



SITUATIONAL ANALYSIS

ON THE CURRENT STANDING ON
THE “PUBLIC PROCUREMENT
REFORM (PPR) STRATEGY
2022-2024”



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CENTER FOR INTERNATIONAL
PRIVATE ENTERPRISE

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ABOUT THIS REPORT

This report reviews the level of implementation of the public procurement reform (PPR) strategy, with particular focus on the strategic objectives 2 and 4, while it raises concerns about the sustainability and the effectiveness of the reform. It also reiterates the role of CSOs as key contributors in accelerating the in-force reform strategy and tackling possible issues that may undermine their proper implementation and/or achieve the goals they were initially set out to do.

LIST OF ACRONYMS

AFD	Agence Française de Développement
CA	Complaints Authority
CSOs	Civil Society Organizations
IOF	Institute of Finance
PA	Public Administration
PPA	Public Procurement Authority
PPL	Public Procurement Law
PPR	Public Procurement Reform
SPDs	Standard Procurement Documents
TI-LB	Transparency International - Lebanon
WB	World Bank

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I. WHY THE PUBLIC PROCUREMENT REFORM MUST NOT FAIL?

Amidst the gloomy context of policy deliberate inaction and randomly ad-hoc responses to the crisis, the public procurement reform strategy makes the case for Lebanon capacity to prepare, design, and potentially implement policy reform initiatives meticulously and effectively. More than that, it could be the proof of concept, that Lebanon is seriously capable of preparing the ground for a bailout plan. But ultimately, a successful reform implementation is mostly about sending much needed positive signal to citizens and civil society organizations that can be received as a token of goodwill to reinstate an acceptable level of trust in the state. For all those reasons, **the public procurement reform must not fail.**

II. TRAILING BEHIND TIME

Yet, the reform implementation is facing serious challenges. In fact, and according to Information and data collected from (i) the policy scorecard developed by TI-LB to evaluate the level of implementation of the “Public Procurement Reform (PPR) Strategy 2022-2024”, including the progress of actions to achieve its objectives¹, and (ii) the progress reports published by the Institute of Finance (IOF, 2024), **the PPR is apparently victim of the “slow reform trap”:**


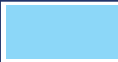

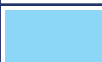


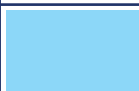





- Overall progress on strategic objectives II & IV was estimated at 33.3% while the elapsed of the PPR timeframe was quantified at 75% (Reference figure 1).
- More than 15 decrees and decisions are not yet issued despite long overdue deadlines. While it is a common understanding that fully operational and well-handled essential central functions such as the PPA and CA are key requirements for success, such delays might significantly undermine the reform process.
- 9 Standard procurement documents (detailed and simplified), in addition to sectoral SPDs, are neither issued nor published for use, knowing that SPDs are the basis for transitioning towards e-procurement.
- Limited progress was made at the level of issuing and publishing support tools such as user-friendly guides, hands-on tools, in addition to forms and templates.
- Although the PPL 244 recognized public procurement as a function in the public sector, yet the secondary legislations that should define the qualifications frameworks, skills, professional experience, conduct, job description, recruitment, and promotion conditions of the procurement personnel, etc. are not issued yet.
- Although by the end of 2023, 2921 public employees already undertook the introductory training sessions on PPL 244, not all procuring entities had access to at least one duly trained official. The roll-out plan was compromised and delayed mainly due to limited technical and financial support.
- CSOs are gradually losing sight on key policy reform issues while a structured and systematic dialogue and awareness across economic actors, civil society, and economic media, is today much needed to drive the acceleration of the reform.

¹ “The scorecards follow the same sections provided under the PPR Strategy, while limiting the assessment scope operational objectives under the strategic objective 2 “Create an institutional framework for successful procurement management and build corresponding capacity”; and objective 4 “Promote accountability, integrity and transparency in PP”.

- The transition towards e-procurement ² is delayed. Despite an EU funding was secured, there is no officially declared timeframe for testing and updating the DELTA platform originally developed by OMSAR.
- The financing gap is worrying (78%) after the 2 years of implementation, leading to question the government's serious patronage of the reform and the donor community engagement and commitment to provide needed support.

Figure 1: PPR Strategy-Progress on Strategic Objectives II & IV

Overall Progress

Strategic Objectives	Operational Objectives	Last due date	% Level of Progress
II. Create an institutional framework for successful procurement management and build corresponding capacity	II.1 Ensure that the key central functions of the public procurement system are well handled; namely the Public Procurement Authority (PPA) and the Complaints Authority (CA)	31/12/2022	 50%
	II.2. Recognize procuring entities and build their capacity	31/12/2023	 38%
	II.3. Set up the framework for the professionalization of the public procurement function	31/12/2022	 25%
	II.4. Develop, where appropriate, arrangements for centralized purchasing	31/12/2024	 33%
	II.5. Set up the central electronic platform and prepare for e-procurement implementation	31/12/2025	 20%
IV. Promote accountability, integrity, and transparency in public procurement	IV.1 Institute systematic policy consultations with the business community and civil society and raise the transparency of public procurement	31/12/2023	 50%
	IV.2 Simplify and clarify principles of integrity and accountability and support their application	31/12/2024	 50%
	IV.3. Eliminate gaps and overlaps in the roles of oversight bodies and raise the level of transparency of their work, with a focus on the achievement of good public procurement outcomes and the prevention of bad practices	31/12/2024	 13%
	IV.4. Ensure that actual cases of fraud and corruption are identified, properly investigated, and effectively sanctioned	31/12/2024	 25%
OVERALL PROGRESS ON OBJECTIVE II AND OBJECTIVE II		31/12/2024	 33%
OVERALL ELAPSED TIME		31/12/2024	 75%
PPR OVERALL TIMEFRAME	2022-2024	31/12/2024	 100%

Source: PPR scorecards developed by TI-LB

² The e-procurement is the cornerstone of transparency and integrity in the PPR.

III. A STRATEGY COMPROMISED BY SYSTEMIC RISKS AND POLICY SLOW DOWN

Political instability and deadlock largely affected the reform progress particularly the full institutionalizing and the professionalization of the two new authorities (PPA and CA) including regulations, structure organization and staffing, and consequently negatively impacting the systematic implementation of the law across the board. Systemic risks also extended to the internal financing of the reform that was merely inexistent due to abnormal fiscal restrictions, thus creating a financing gap and irregularities that were further exacerbated by uncoordinated donor practices, mostly motivated by respective priorities.

On a policy level, the establishment and the operationalization of the National Anti-Corruption Commission might be compromised by the regulation inertia, as no efforts so far were deployed to review applicable laws and regulations, including the laws related to anti-corruption, to make sure notions of integrity and accountability are clearly defined and made applicable to public procurement. On a parallel note, the same inertia protracted and extended to regulatory and institutional framework applicable to public procurement oversight bodies that were supposed to be reviewed in alignment with the PPL 244 provisions to eliminate overlaps and reduce performance bottlenecks risks.

Additionally, Standard Procurement Documents (SPDs) are not yet issued and published for use by procuring entities. In fact, SPDs are the most important element that systemize the procurement process across the board and that would make the real difference between the old chaotic semi-centralized procurement model and the systemized decentralized model brought in by the PPL 244.

On a more critical note, civil society organizations seem to be out of the loop on whatever progress is being made and gradually losing the privilege of systematic policy consultations. Particular attention is drawn to the transitioning process towards e-procurement in terms of secondary legislation, infrastructure, platform re-design and functionality, etc., a reform area that is considered unavoidable to improve the overall system performance, transparency, and integrity. Ultimately, the digital transition would lay the ground for improved monitoring. CSOs will have direct access to an open platform allowing the effective tracking of procurement information and investigating suspicious data, while simultaneously establishing a widespread acceptance among procuring entities, control bodies and contractor, that CSO representatives should play an effective role in PP monitoring.

In view of such, TI-Leb is seriously concerned that Lebanon might be at high risk of losing the momentum and falling into the trap of low torque and diluted reform.

IV. WHERE SHOULD CSOS STAND?

CSOs are aware of the urgent need for accelerating the reform process and should be ready to carry out an important role not only in monitoring progress on policy issues, but also in actively driving and supporting the PPR implementation. Among recommended actions:

- Increasing the frequency and the scope of monitoring activities. Effective tools such as policy scorecards should be used on an annual or semi-annual basis to assess the progress on all strategic objectives of the PPR strategy (Government of Lebanon, 2022).
- Raising more awareness to the public sector, private sector, and civil society on PPL new provisions and generally on progress achieved in the reform implementation.
- Advocating for more transparency in financing modalities and mechanisms and more harmonized donor coordination.
- Engaging in proactive dialogue with duty-bearers. In the current context of fiscal restrictions and capacity depletion, CSOs can play a constructive role assisting PA in securing funding, providing technical support, or even bringing in local or international expertise.
- Supporting in policy design and adaptation, particularly in the development of the e-procurement platform front-end section dedicated for open usage, provided that a systematic disclosure of information protocol on policy and procedures is followed by duty-bearers.

TI-LB restates the crucial role of CSOs and calls upon peer NGOs to collectively increase the level of commitment to the PPR, but also asks the government represented by the key stakeholders for more inclusivity and participation.

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