Financing Landscape Analysis Libya

2023

UNITED NATIONS
LIBYA

1. Introduction

Countries around the globe are facing serious challenges in financing the Sustainable Development Goals (SDGs). From mobilizing the necessary scale of public and private resources to maximizing their impact on the 2030 Agenda, each country has its own specific challenges to overcome. The 2015 Addis Ababa Action Agenda called for countries to develop integrated national financing frameworks (INFF) to complement national sustainable development strategies. An assessment of a country's financing landscape is a necessary building block for developing an INFF.

This analysis aims to provide insight into existing sources of finance and their contributions to sustainable development in Libya. It is an update of analysis initially conducted in 2021 to inform the UN's 2023 Common Country Analysis and designed to inform discussions on strengthening SDG financing. The report is structured as follows:

- Section 2 presents an overview of Libya's financing landscape, focusing primarily on flows over the past decade and their contribution to sustainable development;
- Section 3 examines the role of ODA within the broader financing landscape;
- Section 4 describes the current state of government planning for development and how this aligns with budgetary processes;
- Section 5 explores opportunities for SDG financing, drawing on lessons and examples of innovative financing mechanisms in Libya and other contexts.

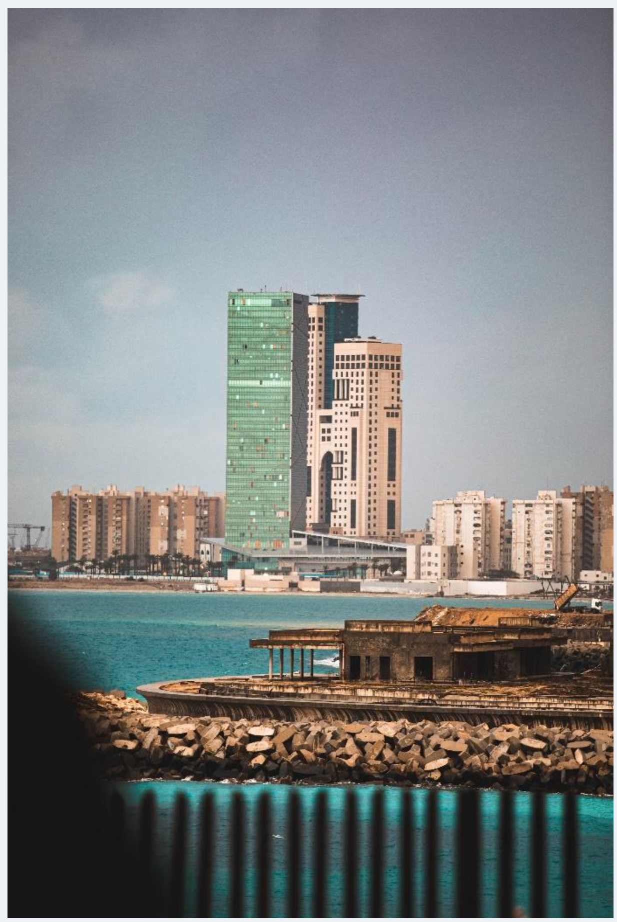


Figure 1© Moayed Zoghdani

2. The Financing Landscape Analysis in Libya

Government revenue dominates the landscape as the biggest financial flow in Libya. The ratio of revenue to Gross Domestic Product (GDP) was 55% in 2021. In comparison, the ratio of official development assistance (ODA) to GDP has been less than 1% since 2015 (Figure 1). Without any foreign direct investment (FDI), remittances, or other official flows,[1] government revenue from oil remains the biggest flow with the potential to invest in the SDGs.

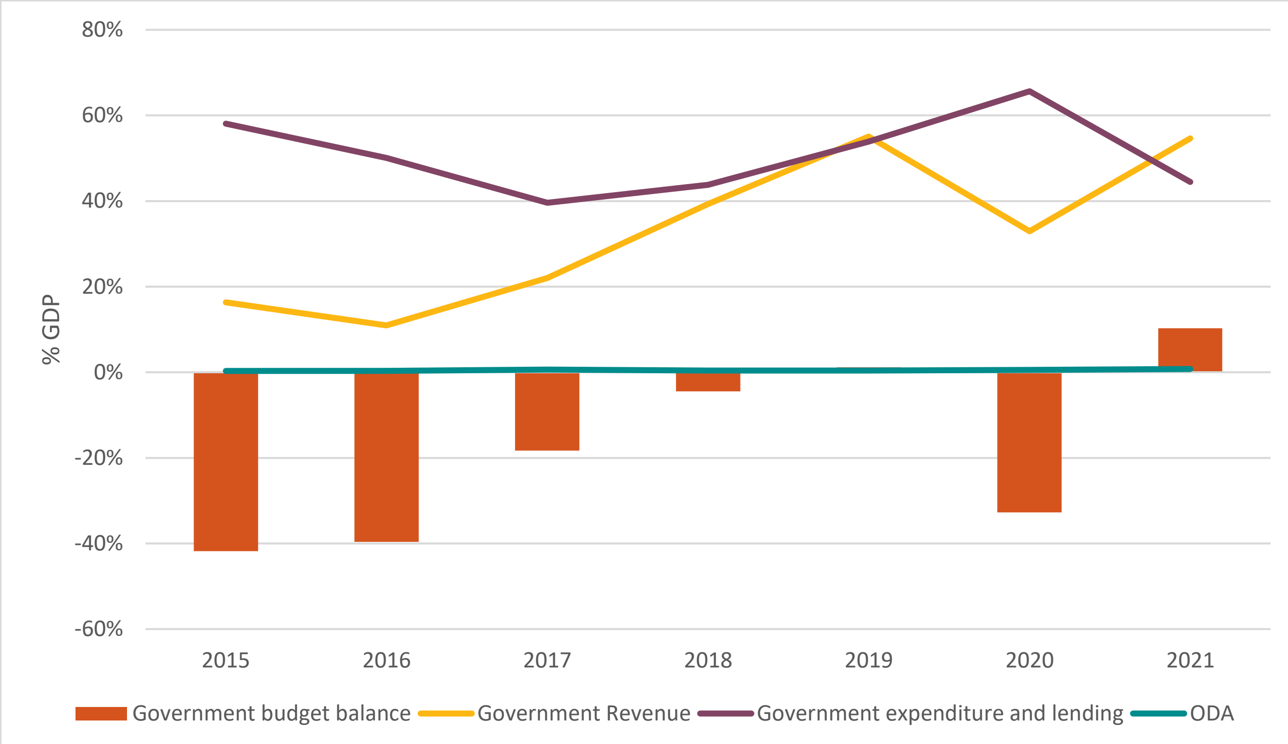
As an upper middle-income country with a small population, there is great potential for government revenue to be invested in achieving the SDGs. However, the country would require significant reforms to address inefficiencies in public service delivery and spending, enhanced transparency and accountability, and a shift in mindset from short-term spending towards longer term investments, including investments that diversify the economy and government revenues sources. Initiating a substantive reform agenda is a tall order given the level of vested interests in the status quo. The Libyan Investment Authority (LIA) also has an estimated US$ 67 billion in assets[2] that have been frozen since 2011; freeing up these assets for investments towards a sustainable and diversified economy would require a return to political stability and security.

[1] Other official flows (OOF) are transactions that do not meet the criteria to be considered ODA. The OECD definition of OOF explains they include: "grants to developing countries for representational or essentially commercial purposes; official bilateral transactions intended to promote development, but having a grant element of less than 25%; and, official bilateral transactions, whatever their grant element, that are primarily export-facilitating in purpose."

[2] Libyan Investment Authority. Accessed on 03 May 2023. Available at: https://lia.ly/en/about-us/.

Figure 2. Development Finance Landscape, 2015-2021[3]

FDI, OOF and remittances not pictured as they all have a GDP ratio of 0% for all years depicted.



Libya's financing landscape is volatile due to the country's reliance on hydrocarbons and lack of economic diversity. Hydrocarbons make up more than half of Libya's GDP and 95 percent of Libyan exports.[4] As government revenue is reliant on hydrocarbons, the volatility of oil prices translates into highly volatile levels of public domestic revenue, which can also be seen in Figure 1 above. According to the latest figures provided by the World Bank, hydrocarbons comprised 75% of government revenue between 2015-2022. Given this reliance, Libya is highly vulnerable when oil prices fall or output slows, as occurred in 2020 when there was a blockade on oil terminals and oil fields for nine months. Moreover, Libya suffers from a low tax buoyancy where 1 per cent of GDP growth results only in 0.07 per cent increase of tax revenue (instead of 1 per cent) which further exacerbates the reliance on hydrocarbons and challenges the sustainable funding of public services such as social protection.[5] Revenue reforms should eventually address tax leakages and tax collection efficiency to improve domestic revenue mobilization and open the fiscal space to be invested in social services and human development.

Private sector growth in Libya is constrained by a wide range of issues including political instability, macroeconomic uncertainty, a liquidity crisis, the lack of a cohesive legal framework and insufficient access to finance. For decades, government policies "worked to limit the size of the private sector and ensured the state's control of key industries and services,"[6] which has also created hurdles in the mindset the public holds about the role of the private sector in Libya. The financial sector continues to be dominated by state-owned banks; more than 90 percent of Libya's deposits are held by five state banks.[7]

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[3] Revenue, expenditures, and budget balance based on data provided by the World Bank. ODA figures based on author's calculations using data exported from the OECD CRS (accessed on 30 January 2023).

[4] World Bank. 2022. Libya Economic Monitor: Summer 2022.

[5] Social Expenditure Monitor for Arab States, 2022, UNICEF et. al

[6] UNDP. 2021. Labour Market Assessment.

[7] Goffe, Valeriya. 2022. *State of the Financial Sector* in World Bank (eds.) Libya: The Long Road to Inclusive Institutions, World Bank, Washington, D.C.

For decades, foreign direct investment (FDI) was reduced not through a poor business environment, but an active, anti-FDI approach taken by the state to discourage investment by foreign companies.[8] An excessively high minimum threshold for FDI excluded many foreign investors, while the difficulties of obtaining necessary FDI approvals, work permits and business visas acted as further deterrents. Despite these efforts, FDI remained a small but important flow, steadily increasing in the early 2000's. The FDI to GDP ratio in Libya averaged 1.9% between 2000 and 2013, peaking in 2007 at 6.9%.[9] Protracted conflict, uncertainty around the business environment and political instability have "weakened the confidence of investors and hindered investment by the Libyan diaspora."[10] The Libyan Government has not published figures for FDI since 2013. While there may be some flows that are not reported, the context is not currently conducive for attracting FDI.

While personal remittances often originate from migrant workers in Libya, Libya does not receive significant inflows of personal remittances. An estimated US$ 763 million in personal remittances were sent from Libya in 2019 to third countries.[11] Personal remittances received in Libya, as a percentage of GDP, have been reported at zero since 2007.[12]

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[8] Rahman, Aminur and Michele di Maio. 2020. *International Development in Focus. Washington, DC: World Bank. doi:10.1596/978-1-4648-1644-4. License: Creative Commons Attribution CC BY 3.0 IGO.*

[9] https://data.worldbank.org/indicator/BX.KLT.DINV.WD.GD.ZS?locations=LY.

[10] Rahman, Aminur and Michaele Di Maio. 2022. *Libyan Private Sector: Difficulties, Challenges and Perspectives* in World Bank (eds.) Libya: The Long Road to Inclusive Institutions, World Bank, Washington, D.C.

[11] https://data.worldbank.org/indicator/BM.TRF.PWKR.CD.DT?locations=LY.

[12] https://data.worldbank.org/indicator/BX.TRF.PWKR.DT.GD.ZS?locations=LY.

3. The role of ODA within the broader financing landscape

Overall volumes of aid

Libya is not a major recipient of aid in terms of overall volume (Figure 2) compared with other fragile states. On a per capita basis (Figure 3), ODA to Libya is more aligned with the average for fragile states. In 2020, per capita ODA to Libya matched the average for all fragile states at US$ 43.1, which was slightly higher than the average for extremely fragile contexts at US$ 40.2 per capita.[13]

Figure 3. Libya is not a major recipient of ODA compared with other fragile states[14]

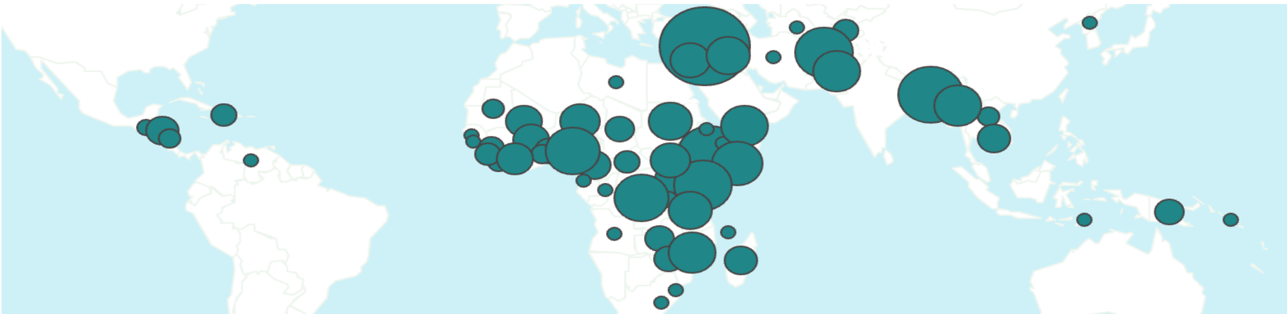
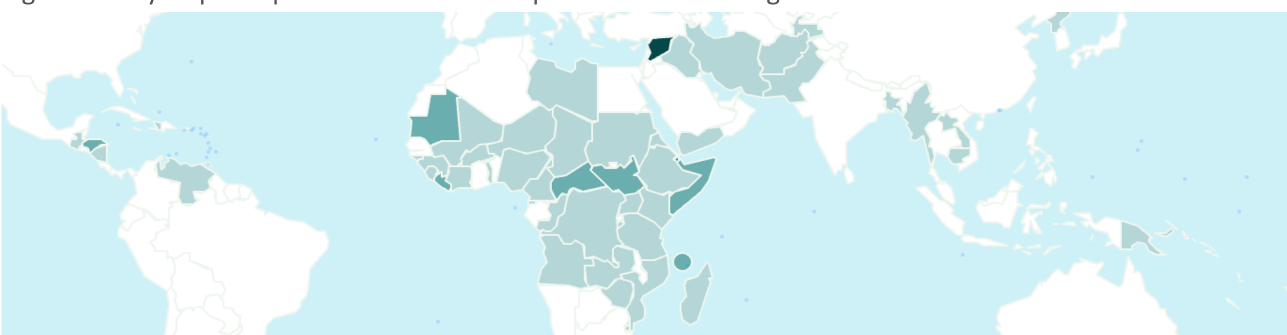


Figure 4. Libya's per capita ODA is more comparable to other fragile states



Box 1. Explanatory note on ODA data sources

The 2021 ODA figures drawn from the OECD Creditor Reporting System (CRS) provide the most recent, reliable data source for overall aid figures. They are based on development partner reporting of support across the HDP nexus. This analysis also presents estimates for 2022-2024 based on calculations combing humanitarian data exported from the OCHA Financial Tracking Service (FTS) and development partner reporting to an ad hoc mapping exercise conducted in February 2023. When used in combination with data reported through the mapping exercise, only humanitarian aid delivered inside response plans / appeals is included. This is to ensure a more consistent comparison with humanitarian aid as reported to the OECD CRS. The OCHA FTS can include a broader range of activities (beyond lifesaving humanitarian), compared with the more narrow definition applied by the OECD CRS.

All of the aid reported by donors is indicative and subject to change. Actual ODA totals for 2022-24 are expected to change once development partners have reported to the OECD CRS.

The overall volume of aid for Libya is declining with the drawdown of humanitarian activities. Humanitarian aid decreased by a third in 2022 compared with 2021 based on reporting to OCHA's Financial Tracking Service (FTS).

[13] Explore these interactive maps at States of Fragility: Compare your country.

[14] *Ibid.*

Aid provided by all of the top 10 humanitarian donors decreased in 2022 compared with the previous year (Figure 5). Anecdotal evidence provided in interviews indicates that the trend of declining humanitarian aid is expected to continue. This calls for greater investment in shock-responsive social protection which enables the GNU to timely respond to disasters through domestic resources.

It remains unclear if non-humanitarian ODA is also declining due to the lack of reporting by several key donors to the *ad hoc* donor mapping exercise. The European Union, Italy, Japan, Sweden, Switzerland and the United Kingdom all reported data as part of the exercise. Together, they reported US$ 119.6 million in ODA focused on peace and development for 2022. Totals for 2023 and 2024 appear to decline to US$ 90.9 and 64.1 million respectively; however, that is often the case with forward-looking reporting, especially in contexts with high levels of instability and uncertainty. Germany and the USA, which together provided 34% of Libya's ODA in 2021, did not report to the *ad hoc* donor mapping exercise.

Figure 5. Comparison of annual ODA for Libya to 10-year average[15]

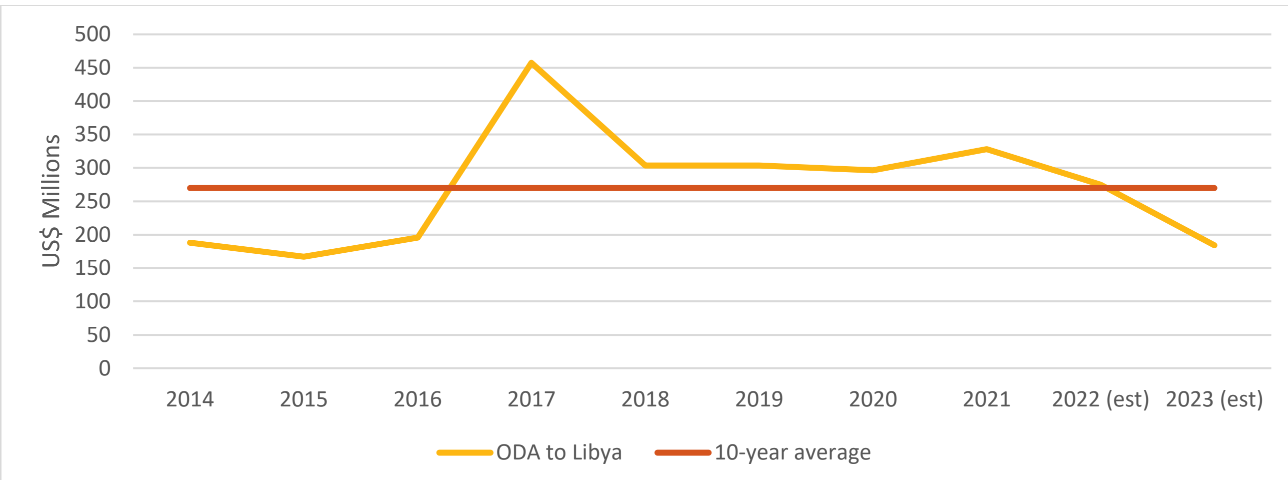
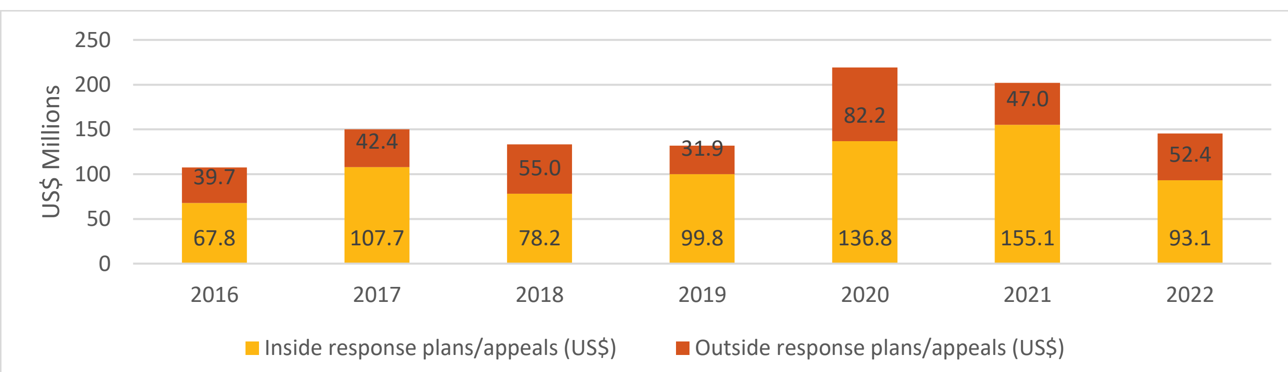


Figure 6. Trends in funding reported to OCHA's FTS, 2016-22[16]



[15] Data from 2014-2021 based on author's calculations using data exported from the OECD CRS on 30 January 2023. Data from 2022-23 are estimates based on author's calculations using humanitarian data exported from the OCHA FTS on 30 January 2023 and development partner reporting to an ad hoc mapping exercise conducted in February 2023. Only aid reported to the FTS as inside appeals / humanitarian response plans included to avoid double counting aid that may be classified as development aid elsewhere.
[16] https://fts.unocha.org/countries/127/summary/2021.

Figure 7. Trends in humanitarian funding[17] by donor as reported to the OCHA FTS, 2020-2021[18]

	2020	2021	% Change, 2020-21	2022	% Change, 2021-22	Total 2020-22
1. European Commission	56.5	44.2	-22%	29.0	-35%	129.7
2. USA	35.1	47.3	35%	32.4	-32%	114.8
3. Italy	34.4	17.1	-50%	12.4	-28%	63.9
4. Germany	19.3	31.2	62%	10.8	-65%	61.3
5. EC's Humanitarian Aid and Civil Protection Dept	11.2	9.8	-12%	7.2	-27%	28.1
6. Japan	5.8	9.2	58%	2.5	-73%	17.5
7. Sweden	4.3	7.6	77%	5.1	-33%	17.1
8. Netherlands	7.7	4.6	-40%	4.1	-12%	16.4
9. Switzerland	4.0	6.2	54%	2.7	-57%	12.9
10. Not specified	2.6	5.3	106%	2.8	-47%	10.8
11. Norway	3.3	4.6	39%	2.4	-47%	10.4
12. United Kingdom	5.0	1.3	-73%	1.8	32%	8.1
13. Canada	2.7	3.4	24%	1.4	-58%	7.5
14. Austria	3.4	0.0	-100%	3.8	NA	7.3
15. OCHA	2.8	1.4	-50%	2.9	109%	7.1
16. Private (individuals & organizations)	0.6	0.2	-59%	5.4	2318%	6.2
17. France	3.2	0.9	-70%	1.3	38%	5.4
18. Central Emergency Response Fund	5.0	0.0	-100%	0.0	NA	5.0
19. United Nations Children's Fund	3.7	0.9	-75%	0.0	-100%	4.7
20. Denmark	1.5	0.6	-58%	2.1	230	4.2
Donors with total contributions of <US$ 4 million from 2020-2022	7.0	5.3		3.5		
	219.1	201.6	-8%	133.6	-33.7%	538.4

Composition of ODA

Development partners have deployed a variety of flexible financing instruments that allow for adaptation and iteration across the nexus. From contingency financing allocated at the regional level to respond to both positive opportunities and situations of urgent need to agile tools for short-term interventions that are responsive to conflict dynamics, development partners have been using a mix of financing instruments to adapt to the dynamic situation on the ground. While many development partners are taking a holistic view of their own portfolios across the HDP nexus, more coordination is needed across international partners to better leverage the comparative advantages of different aid instruments and modalities[19]. Development partners have also indicated that increased stability could enable some of them to deploy a broader range of financing instruments, notably blended financing tools.

Updated analysis of ODA in Libya reveals continued investments in the peace pillar of the nexus through 2021, the latest year for which reliable data is available (Figure 8). Peace-oriented ODA appears to decline in estimates for 2022-2024; however, this may be due to lack of reporting by several key

[17] These figures likely include some aid for development activities. See Box 1 for a brief explanation on the differences in reporting definitions used by the OCHA FTS and OECD CRS.
[18] https://fts.unocha.org/countries/127/summary/2021.
[19] "Coordination, Planning and Financing for Development in Libya", 2021.

donors. A more detailed breakdown of sector allocations is provided in Annex 1. To provide more nuance to the categories, a distinction has been made between "core peacebuilding" and "secondary peacebuilding" using a breakdown applied by the OECD (Annex 2). Core peacebuilding includes activities related to basic safety and security such as security system management and land mines removal. Secondary peacebuilding includes categories related to inclusive political processes and core government functions. Both areas have strong overlaps with development activities, highlighting the need for a nexus approach.

Figure 8. ODA to Libya across the Humanitarian-Development-Peace (HDP) Nexus, 2014-2023[20]

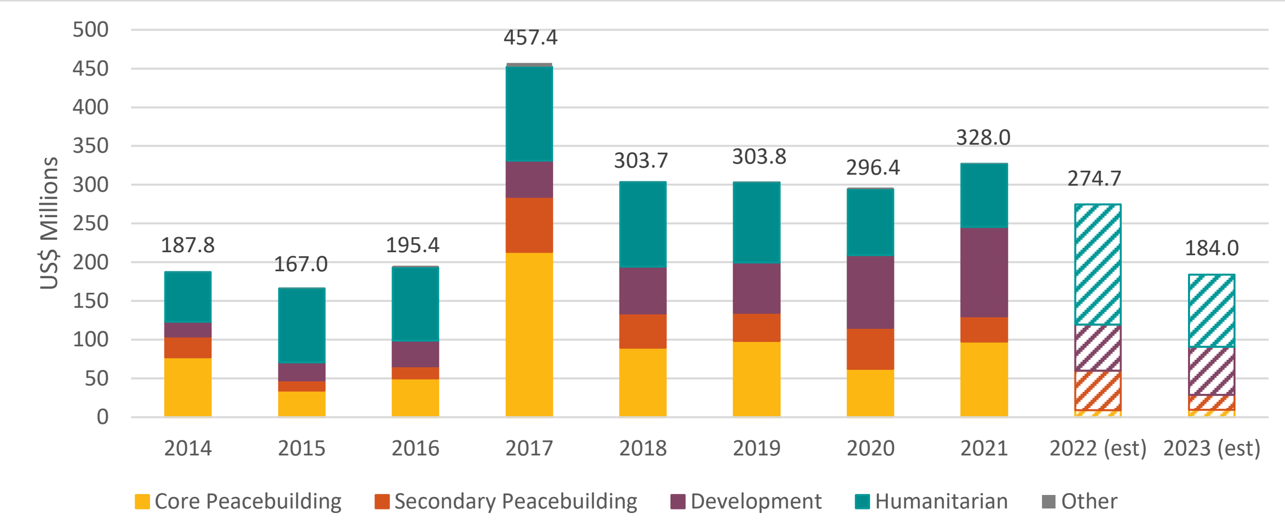


Table 1. ODA to Libya across the HDP Nexus – broad sector categories, 2020-24[21]

*Estimates		2020	2021	2022*	2023*	2024*
Core peacebuilding	Basic Safety and security	12.3	25.4	3.2	5.5	-
	Inclusive political processes	49.9	72.2	5.9	4.1	2.1
Secondary peacebuilding	Core government functions	29.9	16.1	43.6	12.0	12.3
	Inclusive political processes	23.4	16.6	7.4	7.2	8.6
Development	Core government functions[22]	2.4	3.2	-	-	-
	Economic growth	5.8	13.4	14.7	15.4	7.0
	Inclusive political processes	10.4	26.2	-	-	-
	Restoration of Basic Services	69.8	65.6	23.7	24.2	14.9
	Other	5.5	7.1	21.2	22.5	19.2
Humanitarian	Emergency Response	85.0	81.4	155.1	93.1	-
Other	Sector not specified	2.1	0.8	-	-	-
	Totals	296.4	328.0	274.7	184.0	64.1

[20] Data from 2014-2021 based on author's calculations using data exported from the OECD CRS on 30 January 2023. Data from 2022-23 are estimates based on author's calculations using humanitarian data exported from the OCHA FTS on 30 January 2023 and development partner reporting to an ad hoc mapping exercise conducted in February 2023. Only aid reported to the FTS as inside appeals / humanitarian response plans included to avoid double counting aid that may be classified as development aid elsewhere.

[21] Based on author's calculations using data exported from the OECD Creditor Reporting System (CRS) on 30 January 2023.

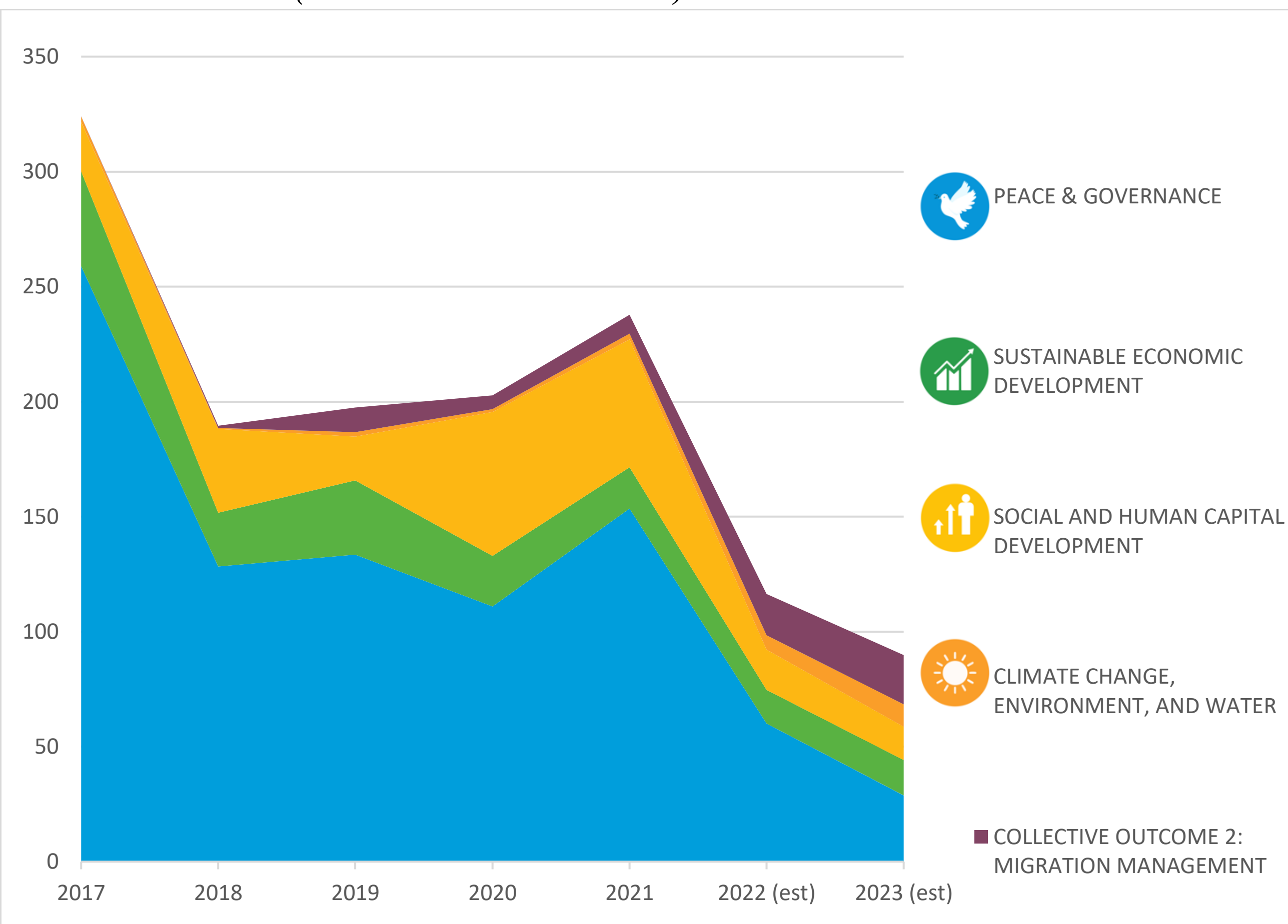
[22] The *ad hoc* aid mapping exercise did not offer as many granular sector categories as the OECD CRS, and therefore, there is not a distinction between support for core government functions that fall under secondary peacebuilding vs. development. The same applies to inclusive political processes.

ODA Alignment with priorities

Insights can be drawn from past and present financing of sectors aligned with the priorities of the United Nations Sustainable Development Cooperation Framework (UNSDCF) for 2023-2025. While the extent to which the outputs and outcomes of the UNSDCF are financed is not possible due to a lack of granular, forward-looking data, this sectoral analysis provides an indication of the areas in which donors have been interested in financing in the past. Figure 8 presents ODA financing from 2017-2023 mapped against the outcome areas of the UNSDCF; humanitarian assistance is excluded from this analysis.

Financing for Outcome 1: Peace and governance has historically comprised the largest share of ODA. In contrast, financing for climate change, the environment and water is barely visible on the graph. Table 9 provides a breakdown by the areas similar to UNSDCF outputs in previous years (2017-2021), using the more granular reporting taken from the OECD-CRS. Not all of the outputs are represented, as not all align with how ODA is reported in the OECD CRS. Similarly, Collective Outcome 1 – focused on Durable Solutions for IDPs – is not represented in the figure as there is not a corresponding sector category.

Figure 9. Past and Present ODA financing for UNSDCF priority areas[23]
Excludes humanitarian aid (sector code 700 in the OECD CRS)



[23] Author's calculations using data exported from the OECD Creditor Reporting System (CRS) on 30 January 2023.

Figure 10. Comparison of historic 2017-2021 ODA with UNSDCF Outputs (US$ millions)[24]

	2017	*2018*	*2019*	*2020*	*2021*
Output 1.1.1. Unified, elected, legitimate, and functional government institutions	14.1	17.2	15.6	26.0	39.5
Output 1.1.2. Constitutional framework	13.5	5.9	2.1	3.9	4.1
Output 1.1.3. Civic space	15.6	11.0	14.4	15.1	7.4
Output 1.2.1. / 1.2.2. Rule of Law	2.3	4.5	2.8	3.7	5.0
Output 1.2.3. Security sector	2.8	19.2	1.6	1.9	13.0
Output 1.2.4. Disarmament, demobilization, and reintegration	11.9	20.0	9.1	10.1	11.8
Civilian peacebuilding, conflict prevention and resolution[25]	198.7	50.6	87.9	50.3	72.7
Output 2.1.1. Planning, economic, and financial governance institutions	34.8	17.1	22.9	17.4	7.1
Output 2.1.3. Entrepreneurship and skill development interventions	0.9	0.1	1.6	0.8	0.6
Output 2.1.4. Business Development	5.5	6.2	7.7	3.9	10.0
Output 3.1.1. Health	11.1	25.4	8.5	42.6	37.6
Output 3.1.2. Education	8.9	10.7	10.5	14.9	16.4
Output 3.1.4. Social Protection	1.5	0.3	0.0	5.1	1.7
Output 4.1.1. WASH	2.4	0.3	1.8	0.0	0.9
Output 4.1.2. Climate change and environmental degradation.	0.0	0.0	0.1	0.1	0.3
Collective Outcome 2: Migration Management	0.1	1.0	10.7	6.0	8.1
Humanitarian (Sector code 700)	121.3	109.2	103.1	85.0	81.4
Other	12.0	5.1	3.3	9.7	10.3
Totals	**457.4**	**303.8**	**303.8**	**296.4**	**328.0**

ODA flows have continued to be concentrated on inclusive political processes, restoration of basic services, and technical assistance on core government functions (e.g. PFM and public administration). However, only 5.2% of ODA was allocated to social protection strengthening in 2021, although inclusive and child-sensitive social protection services play an important role in rebuilding the social contract, fostering resilience, and building human capital.

However, there is significant fluctuation within ODA sectors from year to year. This may be a reflection of the dynamic situation, which prevents longer term planning and inhibits multi-year programs. Whereas volatility is to be expected in humanitarian support, as it should respond to needs, greater reliability and consistency across years for development financing and the core government functions aspects of peace financing would enhance aid effectiveness in Libya.

Without a costed national development plan, analysis of the alignment of ODA with national priorities is not possible. Nor is it possible to explore the geographic breakdown of ODA in Libya. Beyond the HDP and sectoral breakdown, greater understanding and sharing of information around the geographic focus of aid would help ensure underserved / marginalized communities are not left behind and inform conflict sensitive approaches. The need for greater transparency around how government directs its own resources for the benefit of specific areas is even greater, given the magnitude of government resources relative to ODA.

[24] Author's calculations using data exported from the OECD Creditor Reporting System (CRS) on 30 January 2023.
[25] Does not appear to link to a specific output, but included under outcome 1 for the analysis.

Providers of ODA

In 2021, 76% of ODA to Libya was provided by five development partners: the EU, United States, Germany, Italy and United Kingdom (Figure 10). These partners have been amongst the top providers since 2017, albeit with variations in their ranking (Table 2). A more recent comparison is not possible due to the lack of publicly available data on donor envelopes.

The mix of development partners is positive as there is not overreliance on one partner. With more than 20 partners providing the remaining 20% of the ODA, the level of fragmentation is somewhat concerning. Development partners can still be impactful with smaller ODA envelopes, especially given the importance of technical assistance in Libya. However, a large number of partners providing small volumes of aid creates a more challenging environment for coordination. It requires that partners spend more time trying to figure out who does what when planning where to direct their financing.

Figure 11. Share of 2021 ODA by Provider[26]

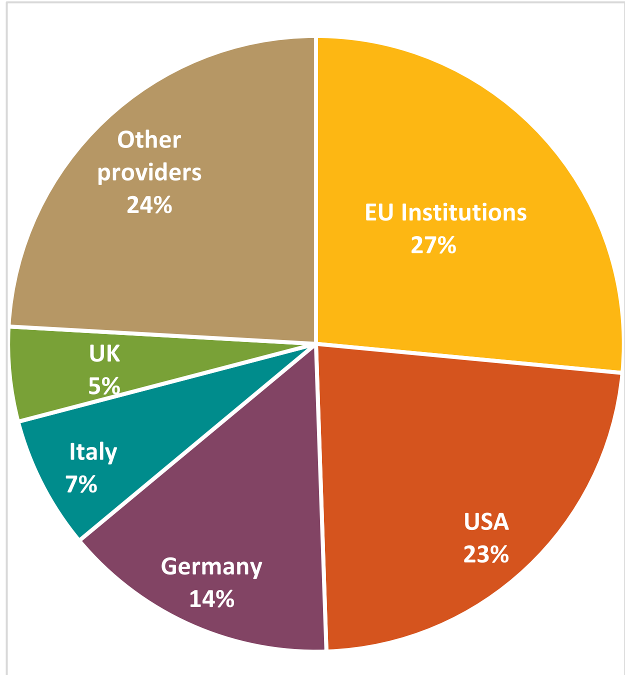


Table 2. Largest Providers of ODA, 2017-2021

A 5-year look at the largest ten providers of ODA from 2021

	ODA Providers	2017	2018	2019	2020	2021
1	EU Institutions	68.4	58.8	87.8	58.4	87.0
2	United States	47.1	67.7	65.2	65.8	75.3
3	Germany	183.9	54.4	33.9	46.6	47.6
4	Italy	63.0	25.2	18.1	39.3	22.9
5	United Kingdom	20.8	18.2	22.3	17.1	16.3
6	Japan	2.8	1.4	3.3	9.5	15.2
7	Türkiye	2.3	16.9	0.6	1.5	9.5
8	Switzerland	5.5	5.6	8.2	8.3	7.7
9	France	5.4	6.5	5.4	10.9	6.4
10	Sweden	4.3	5.4	5.3	6.5	5.3

[26] States of Fragility: Compare your country

4. Libyan domestic public finance

The Government of National Unity (GNU) has executed its budget on the basis of "extraordinary measures" since 2017 in the absence of parliamentary approval as a means of maintaining a functioning government. Prior to these measures, the Central Bank of Libya (CBL) had been paying salaries and subsidies on a 1/12th pro rata basis whereby expenditures could not exceed those of the 2014 budget on a month-by-month basis. Extraordinary measures have enabled government to increase spending across budget categories and operate with a budget deficit for five of the seven years between 2015-2021 with limited transparency or oversight.

Figure 12. Relative Share of Reported Government Expenditures, 2015-2022[27]

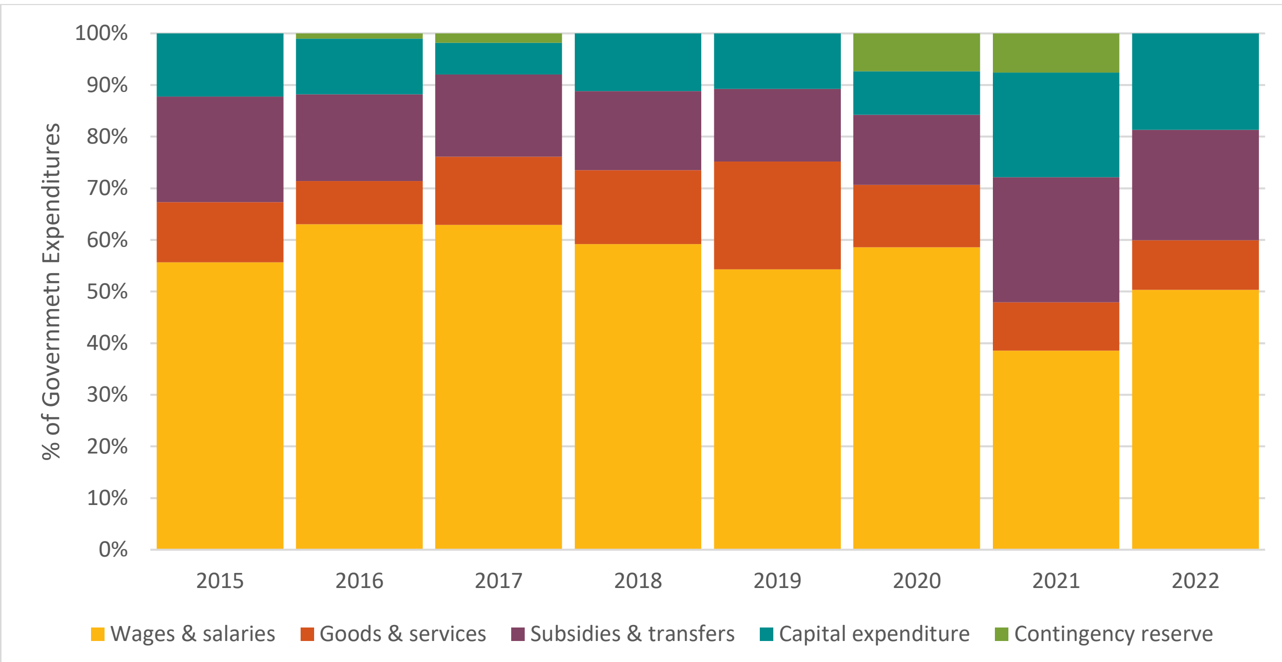
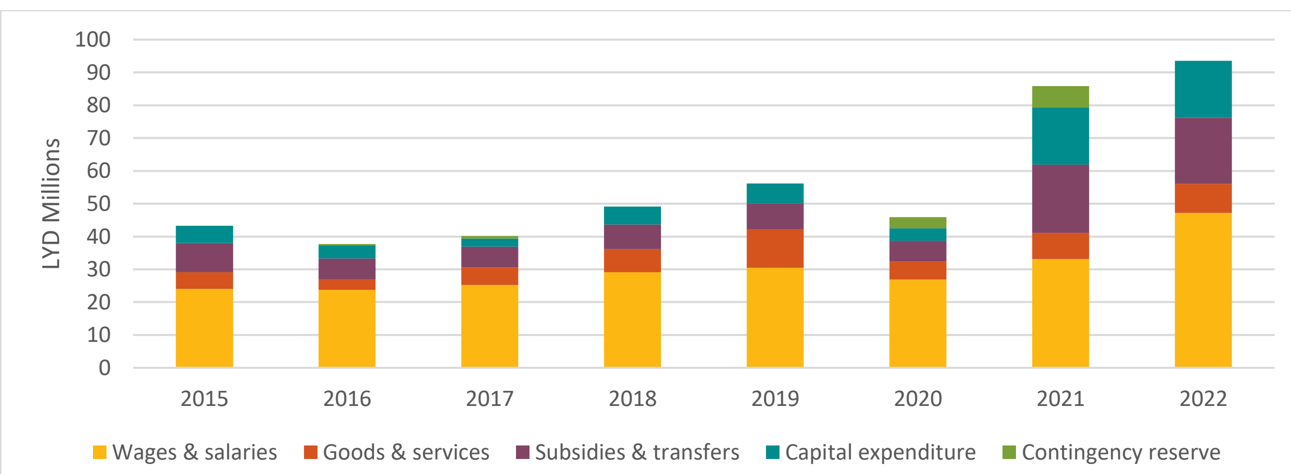


Figure 13. Volume of Reported Government Expenditures, 2015-2022[28]



[27] Based on data provided by the World Bank.
[28] *Ibid.*

There is limited transparency regarding costs and budget allocations to social sectors such as education, health, or social protection. Reported expenditures in 2021 and 2022 were nearly double average expenditures for the preceding five years (Figure 12). Yet, Ministries responsible for social sectors received just 19% overall expenditures in 2022 (Table 3), and how these allocations are further channelled towards service delivery is unclear. To achieve the SDGs, essential services need to be costed; spending towards inclusive social services increased; and allocations focused on public services benefitting children, which has the highest positive impact on human development. As per the latest poverty analysis of children in 2014, the majority of children in Libya are multidimensionally deprived (70.9% of children aged 0-17 years) in at least 2 dimensions at a time.[29]

Table 3. 2022 Government Expenditures by Recipient Entity, Ranked by Volume[30]

Ministries responsible for essential social services indicated in yellow.

Recipients	Total 2022 Spending	% of spending
Ministry of Finance and its affiliates	41,122,603,742	32.2%
Extraordinary budget to the National Oil Corporation	34,272,499,001	26.8%
Ministry of Social Affairs and its affiliates	15,115,208,330	11.8%
Ministry of Defense and its affiliates	5,238,739,842	4.1%
Ministry of Oil and Gas and its affiliates	5,000,300,209	3.9%
Ministry of Health and its affiliates	4,679,704,438	3.7%
Ministry of Interior Affairs and its affiliates	3,485,576,419	2.7%
General Electricity Company and its affiliates	2,910,000,000	2.3%
Ministry of Foreign Affairs and International Cooperation and its affiliates	2,694,891,291	2.1%
Minister of Higher Education and Scientific Research and its affiliates	2,112,296,448	1.7%
Council of Ministers and its affiliates	1,953,652,668	1.5%
Ministry of Local Government and its affiliates	1,578,153,037	1.2%
Ministry of Justice and its affiliates	1,417,994,381	1.1%
Ministry of Technical and Vocational Education and its affiliates	1,196,430,032	0.9%
House of Representatives and its affiliates	1,084,797,222	0.8%
Presidential Council and its affiliates	775,761,594	0.6%
Ministry of Education and its affiliates	589,287,449	0.5%
General Authority for the Care of the Families of Martyrs, Missing and its affiliates	531,585,335	0.4%
Ministry of Water Resources and its affiliates	419,587,562	0.3%
General Authority of Awqaf and Islamic Affairs and its affiliates	297,868,642	0.2%
Ministry of Agriculture and Livestock and its affiliates	252,278,986	0.2%
Ministry of Transportation and its affiliates	233,917,845	0.2%
Ministry of Sports and its affiliates	187,768,554	0.1%
Ministry of Tourism and Handicrafts and its affiliates	153,992,605	0.1%
Ministry of Housing and Construction and its affiliates	91,344,962	0.1%
Ministry of Culture and Knowledge Development and its affiliates	85,478,384	0.1%
Ministry of Youth and its affiliates	79,628,687	0.1%
Ministry of Marine Resources and its affiliates	74,667,901	0.1%
Ministry of Economy and Trade and its affiliates	58,979,594	0.0%
The High Council of State	49,539,317	0.0%
Ministry of Labor and Rehabilitation and its affiliates	31,750,613	0.0%
General Authority for Communications and Informatics and its affiliates	30,210,996	0.0%
Ministry of Industry and Minerals and its affiliates	22,457,507	0.0%
Ministry of Planning and its affiliates	17,156,345	0.0%
Ministry of Environment and its affiliates	14,296,754	0.0%
Ministry of Civil Service and its affiliates	14,108,688	0.0%
Total (LYD)	127,874,515,380	

[29] Child Wellbeing in Libya - A Multidimensional Poverty Analysis using PAPFAM 2014, UNICEF, 2014

[30] CBL Revenue and Expenditure statement for 1 Jan to 31 Dec 2022, available at: https://cbl.gov.ly/en/2023/01/04/cbl-revenue-and-expenditure-statement-for-the-period-from-1-jan-to-31-dec-2022/.

Development spending (*i.e.* capital expenditure) has more than tripled in recent years, but with limited alignment with the SDGs. The GNU reported it spent LYD 17.4 and 17.5 billion in 2021 and 2022 respectively on what it refers to as Chapter 3: Development (**Error! Not a valid bookmark self-reference.**), having averaged 4.5 billion from 2015-2020. With much of its infrastructure in need of major rehabilitation, capital investments are greatly needed. However, it does not appear that capital investments are being directed towards investments that would advance achievement of the SDGs**;** rather, they appear to be aimed at maintaining the status quo, with limited to no transparency as to how funds have actually been spent. According to the GNU online portal of development projects, the top recipients of funding were the Electricity Company (LYD 2.5 billion), the Authority for Housing and Utilities (LYD 2.5 billion) and the National Oil Corporation (LYD 2 billion) (Table 5). As highlighted in the UNSDCF, "a reliance on hydrocarbons for export revenues, a large proportion of workers employed in the public sector, and a lack of economic diversification further stifles the country's economic potential." While such investments may support access to some basic services in the short term, there is limited evidence as to their sustainability.

Table 4. Government Expenditures by Chapter[31]

Excludes extraordinary budget to the National Oil Corporation

LYD Billions	2021		2022	
	Expenditures	*% of total*	*Expenditures*	*% of total*
Chapter One: Salaries	33.1	39%	47.1	50%
Chapter Two: Goods and Services	8	9%	9	10%
Chapter Three: Development	17.4	20%	17.5	19%
Chapter Four: Subsidies	20.8	24%	20	21%
Chapter Five: Emergencies	6.5	8%	0	0%
	85.8		93.6	

Table 5. Top 10 Recipients of Government Development Funding, 2021[32]

	RECIPIENT	**LYD MILLIONS**
1	General Electricity Company	2500.0
2	Authority for Housing and Utilities	2451.1
3	National Oil Corporation	2000.0
4	Transportation Projects Commission	889.0
5	Organization for the Development of Administrative Centers (ODAC) - (health projects)	785.5
6	Post graduate studies and scholarships	643.6
7	ODAC (education projects)	614.1
8	ODAC (public buildings and facility projects)	603.3
9	Ministry of Finance	600.0
10	Bureau of the Ministry of Local Governance	500.0

Weak government systems limit the transparency the government can provide. However, the government does not appear incentivized to strengthen systems and shift towards longer-term investment strategies. PFM systems are weak, relying on manual or semi-manual single-entry reporting, creating a barrier for the effective allocation, utilization and monitoring of public expenditures. The government does not have a Treasury Single Account, which would help strengthen accounting and control measures. The overall public investment

[31] Based on Central Bank of Libya Revenue and Expenditure Statements for 2021 and 2022.

[32] GNU online portal of development projects: https://dashboard.planning.gov.ly/.

management chain is weak, from appraisal to monitoring of results. While there seem to be some processes in place for assessing projects through a bottom-up process, it is unclear how this translates into expenditures. Of the LYD 17.5 billion reported against Chapter 3, LYD 16 billion was reported as a transfer to the Ministry of Finance Deposit and trust accounts in the 2022 CBL statements, without further reporting on expenditures. The GNU Dashboard of Development Projects tries to provide more granular reporting on development projects, but data had only been uploaded for 2021 at the time of reporting. Moreover, it remains focused on a high level of reporting focused on transfers of funds and geographic focus, without providing detail on outcomes or impacts of government spending.

Chapter 3 is not the only chapter relevant for financing the SDGs. Enhancing the efficiency of the public sector and improving outcomes in service delivery would make significant progress in delivering on the SDGs. In 2022, 50% of government expenditure went towards the wage bill of what the World Bank has called "the costliest and least cost-efficient public sector in the world,"[33] while a further 21% went towards subsidies and transfers. As one interviewee framed it, the wage bill in Libya is like a "poorly targeted social protection mechanism" through which cash transfers are made without expectations of many of those on the wage bill to deliver any services. The public sector employs an estimated 85 percent of Libya's active labour force.[34]

5. Opportunities for UNSDCF financing

Financing the UNSDCF should not be confused with financing the SDGs. Financing the SDGs in Libya will require significant political will from government to finance large-scale investments and create an enabling environment for other financial flows. Financing the UNSDCF – the focus of this section – is a smaller-scale, shorter term endeavour, which should strive to catalyse the longer-term process of supporting reforms and investments in the SDGs. Its scope is focused on activities of the UN and implementing partners in Libya. The most likely source for increased investment in both of these financing priorities remains the Libyan Government.

As an upper middle-income country, Libya has the necessary resources to invest in its own sustainable development. Increased stability could encourage traditional development partners to increase ODA for Libya and deploy new instruments, such as blended finance. Blended financing refers to the use of ODA to mobilize other sources of financing – notably commercial finance that does not have an explicit development aim – for sustainable development.[35] However, ODA will never be a major financing flow in Libya, compared with government revenue. Moreover, development partners are unlikely to increase ODA, even marginally, if Libya does not invest seriously in the SDGs.

Given the need for stronger Government leadership of the SDG agenda in Libya, stronger ownership of the UNSDCF could serve as a useful entry point. Government financing of UNSDCF outputs and outcomes could help increase government ownership of the SDG agenda and expand the government's conceptualization of development. There are already some examples of the Government financing UN projects or activities – past and

[33] World Bank. 2021. Libya Economic Monitor: Spring 2021.
[34] World Bank 2015. Labor Market Dynamics in Libya: Reintegration for Recovery. A World Bank Study. Washington, DC: World Bank. doi 10.1596/978-1-4648- 0566-0. License: Creative Commons Attribution CC BY 3.0 IGO.
[35] OECD DAC Blended Finance Guidance.

present[36]. The following provides an overview of the types of financing modalities and examples drawn from Libya and other contexts.

Reconstruction Funds

The GNU established five geographically focused reconstruction funds since 2018 with the objective of structuring investments for rebuilding infrastructure, enhancing public service delivery, and rehabilitating war-damaged areas and buildings to stimulate economic recovery and reconciliation. The funds fall under the administrative umbrella of the Prime Minister's office, with the budget held by the Ministry of Planning.

1. Benghazi and Derna Reconstruction Fund (BDCF) LYD 1,500 million (Est. May-2021)
2. Tawergha Reconstruction Fund LYD 45 million (est. 2018)[37]
3. Sirt Reconstruction Fund LYD 1,000 million (est. May-2021)
4. Murzuq Reconstruction fund LYD 500 million (est. May-2021)
5. South of Tripoli Reconstruction Fund LYD 1,000 million (est. May-2021)

The Ministry of Planning has engaged UNDP to support operationalization of one of these funds – the BDCF – as well as to implement pilot projects, with an initial commitment of US$ 5 million. The process that led to this agreement was as follows:

- The BDCF and UNDP initiated an agreement in coordination with the Ministry of Planning in early 2022.
- A financial agreement was approved by the Ministry of Planning and signed by the General Manager of the BDCF in May 2022.
- The agreement was shared with the Audit Bureau in December 2022 before it was endorsed by the Prime Minister's Office.
- After the clearance from the Audit Bureau, the Ministry of Planning then requested the Ministry of Finance in early 2023 to transfer funds to UNDP from the Central Bank.

The process has taken over a year to secure the necessary approvals, and UNDP had yet to receive the funds from the CBL as of April 2023. It remains unclear what is hindering the release of funds in this particular case; however, the disconnect between planning and budgeting processes and weak PFM systems, notably the lack of a commitment control system, are well-known challenges in Libya.

The process for future fund allocations is expected evolve as UNDP has been contracted to support the design of the operational structure of the Fund, which will be directed by a steering committee, chaired by the government and supported by a secretariat or technical working group. The steering committee will set the overall direction, make resource allocation decisions, and carry out independent reviews. The process for calls for proposal or project appraisal is not yet determined.

The lack of clear operational procedures for any of the reconstruction funds presents a major challenge. Even the Murzuq Reconstruction Fund, which appears anecdotally to have the strongest levels of government interest

[36] FAO, IFAD, UNDP and UNODC have all received government financing in the past, are currently receiving government financing, or are in the process of negotiating financing agreements with government. However, it should be noted that the Libyan government has not been a major contributor to agencies, funds and programmes (AFPs) to date, relative to other providers of ODA.
[37] Established before the devaluation of the Libyan Dinar.

and engagement, has struggled to be operationalized. It lacks a clear governance structure with a defined decision-making process for allocations.

The prospect of channelling UN requests through a reconstruction fund presents advantages and opportunities, as well as disadvantages and risks:

- *Any advantages presented by this option are contingent on there being a clearly defined, formalized and transparent approval process for investment planning cycle. If this were to be established for any of the reconstruction funds, it would present:*
    - the opportunity to ensure coordinated requests across the UN system, especially if coordinated with leadership from the UN Resident Coordinator.
    - greater clarity on the processes for applying for government financing, compared with other existing channels;
    - greater transparency on which agencies, funds and programmes are receiving financing and how that financing is being used.
    - regular opportunities to have discussions with government around sustainable development.
- *In the absence of clearly defined, transparent processes, the pursuit of funding from the reconstruction funds presents the following disadvantages and risks:*
    - Increased competition between UN AFPs, especially if there is not strong internal coordination;
    - Significant investment of time and resources, relative to the level of funding potentially allocated;
    - Reputational risks for the UN, if the funds are not seen as transparent and accountable to intended beneficiaries.

Multi Partner Trust Funds (MPTFs)

Under the UN Sustainable Development Group, a multi-partner trust fund (MPTF) refers to a pooled funding modality involving multiple UN organizations that can receive contributions from donors to support specific national, regional or global development results. An appointed Administrative Agent holds resources received from donors in trust to fund projects/programmes implemented primarily – but not exclusively – by participating UN organizations (PUNOs). PUNOs apply their own operational policies and procedures for implementation.

The AA function for many MPTFs is supported by the UNDP-hosted UN Multi-Partner Trust Fund Office (MPTFO). If one of the reconstruction funds mentioned above chooses to appoint UNDP as fund administrator or administrative agent, it could become a "national MPTF." However, this has yet to be determined as part of the ongoing work regarding the fund's design, although it has been identified as an option as part of the existing agreement with UNDP.

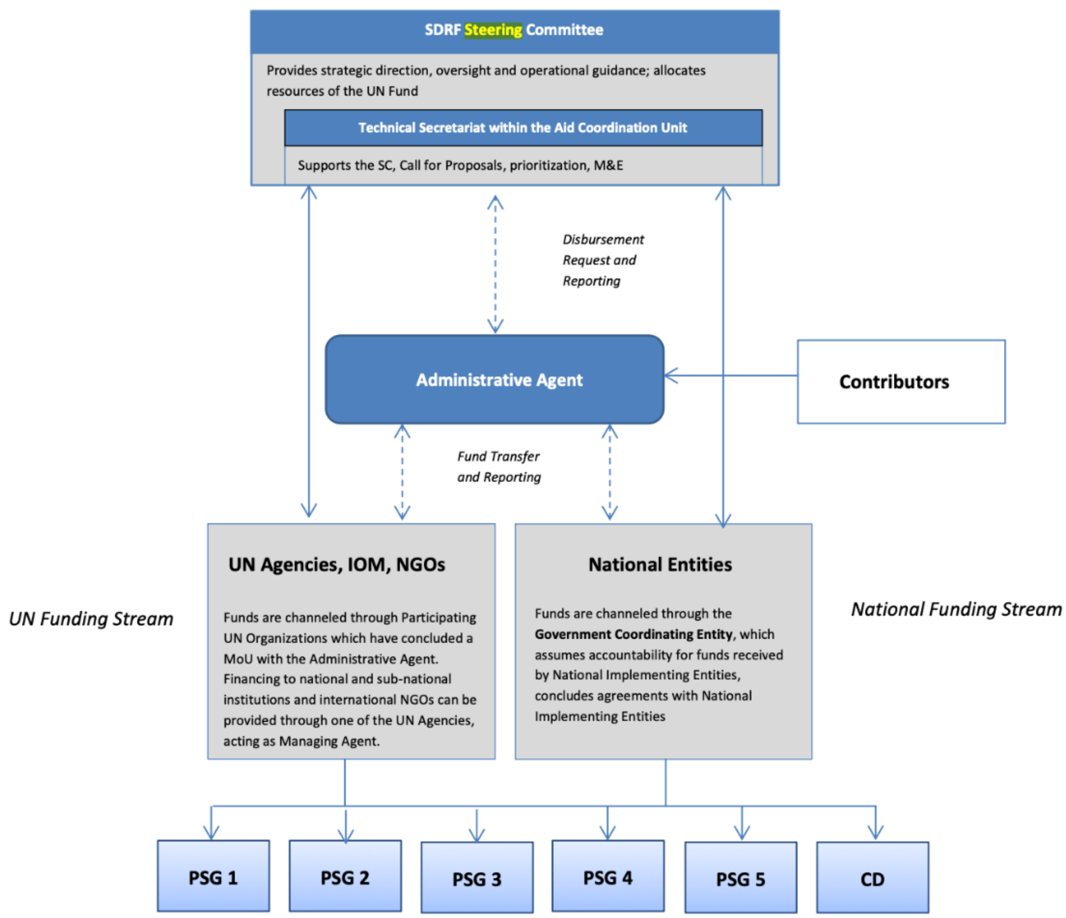
There are many different types of MPTFs. The following are two examples of country-level MPTFs demonstrating different levels of government ownership and engagement.

The **Somalia UN MPTF** was established in 2014 as one of three trust funds overseen by the Somalia Development and Reconstruction Facility (SDRF). The other two funds that shared this governance structure were administered by the World Bank and the African Development Bank. It was administered by the UNDP Multi-Partner Trust Fund Office (MPTF Office) and coordinated/supported on the ground by UN Somalia Resident Coordinator Office (RCO) in its capacity as the Somalia MPTF Secretariat.

A unique feature of the fund was that it embedded its governance structure in an architecture that also served a broader coordination function. To support strong ownership from government, it was chaired by the Deputy Prime Minister of Somalia and the head of a development partner agency. This arrangement presented challenges for the fund when the broader aid architecture stopped being operational. At the time of writing, the aid architecture had not been revitalized. Figure 14 presents a simplified version of the governance mechanism, focusing only on its function as financing architecture for the UN MPTF.

Another unique feature of the fund was that it enabled funds to be channelled through government systems. The "national stream" never became a prominent channel, and the majority of funds were channelled through PUNOs, primarily through joint programmes.

Figure 14. Simplified Visualization of the Governance Mechanism for the Somalia UN MPTF

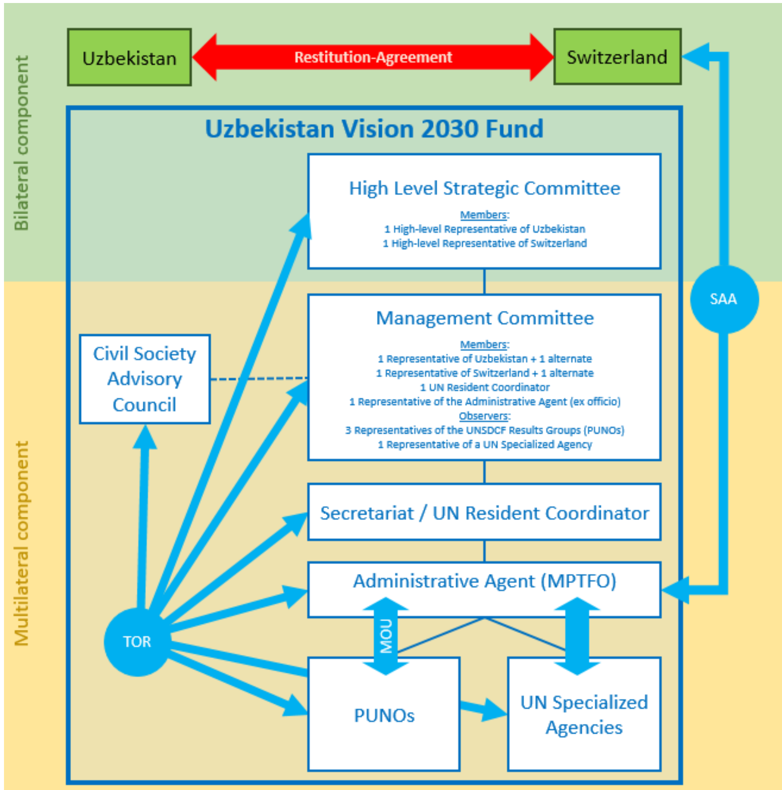


The **Uzbekistan Vision 2030 Fund** was established in 2022 to support principled, transparent, and effective asset restitution via programs aimed at accelerating the Government of Uzbekistan's national reform agenda and the Sustainable Development Goals (SDGs). The Fund is anchored in the UN Sustainable Development Cooperation Framework 2021-25 (UNSDCF) and its successors.

The funding source of the fund is unusual in that is capitalized through the return of assets that had been forfeited in criminal proceedings in connection with Ms. Gulnara Karimova initiated in 2012 by the Office of the Attorney General of Switzerland. The key body for decision making for the fund is a steering committee co-chaired by the

UN Resident Coordinator, a representative of Uzbekistan and a representative of Switzerland. Having been recently established, the fund had not yet approved allocations for specific projects/programmes at the time of report writing. However, joint programming is framed as the preferred delivery modality.

Figure 15. Governance Mechanism - Uzbekistan Vision 2030 Fund



These examples demonstrate how an MPTF can be adapted to the needs of the local context. The opportunities and advantages of establishing an MPTF in Libya are as follows:

- Strengthened coordination in support of the UNSDCF and reduced fragmentation, with leadership from the RC;
- Greater economies of scale and efficiencies through pooling of resources;
- Opportunity to engage government and development partners in regular discussions on UNSDCF priorities through the governance structure;

However, establishing an MPTF is also a resource intensive endeavour that requires commitment from many different stakeholders. It can be difficult to shift towards a pooled financing mechanism, especially when there are entrenched preferences for bilateral relationships between donors and AFPs. The key disadvantages and risks are as follows:

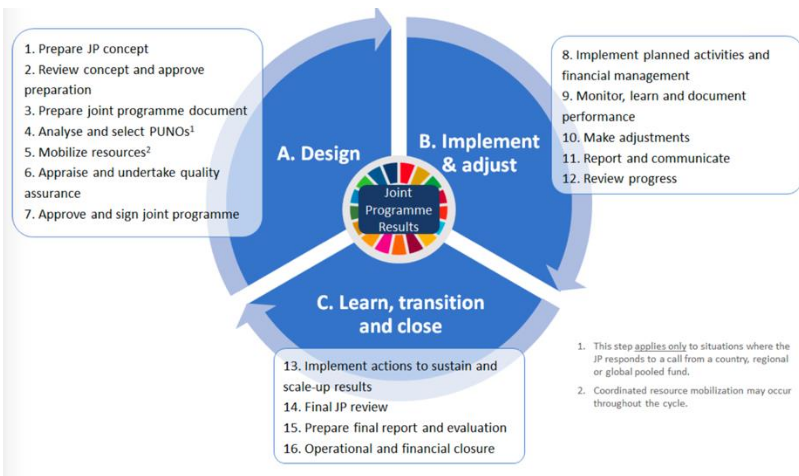
- Development partners and AFPs may continue to preference bilateral funding arrangements, limiting the ability of the MPTF to achieve economies of scale and efficiencies;
- MPTF may not attract enough funding to justify the costs of establishment and operationalization, which can be resource intensive, especially where many different stakeholders are involved in negotiations;

- While governance structures can offer a platform for inclusive dialogue, they can also create bottlenecks if decision-making processes are heavy or governance structures fail to meet regularly.

Joint Programming

A common feature across the MPTF examples above is an emphasis on joint programming. A joint programme (JP) is a programmatic vehicle delivered through two or more participating UN organizations (PUNOs) working together with partners as a team in a highly coordinated and integrated manner to deliver catalytic development results. It relies on the comparative advantages of the PUNOs, considering their mandates, technical and operational capacity and positioning to address a particular challenge relative to other organizations. Each JP has a signed JP document with an overarching results framework, work plan and budget. The JP team jointly manages for results for the duration of the JP, working across organizations to collectively prepare, implement, monitor and evaluation development activities aimed at achieving the 2030 agenda. Figure 15 below presents the programme cycle which guides each JP.

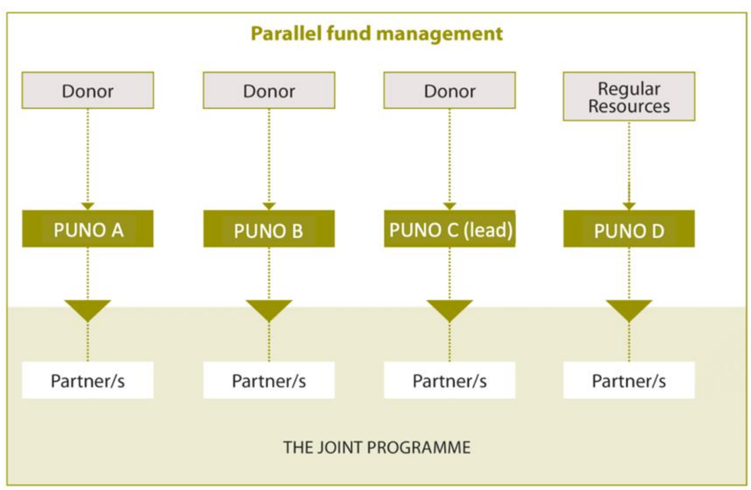
Figure 16. Joint Programming Cycle



Source: UNSDG Guidance Note on a New Generation of Joint Programmes (2022).

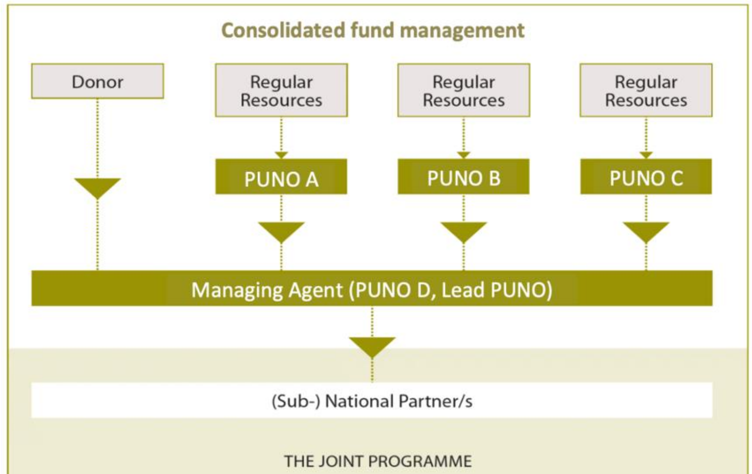
A joint programme uses one of three fund management modalities: parallel, consolidated or pass-through:

Parallel: Parallel modalities work best when PUNOs are working with different implementing partners and when funds from donors are earmarked for a specific PUNO. This modality keeps the flow of funds to each PUNO separate. Each PUNO manages the funds received separately, but still delivers against the signed JP document with an overarching results framework, work plan and budget. With this modality, a contributing donor provides funds directly to one or more PUNOs. It is most suitable for small contributions or when PUNOs are not receiving funds from a common donor(s). There is no threshold for parallel funding of a JP.



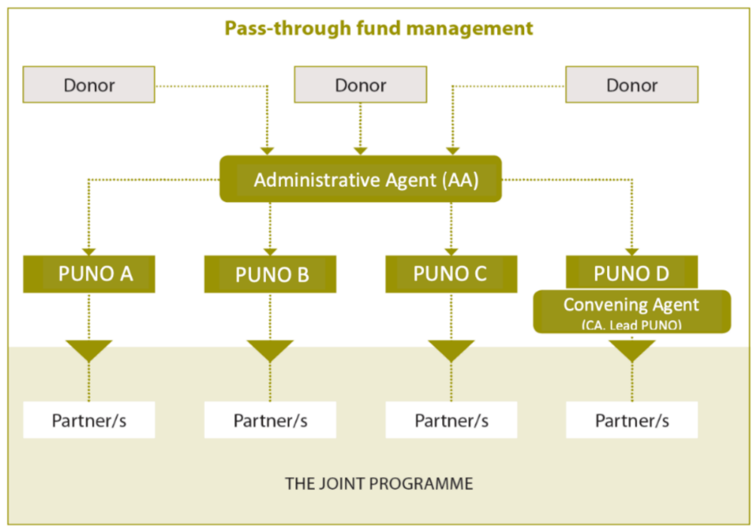
Source: UNSDG Guidance Note on a New Generation of Joint Programmes (2022).

Consolidated: Consolidated funding reduces the number of transactions from PUNOs to partners under a JP. PUNOs transfer funds to another PUNO, designated as the Managing Agent (MA), to reduce transaction costs for partners receiving funds from the PUNOs for implementation. The lead PUNO is the MA. This modality works best in situations where PUNOs are working with the same implementing partners and the expected budget is greater than or equal to US$ 200,000.[38]



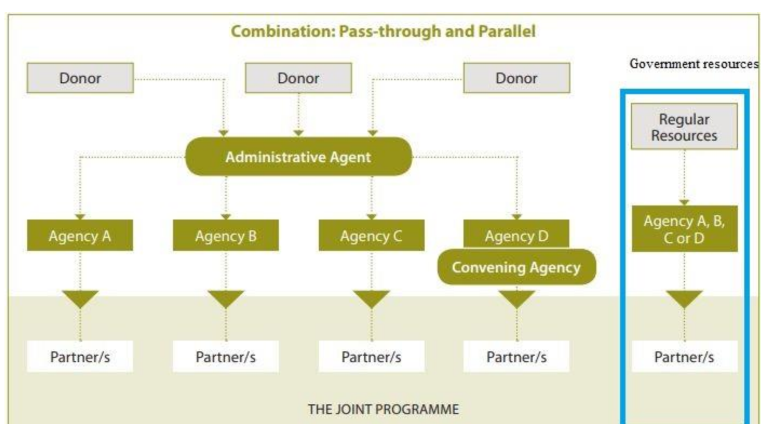
Source: [UNSDG Guidance Note on a New Generation of Joint Programmes]

Pass-through: A pass-through mechanism consolidates funds received by multiple contributing donors. PUNOs appoint one UN organization as the Administrative Agent (AA) to set up a common fund account in which funding from different donors is co-mingled. Financial transfers are made between the AA and PUNOs. Pass-through mechanisms can operate as standalone JPs (i.e. funding a single joint programme) or as a multi-partner trust fund (i.e. funding multiple projects and/or joint programmes under a common governance structure). The threshold for establishing a pass-through mechanism is US$ 1 million per PUNO.



Source: [UNSDG Guidance Note on a New Generation of Joint Programmes]

These fund management modalities are not mutually exclusive. A Joint Programme may be funded through a pass-through mechanism such as an MPTF as well as a parallel mechanism. Whereas the funds received from different donors through the MPTF would be co-mingled, the parallel mechanism would be used to transfer funds from a donor directly to a specific PUNO. Mixing modalities does,



Source: [UNSDG Guidance Note on a New Generation of Joint Programmes]

[38] Thresholds are applied to prevent large numbers of small JPs and high transaction costs and to collectively manage risks: political, strategic, programmatic or financial.

however, add to the complexity of fund management, which may reduce efficiencies.

The relevance of the specific fund management modalities for joint programming presented above depend on numerous factors, including the scale of financing, the donor landscape and the partner landscape. However, joint programming as a general practice – used independently or in conjunction with a pooled financing mechanism (e.g. reconstruction funds or a UN MPTF) –presents many advantages in the Libyan context, notably strengthened coordination and coherence to deliver results. The primary disadvantage is that it can take time to shift gears into this operational modality if AFPs are used to working independently, although one could argue that this would be time well spent if it leads to a better ability of the UN to deliver collectively for the people of Libya.

Key recommendations

1. **A broader understanding of sustainable development and a longer-term mindset within government is needed –** one that extends beyond infrastructure projects with a greater focus on outcomes and impact for people. There also needs to be greater focus on longer-term investments in human development through inclusive social services as well as climate change adaptation and just transition – moving beyond short-term political gains.

   ⇨ The UN should collectively advocate to government to adopt a longer-term approach to sustainable development, using a set of agreed talking points to deliver consistent messages, anchored in the UNSDCF.

2. **The Libyan Government will need to be the "first mover" when it comes to SDG financing.** The Libyan Government has the financial resources to invest heavily in the SDGs, as well as the ability to enable other financial flows. Political stability and an enabling environment for the private sector are necessary pre-cursors to any significant increase in private finance for the SDGs in Libya. They are also needed for development partners to deploy a broader range of financing instruments, notably blended financing tools.

   ⇨ The UN should collectively advocate for stronger government ownership and (co-)financing of the SDGs, beyond the financial needs of the UNSDCF.

3. **Channelling government financing towards the outputs and outcomes of the UNSDCF presents an opportunity to strengthen government ownership of this agenda and generate more active conversations around the SDGs in Libya**. In the absence of a National Development Plan, the UNSDCF provides an agreed framework for this dialogue.The reconstruction funds already established by Government mechanisms offer the most promising avenue for increasing government financing for the UNSDCF. Moreover, their partnership with UNDP to further formalize and operationalize the funds presents an opportunity to create more transparent processes, notably around project/programme appraisal and resource allocation. The government and UN should collectively explore joint programming modalities to enable government financing of UNSDCF outputs and outcomes.

   ⇨ The UN Resident Coordinator should lead discussions with the UNCT on a collective approach to advocating for government contributions to the UNSDCF and the most appropriate channels for government financing, considering the advantages and disadvantages of specific modalities put forward in this paper.

- ⇨ The UN Resident Coordinator should play a key role in the governance and oversight of any UNCT-wide funding and financing instruments, in line with the Management and Accountability Framework of the UN Development and Resident Coordinator System (2021).
- ⇨ The UNCT should agree on a collective approach to mobilizing government financing in a way that strengthens coordination and coherence while reducing fragmentation.

4. **To unleash the catalytic potential of ODA, it must be considered alongside and in relation to other financing flows.** In the Libyan context, this requires greater transparency around both ODA and government revenue as well as regular dialogue to help both sides better understand how resources are being deployed. The government, the UN and development partners should all be more transparent about their activities.

   - ⇨ The UN should advocate for greater government transparency of government spending and results, which would enable greater accountability to Libyans while also enable better targeting of ODA.
   - ⇨ The UN should also advocate for greater transparency amongst development partners, many of whom remain reticent to share information.

5. **Enhancing the efficiency of the public sector and improving outcomes in service delivery would make significant progress in delivering the SDGs.** Government authorities need to continue progress with the reform and reunification of the Central Bank of Libya, in line with the recommendations of the international audit review facilitated by the UN in 2022. The government needs to demonstrate equitable, transparent and accountable management of the country's resources to the Libyan people. The government would benefit from more technical assistance from international financial institutions in support of this agenda.

   - ⇨ The UN should continue to advocate for equitable, transparent and accountable public financial management, as well as increased engagement from IFIs.

Annex 1. Sectoral Breakdown of ODA to Libya, 2017-23

	2017	2018	2019	2020	2021
Basic Safety and security	**15.0**	**40.7**	**10.9**	**12.3**	**25.4**
Child soldiers (prevention and demobilisation)	0.0	0.0	0.1	0.0	0.0
International peacekeeping operations	0.3	1.5	0.2	0.4	0.6
Reintegration and SALW control	0.3	0.6	0.0	0.0	0.6
Removal of land mines and explosive remnants of war	11.6	19.4	9.1	10.1	11.2
Security system management and reform	2.8	19.2	1.6	1.9	13.0
Core government functions	**39.2**	**27.1**	**23.9**	**32.3**	**19.3**
Local governance	6.0	10.0	4.6	15.8	13.3
Other	0.1	0.1	0.0	0.0	0.0
Public Financial Management	1.3	3.9	2.3	6.6	0.1
Domestic Revenue Mobilization	0.9	4.2	10.2	2.4	3.2
Public administration / Civil service reform	31.0	8.8	6.7	7.5	2.8
Economic growth	**8.8**	**6.5**	**9.7**	**5.8**	**13.4**
Agriculture / Livestock	0.0	0.0	0.0	1.0	1.4
Communications	2.1	0.0	0.0	0.0	0.0
Employment creation	0.9	0.1	1.6	0.8	0.6
Energy	0.3	0.1	0.3	0.0	1.0
Environmental protection	0.0	0.0	0.1	0.1	0.3
Financial sector development	4.9	0.0	0.7	1.3	6.0
Industry, Mining, construction	0.0	0.0	0.0	0.0	0.0
Private sector development	0.6	6.2	7.0	2.6	4.0
Transport & Storage	0.0	0.0	0.0	0.0	0.1
Emergency Response	**121.3**	**109.2**	**103.1**	**85.0**	**81.4**
Administrative costs of donors	2.2	4.8	11.5	9.9	10.8
Emergency food assistance	11.7	8.8	15.2	11.0	11.1
Immediate post-emergency reconstruction and rehabilitation	9.6	23.8	7.3	2.7	4.3
Material relief assistance and services	77.9	45.6	48.2	45.1	36.1
Multi-hazard response preparedness	0.0	2.1	2.3	1.7	0.8
Refugees / asylum seekers in donor countries	0.4	1.0	0.6	0.1	0.0
Relief co-ordination and support services	19.6	23.1	18.0	14.5	18.4
Inclusive political processes	**239.2**	**77.6**	**121.4**	**83.7**	**115.0**
Anti-corruption	0.0	0.0	0.0	0.6	1.2
Civilian peacebuilding, conflict prevention and resolution	198.4	49.1	87.7	49.9	72.2
Democratic participation / civil society	12.2	10.9	11.8	14.4	6.8
Elections	8.1	7.1	11.0	9.5	25.0
Governance - other[39]	1.3	0.0	3.4	0.8	0.1
Human rights[40]	13.5	5.9	2.1	3.9	4.1
Justice / rule of law	2.3	4.5	2.8	3.7	5.0
Media and free flow of information	3.3	0.1	2.6	0.8	0.6
Other	**4.7**	**4.4**	**2.4**	**5.5**	**7.1**
Commodity aid / general programme assistance	0.0	1.2	0.0	2.4	3.5
Mult-sector / cross-cutting	4.6	3.3	2.4	3.0	3.7
Restoration of Basic Services	**24.2**	**37.8**	**31.5**	**69.8**	**65.6**
Education	8.9	10.7	10.5	14.9	16.4
Health	11.1	25.4	8.5	42.6	37.6
Facilitation of orderly, safe, regular and responsible migration and mobility	0.1	1.0	10.7	6.0	8.1
Other	0.2	0.1	0.0	1.1	0.9
Social protection	1.5	0.3	0.0	5.1	1.7
Water & Sanitation	2.4	0.3	1.8	0.0	0.9
Sector not specified	**4.9**	**0.3**	**0.9**	**2.1**	**0.8**
Total	**457.4**	**303.7**	**303.8**	**296.4**	**328.0**

[39] Includes support for legislatures and political parties and anti-corruption organisations and institutions.
[40] Support for women's rights, organisations and movements and the Elimination of Violence Against Women (EVAW) merged with human rights.

Annex 2. Categories of peacebuilding expenditures[41]

	Domain	Category Description
Core peacebuilding	Basic safety and security	Security system management and reform
		Reintegration and Small arms and light weapons (SALW) control
		Removal of land mines and explosive remnants of war
		Child soldiers (prevention and demobilization)
		Participation in international peacekeeping operations
	Inclusive political processes	Civilian peacebuilding, conflict prevention and resolution
Secondary Peacebuilding		Legal and judicial development
		Legislatures and political parties
		Anti-corruption organisations and institutions
		Democratic participation and civil society
		Media and free flow of information
		Human rights
		Women’s equality organisations and institutions
	Core government functions	Public sector policy and administrative management
		Public finance management
		Decentralisation and support to subnational government

[41] Adapted from OECD. 2018. States of Fragility 2018. p. 149.