

ANALYSIS OF PROCUREMENT STAKEHOLDERS AS PER MAPS GUIDE (2018)

The context analysis provides a thorough mapping of key stakeholders formally and informally linked to public procurement structures. It helps to engage stakeholders as part of the assessment and as part of future reform processes. Stakeholder engagement in general helps to illuminate how interests, incentives, values and ideas are shaped by formal and informal rules. It can support the development and prioritization of actions that are feasible and realistic to implement.

Under section 2 of the Analysis of Country Context chapter of MAPS Report: Mapping of key external stakeholders formally and informally linked to public procurement structures, their interests and avenues for engagement.

PROCUREMENT STAKEHOLDERS ANALYSIS IN LEBANON

Stakeholders	Leadership	Current role and responsibilities	Gaps and risks	Positioning vis-à-vis procurement reform
Central Tender Board	<ul style="list-style-type: none"> ▪ Administratively attached to the Central Inspection. ▪ Independent in his decisions regarding Public Procurement. ▪ The CTB's Director General has the authority to form tender committees. 	<ul style="list-style-type: none"> ▪ Plan: Consolidates yearly plans received from different procuring entities into one general yearly procurement plan, and publishes it in 5 local newspapers and in the Official Gazette. ▪ Advise: Carries out procurement on behalf of ministries (except Ministry of Defense, Internal Security Forces and General Security) and public institutions (if not contradictory with their own regulations) when the contract value exceeds 100 million LBP, including the following steps: revision of tender documents and providing non-binding feedback to the Ministry, announcement of tenders, receipt of proposals, opening and evaluation and identification of winning proposal. ▪ Evaluate and manage: When carrying out procurement on behalf of the procuring 	<ul style="list-style-type: none"> ▪ Hybrid status: it doesn't perform centralized procurement, nor joint procurement, but does the procurement process only (contract execution happens) ▪ Non-binding recommendations ▪ Work hindered by lack of transparency on publication of annual plan by administrations ▪ Absence of standard bidding documents ▪ Absence of regulatory function ▪ Lack of human resources 	In favor of decentralized model of procurement, with Central Tender Board pre-approval across the board

		entity (for procurement values exceeding 100 million of LBP), it is responsible for the announcement of the procurement in three local newspapers well as in the Official Gazette, and for receiving bidders' proposals. A special tender committee formed by the Head of the CTB is responsible of opening and evaluating the proposals received, as well as identifying the winning bidder. The whole file and results are communicated to the procuring entity for approvals and contract signature.		
Court of Accounts	Operates under tutelage of Presidency of Council of Ministers. The President of the Court of Accounts is appointed by the Council of Ministers	As Supreme Audit Institution, it performs a compliance audit on public spending prior to contract signature and post contract execution. The CoA audit depends on the nature of the procuring entity, as well as on the amount of the contracts. Are subject to its audit: ministries and some municipalities, for procurement exceeding certain thresholds.	<ul style="list-style-type: none"> ▪ Ex-ante audit overlaps with the role of the Ministry of Finance in controlling expenditures. ▪ Ex-post audit is limited to a number of transaction. ▪ Lack of human resources. ▪ Weak disciplinary power in case of misconduct detection ▪ Performance audit not applied. 	In favor of decentralized model of procurement, with Central Tender Board pre-approval across the board
State Council	Linked to the Minister of Justice. The President of the State Council is appointed by the Council of Ministers	Handles complaints related to public procurement before and after contract signature.	<ul style="list-style-type: none"> ▪ Absence of administrative courts. ▪ Lack of suspensive effect of summary measures on procurement procedures. ▪ Executive power interference (determines number of trainees judges, nominates judges, illicit enrichment cases, etc) 	In favor of a decentralized model of procurement governance
Ministry of Finance	Composed of many general directorates and other institutions. The General Directorate of Finance plays the	Controls and approves public expenditures done by all ministries. Expenditures may not be engaged without the prior approval of the Expenditure Controller of the MOF. This doesn't apply to all public institutions which expenditures control is done either internally or	<ul style="list-style-type: none"> ▪ Lack of procurement integration in the state budget. ▪ Expenditure control overlap with ex-ante audit performed by Court of Accounts. 	<ul style="list-style-type: none"> ▪ Committed to public procurement reform since 2018 ▪ Leading MAPS assessment to better inform the reform process.

	key role in Public Procurement. It has an "Expenditure Controller" assigned in each ministry.	through a Government commissioner, especially for big spenders like the Council for Development and Reconstruction (CDR).	<ul style="list-style-type: none"> ▪ Not all procuring entities are covered by the ministry's expenditures control. ▪ Processes are not automated, lack of transparency. 	<ul style="list-style-type: none"> ▪ In favor of procurement's integration into budget and value for money.
Central Inspection	Operates under tutelage of Presidency of Council of Ministers. The President of the Central Inspection is appointed by the Council of Ministers.	Within its mandate, it undertakes financial inspection on ministries, public institutions and municipalities, with some exceptions. The inspection is ad-hoc and not systematic	<ul style="list-style-type: none"> ▪ Scope is not comprehensive (excluding municipalities) ▪ Lack of human resources ▪ Insufficient working tools 	In favor of a decentralized model of procurement governance with some Central inspection oversight over procurement
Council of Ministers	Prime Minister (Head of the Executive)	<ul style="list-style-type: none"> ▪ The approval of the COM is mandatory for exceptions in public procurement procedures. ▪ The COM also appoints director generals and heads of the independent control agencies, most of which are within its structure. 	Political interference in the procurement procedures	<ul style="list-style-type: none"> ▪ National momentum for reforming public procurement in the country. ▪ But politicians' interests are at stake: not in favor of a reform that decreases their political power over procurement
Ministry of Interior and Municipalities		Has the role of approving and monitoring public expenditures done by municipalities and unions of municipalities.	<ul style="list-style-type: none"> ▪ Lack of uniformity: not all municipalities are subject to same legal text. ▪ Discrepancy in legal texts as for municipalities subject to Court of Accounts' oversight. ▪ Expenditure control overlap with ex-ante audit performed by Court of Accounts for municipalities subject to its oversight. 	

Private sector: Business associations and syndicates		Represent large economic operators providing goods, services and works to Government (central and local levels) Have their own interests in guaranteeing shares of the public procurement market	<ul style="list-style-type: none"> ▪ Represent interests of politicians, owners of shares in companies and contracting groups. 	<ul style="list-style-type: none"> ▪ Have limited interest in establishing an efficient, competitive and transparent procurement framework. ▪ In favor of keeping pre-classification of contractors
Private sector: Small and medium enterprises		Represent more than 93% of the Lebanese economy and employ 51% of the working population	<ul style="list-style-type: none"> ▪ Several barriers to accessing procurement market ▪ Lack of transparency limit their access to information on new opportunities ▪ Lost potential due to limited competition 	<ul style="list-style-type: none"> ▪ Have large interest in establishing an efficient, competitive and transparent procurement framework. ▪ In favor of access to data and of efficient complaint system. ▪ In favor of giving preferences to national goods and services in public procurement.
Civil society		Watches the government performance and raise voice against corrupted practices Asks for more transparency in public procurement	<ul style="list-style-type: none"> ▪ Lack of knowledge of the current performance of public procurement system ▪ Lack of knowledge of stakeholders' roles and responsibilities ▪ Insufficient monitoring mechanisms on procurement procedures 	<ul style="list-style-type: none"> ▪ Support procurement reform for more transparency and sound deliver of public services to citizens (open data) ▪ Are indifferent vis-a-vis the nature of the new governance model of public procurement (centralized or decentralized)

International community		<p>Represents donor organizations (regional and international) supporting reforms and economic development in Lebanon.</p> <p>The international community reiterates, at several occasions, the urgency of public procurement reform as one of the main structural reforms the Lebanese government has to demonstrate to regain trust and unlock foreign aid.</p>		<p>In favor and pushing towards a modern public procurement system, in line with international standards and guidelines, that is able to ensure value for money, foster competition, regain trust, limit corruption, attract foreign investments and ensure efficient public services</p>
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