



REPUBLIC OF LEBANON
MINISTRY OF FINANCE

Guiding Principles of the New Public Procurement Draft Law in Lebanon 2019

The 8 guiding principles of Public Procurement in Lebanon



In line with the
OECD 12 Principles
on Public
Procurement



I. Integration

Apply the law' provisions to all State's administrations, institutions, bodies and agencies responsible for spending public money to satisfy their needs and provide services to citizens, at all levels.

1. **The provisions of the Law cover all types of public procurement, public services or management of public utilities, financed by the Public Budget, the State treasury or through grants, donations and loans, provided that it doesn't infringe the specific procedures of international conventions ratified by the Lebanese Government.**
2. **Procurement of public administrations, municipalities and unions of municipalities (including those subject or not to the control of the Court of Audit), public institutions, regulatory authorities, and public companies of which more than 50% of the shares are owned by any of the previously stated entities, public utilities receiving financial revenues from non-advisory services, any person for the benefit of whom public money is allocated to be used in public procurement, and diplomatic missions abroad, or any other entity whose budget is included or attached to the State budget.**
3. **Procurement done by security and military bodies (all administrations and their subsidiaries), with specific exceptions for the secrecy of security sector procurement, while specifying related oversight provisions.**

II. Transparency

Ensure transparency of all procurement operations, at the central and local levels, and allow free access to information and data for all stakeholders, using electronic means, while making sure that published data is meaningful for stakeholder uses.

- 1. Ensure transparency starting from the planning / budget preparation phase and throughout the public procurement cycle.**
- 2. Publish mandatorily the annual procurement plan online, with detailed information.**
- 3. Publish mandatorily and with details all procurement opportunities across the public sector.**
- 4. Allow free access to procurement information and data through a unified online portal, for all stakeholders, among which potential national and international suppliers, as well as civil society and citizens at large.**
- 5. Use digital technology to replace paper-based procurement procedures, through the procurement cycle, for better transparency, financial gains and efficient results.**
- 6. Respect objectivity and transparency while preparing bidding documents.**
- 7. Engage the private sector and civil society in the review process of the legal and regulatory frameworks of public procurement.**

III. Competition

Conduct public procurement using competitive procedures as a means of driving efficiencies, fighting corruption, and ensuring competitive outcomes.

1. Use competitive tendering and limit the use of exceptions and single-source procurement, to drive efficiency and fight corruption.
2. Consider clear criteria for the use of mutual agreements.
3. Have in place coherent, stable, clear and simplified institutional, legal and regulatory frameworks.
4. Ensure access of potential bidders, of all sizes, including foreign suppliers, and encourage equal, fair and transparent treatment.
5. Treat all bidders, interested in doing business with the public sector in an equitable manner to complete the procedures of pre-qualification and pre-classification.
6. Use clear, coherent and standardized bidding documentation, and make its use mandatory to all public entities subject to the public procurement law.

IV. Efficiency

Rationalize public spending, ensure value for money, and provide quality services to citizens, while sustaining efficient relationship between the public and the private sectors and ensuring a sound risk management

1. Encourage multi-year budgeting and financing to optimise the design and planning of the public procurement cycle.
2. Rationalise public procurement spending by developing a better understanding of the spending dedicated to public procurement through the collection of related evidence and data.
3. Streamline the public procurement system, its institutional frameworks and procedures, and define roles of concerned institutions to avoid functional overlap, inefficient silos and other causes of waste.
4. Engage in transparent and regular dialogues with suppliers, business associations, syndicates and business persons to present a correct understanding of public procurement objectives and markets.
5. Develop and use tools to improve procurement procedures, reduce duplication and achieve greater value for money, including centralised purchasing, framework agreements and e-catalogues.
6. Harnessing the use of digital technologies to support the appropriate use of e-procurement.
7. Evaluate the effectiveness of the public procurement system on a regular basis, and gather structured, updated and reliable information using data and digital technology.
8. Develop risk assessment tools to identify and address threats to the proper function of the public procurement system.
9. Publicise risk management strategies, for instance, systems of red flags or whistle-blower programmes.
10. Harmonise public procurement principles across the spectrum of public services delivery.

V. Accountability

Apply oversight and control mechanisms throughout the public procurement cycle to support accountability, including appropriate complaint and sanctions processes.

- 1. Establish clear lines for oversight of the public procurement cycle** to ensure that the chains of responsibility are clear, that oversight mechanisms are in place and that the delegated levels of authority for approval of spending and approval of key procurement milestones are well defined.
- 2. Develop a system of effective and enforceable sanctions.**
- 3. Identify mechanisms and processes to handle complaints and objections in a fair, transparent and timely way, in order to correct defects and prevent abuses.**
- 4. Ensure that internal control (including financial control, internal audit and administrative control), and external control and audit are coordinated, sufficiently resourced and comprehensive.**

VI. Integrity

Require high standards of integrity in the procurement cycle for the public and the private sectors, and capitalize on digital technology to reduce the risk of corruption.

- 1. Require high standards of integrity for all stakeholders in the procurement cycle through expanding general standards in integrity frameworks or codes of conduct and applying them on civil servants.**
- 2. Implement public sector integrity tools and tailor them to the specific risks of the procurement cycle.**
- 3. Develop integrity training programmes for the procurement workforce, both public and private.**
- 4. Develop requirements for internal controls, compliance measures and anti-corruption programmes for suppliers.**
- 5. Limit the risks of conflict of interest through developing clear definitions of conflict of interest, collusion, disclosure of information, etc. of**
- 6. Register all blacklisted suppliers in case of infringement of the integrity principle, or any other of the procurement law guiding principles, and make this information available, while considering removing them from the blacklist in case they proved having rectified their legal, financial and administrative situation (*self-cleaning principle approved by the European Union to avoid blacklisting a supplier for life-time*).**

VII. Professionalism

Develop the capacities of the procurement workforce, involved in all procurement stages, to ensure a high level of professionalism and integrity, with the capacity to continually deliver value for money efficiently and effectively

- 1. Ensure that all procurement officials**, or those involved in any of the procurement stages including members of the tender and acceptance committees, **meet high professional standards**.
- 2. Recognize public procurement as a specific profession**, within the civil service scheme, and ensure the existence of a capable and professional team at the level of all public entities abiding by the public procurement law.
- 3. Provide attractive, competitive and merit-based career options for procurement officials**.
- 4. Engage procurement official in mandatory annual training provided by the Ministry of Finance, tackling procurement planning and integration within the budget preparation exercise, and multi-year financing**.
- 5. Build national capacities in a regular and mandatory way through continuous technical training**.
- 6. Provide public procurement handbooks and guides to all public spending agencies**.

VIII. Sustainability and local development

Ensure that public procurement is aligned with the sustainable development goals in their economic, social and environmental dimensions, and balanced against the primary procurement objectives.

- 1. Develop an appropriate strategy for the integration of secondary policy objectives in public procurement systems, and set clear criteria for sustainability.**
- 2. Evaluate the use of public procurement as one method of pursuing secondary policy objectives, in accordance with clear national priorities.**
- 3. Training procurement officials to support the implementation of the secondary policy objectives.**
- 4. Employ appropriate impact assessment methodology, based on data gathering and indicators, to measure the effectiveness of procurement in achieving secondary policy objectives**
- 5. Develop specifications databases that meet sustainability criteria.**
- 6. Set criteria for the violation of environmental and social sustainability principles.**
- 7. Encourage the participation and innovation of small and medium enterprises.**
- 8. Align with national policy that promotes the Lebanese industry and prioritizes national goods.**