed a detailed roadmap that will allow, in a second phase, to unlock the various functionalities of the IT system (customs declaration processing, selectivity, control of the customs value, manifest modules, transit). The second phase started in August with an offsite mission in Amman, Jordan.

METAC delivered a three-day interactive training to expand the knowledge of the senior tax officials of the Libyan Tax Administration (LTA) on the integrity of taxpayer registers. LTA officials were initially engaged in a fact-finding discussion to better understand their tax system, their organizational structure and the process and procedures for taxpayers' registration. The training was designed to introduce them to the good practices for taxpayer registers.

METAC supported the Libyan customs administration (LCA) with the ASYCUDA World (AW) IT management system. Following a diagnostic of the IT system and development of an implementation road map in May/June, this second intervention helped to update the AW prototype. The mission also advised on the implementation of the investigation function and provided guidance to strengthen the Customs and Excise Administration's capacity in transfer pricing policy and customs valuation audit. It further assisted the Customs and Excise Administration in developing communication tools to sensitize the private sector to the fight against fraud, smuggling, tax evasion, and illicit financial flows.

METAC organized a two-day study tour for an LCA delegation to the Al Aqaba Port in Jordan. The Jordan customs administration delivered a presentation on the management and control of exemptions and duty relief programs. LCA officials learned about the processes and methodologies used to clear imported goods through the AW customs IT management system. In particular, the mission addressed the issues of the control framework related to free zone customs operations and the clearance of imported goods.

METAC delivered a remote mission to support the Libyan Tax Administration (LTA) in its digitalization efforts. The mission evaluated LTA's current state of digitalization, raised senior management awareness of information technology (IT) functional requirements for an integrated tax administration solution (ITAS) and explained the technology architecture and application of advanced data analytics in improving compliance program results. The authorities' preparedness to modernize the tax administration through digitalization was also discussed regarding the maturity of the taxpayer compliance culture, taxpayer IT literacy, tax administration maturity, and LTA's IT capabilities and experiences.

METAC supported the Libyan tax administration in developing a roadmap for a digitization program. This CD project included several components such as the governance, tender, change management, data network, data analysis and implementation of the digitization program.

Statistics (February 12-16)

METAC conducted an offsite mission in Amman, Jordan, to assist the Bureau of Statistics and Census for Libya (BSCL) with the compilation of Producer Price Indices (PPI). This was METAC's first mission to Libya on this topic. The team provided training in price index methodology and practices, offered an approach for sampling and enumeration of the PPI, and developed an action plan to resume the compilation of PPIs.