



Lebanon's Mission to Transform Public Procurement

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“ We are leading this reform in Lebanon because we believe that procurement is the mirror that reflects public intentions and values. **Why wait? There is never a good or right time to make change; we just need to take a step forward.** ”

– **Lamia Moubayed Bissat**, President of the *Institut des Finances Basil Fuleihan*

Promising practices for making procurement more efficient & fair, results-driven, equitable, and strategic are being tested all around the world. Recently, the Government Performance Lab had the opportunity to speak with procurement professionals in Lebanon about implementing the country's Public Procurement Law (PPL), a highly ambitious campaign of public procurement reform which seeks to radically increase efficiency, transparency, and accountability in how public purchases are made. In pursuing this reform, the country overcame political gridlock and extremely tight resource constraints. Lamia Moubayed Bissat, President of the Institut des Finances Basil Fuleihan (IoF), and Basma Abdul Khalek,

Economist and Program Officer at the IoF — the two senior leaders interviewed for this piece — hope that others can learn from their experience advancing change in this challenging context. (The IoF is the knowledge center at the Lebanese Ministry of Finance that has played a central role in advancing the reform.)

We are pleased to share Lebanon's story of implementing the PPL to demonstrate that moving past challenges such as private sector mistrust, government resistance, and a compliance mindset can result in transformative change and better outcomes for the people your government serves.

1. Why is procurement reform a priority in Lebanon? What created the space for the Public Procurement Law (PPL) to be pursued?

BASMA: Procurement reform is key to the fight against corruption in Lebanon. Corruption has severely undermined Lebanon's development and heightened inequalities. It has played a major role in driving the country into the [unprecedented, severe economic crisis](#) we face today, which has left over 75% of the population in poverty and devalued the currency to less than 5% of its former value. Procurement can be a major channel of corruption. According to the Organization for Economic Cooperation and Development (OECD), the majority of corruption cases (57%) worldwide are [linked to procurement](#). Prior to the 2021 reform, Lebanon had no specialized law regulating public procurement. The country's Public Accounting Law of 1963 provided a legal framework for procurement, but it wasn't universally applied. The Central Tender Board did not have binding authority and oversaw just 5% of state procurements. There were no dedicated procurement roles in the civil service, and a wide variety of staff could deal with public procurement operations, which further clouded accountability. Rules, processes, and procedures were old and fragmented, inefficient, and opaque, which left the door wide open to exploitation.

A combination of pressure from civil society and the international community put pressure on the political class to address corruption in procurement. Widespread protests in 2015 and 2019 demanded that the government meaningfully address corruption. In 2018, France hosted an international meeting referred to as the CEDRE¹ conference to raise financing



Working session at the Institute of Finance with the cohort of national experts-trainers in public procurement, 2023

for Lebanon's capital investment plan. Donors pledged \$11B in financing on the condition that the country undertake structural reforms, including revamping procurement.

In response to these pressures, Parliament passed a suite of anti-corruption laws between 2018 and 2020 (including laws on access to information and whistleblower protections), which contained elements addressing corruption in public procurement. In addition, successive ministerial declarations made an official commitment to systematically reform public procurement. The Government of Lebanon also approved the National Anti-Corruption Strategy with a pillar dedicated to public procurement reform. **Together, this pressure helped create a window to pass the Public Procurement Law in 2021.**

LAMIA: We saw a window of opportunity, a moment of political readiness that coincided with our technical preparedness. Our team had worked with the OECD, World Bank and Lebanese experts to assess the public procurement system.² We all wanted a modern legal and institutional base in line with international best practices and tailored to the Lebanese context, so we designed a new

framework. A prominent Member of Parliament championed our efforts and introduced the draft law to Parliament.

I think the fact that public procurement is not well understood by many stakeholders actually worked in our favor. **Potential political adversaries may have underestimated how powerful procurement reform could be in fighting corruption.**

2. At a very basic level, what does the PPL do?

Before the PPL, Lebanon didn't have a national law governing public procurement, and public entities were subject to a set of antiquated rules. Oversight was also not systematic; several overlapping institutions were responsible for oversight of different entities. **This setup blurred lines of responsibility and accountability and was highly vulnerable to corruption.**

The PPL brings all public entities, including local municipalities, under a consistent set of rules governed by a single oversight authority and lays out clear complaint mechanisms overseen by a special authority. The law also outlines rules such as thresholds for issuing competitive solicitations and processes for managing complaints. In doing so, the law fosters consistency, transparency, and

fairness in procurement throughout Lebanon. The law also lays out penalties for violating procurement policy, giving the measure some teeth. Importantly, it establishes a professional procurement role within the civil service for the first time and requires every authority to have a trained procurement officer.

The efforts focused on eight foundational principles for reform, which are listed below.

The [IOF's explainer](#) on the PPL shows public procurement methods and the dollar threshold at which each method can be applied. The law provided flexibility to adjust thresholds in case of currency devaluation. For example, six different types of procurement methods are permitted:

1. Public tender
2. Tender in two stages
3. Request for quotation
4. Request for suggestions for consulting services
5. Direct contracting
6. Procurement by invoice

These methods have different dollar thresholds at which they can be used.

Eight Foundational Principles for Reform



3. Has the PPL made an impact on procurement in Lebanon?

LAMIA: The PPL is already being used to successfully challenge opaque, non-competitive procurement practices. For example, the Ministry of Transportation recently attempted to award a \$122M contract to a private company to build and operate a new airport terminal without a public, competitive solicitation process, in direct violation of the PPL. Civil society and the media immediately jumped to contest the decision, and within a week, the Ministry [reversed course on the project](#).

4. What are the most critical next steps in implementing the PPL?

LAMIA: Establishing the Public Procurement Authority and the Complaints Authority, building capacity at the national level, and rolling out an e-procurement system are all top priorities in the next phase of implementation:

- **Appointing the Public Procurement Authority (PPA):** Now that we have the law in place, it needs to be enforced at the national level. We need to form a Public Procurement Authority (PPA) to develop procurement policies and to provide oversight, guidance, and corrective measures. The government has designated only the head of the PPA so far, and one person does not make an institution. To make this institution operational, they will need to organize facilities, IT infrastructure, and a well-trained staff.
- **Establishing the Complaints Authority:** With corruption being a primary concern of both citizens and the international community, prospective bidders need to trust the procurement process and believe that they genuinely have a fair chance. A Complaints Authority will advocate for potential bidders and active suppliers, overseeing the review and resolution of complaints.
- **Building capacity at the national level:** Since the new law was approved, the Institute of Finance Basil Fuleihan has been delivering training and building awareness to encourage compliance. To date, more than 2,500 beneficiaries have been trained on basic competencies related to understanding the law's rationale, principles, provisions, and governance. Specialized training and certifications will be required to professionalize public procurement and build a competency-based recruitment system.



Training session on Public Procurement Law delivered by the Institute of Finance for government senior officials, 2023

- **Rolling out an e-procurement platform:** Developing an e-procurement system that centralizes nationwide procurement will make it far easier to see which bid opportunities are open, which awards have been made, and which companies are winning contracts. This new data system will enable open access to information for oversight, research, and analysis and will empower civil society to review and scrutinize how public funds are being used.

We have been inspired to action by advances made in Egypt, Tunisia, Palestine, and especially by Chile's ChileCompra, who won a UN Public Service Award for fostering greater participation in public contracting by women-led companies.

5. What have been some of the major risks, challenges, and barriers to implementing the PPL?

BASMA: We have been grappling with three main challenges: private sector mistrust, municipal government resistance, and a struggle to enforce compliance.

- **Private sector mistrust:** Over 90% of businesses in Lebanon are small and medium-sized enterprises (SMEs), which were previously unable to compete for government contracts in a fair and transparent process. **Despite reform efforts, much of the private sector still doubts the legitimacy of opportunities to win public contracts and is reluctant to bid.** As implementation continues, we plan to encourage more dialogue and engagement with the business community, especially women-led businesses, to rebuild trust and encourage bidding. The new e-procurement platform will be instrumental in mending perceptions and providing easy access to the procurement market.

- **Municipal government resistance:** For the law to be effective, it is essential that all public entities comply with it. However, **many municipal leaders have opposed the reform or asked for exemptions for their jurisdictions.** Some simply are not used to separating planning from execution; the current law prohibits municipal leaders from interfering in the execution process and from awarding public contracts without a competitive process. Other municipalities support the law in theory, but they are concerned about having the staff capacity and technical skills to implement it. Resistance to change is compounded by entrenched interests and a weak understanding of public procurement principles and sound fiscal management. The economic and financial crisis in Lebanon compounds these difficulties. We are doing our best to provide technical assistance and work with municipal jurisdictions to encourage application of the law. Ultimately, we expect the PPL to benefit municipalities by allowing them to apply consistent standards in a simplified manner and attract new bidders.



Training session on Public Procurement Law delivered by the Institute of Finance for the Lebanese Armed Forces officers, 2022

- Maintaining compliance:** Even though the PPL aims to reduce corruption, there is still a long way to go. **We can't just take for granted that the law will be applied; we'll need to actively fight to enforce it.** Civil society is an essential partner in this effort and has been crucial in sustaining momentum and sounding the alarm when needed. Organizations such as Transparency International-Lebanon, the Lebanese Foundation for Permanent Civil Peace, Democracy Reporting International-Lebanon, ALDIC, Kulluna Irada, and others have advocated for the implementation of this reform and helped maintain its momentum. The Gherbal Initiative even built a [dedicated website](#) to monitor implementation.

LAMIA: A shortage of financing and human resources have made advancing this reform challenging. To proceed, we must have a skilled workforce at both the strategic and operational levels to make sure what has been implemented will be maintained and improved. Skilled, ethical professionals are instrumental to driving this reform forward, but [inflation](#) and [mass emigration](#) of skilled workers from public service (both civilian and military) is eroding national capabilities and limiting opportunities to attract and retain talent. Without additional technical, financial, and human resources, we fear that what started so well may be interrupted, or worse, reversed.



Launching ceremony at the occasion of the Public Procurement Law entry into force in the presence of Lebanon's Prime Minister Najib Mikati at the Grand Serail, July 2022

6. What advice would you share with other public leaders who would like to advance public procurement reform in their governments?

LAMIA: Identify champions of change. You will need many advocates to implement a transformative reform. Lebanon made progress on this reform because we leveraged the collective power of stakeholders from the public sector, parliamentarians, civil society, private sector, and the international community, leaning into their strength, voice, and desire for change.

“ Do not underestimate the power of public procurement as a catalyst of sustainable change. ”

BASMA: Understand your organization's change philosophy. Laws are simply rules and guidelines; they can be amended or reversed. True reform requires organizations to think beyond the legal text, answer philosophical questions, and commit to change. Consider this: What type of institutions should exist in 10, 25, and 50 years? How can procurement be an instrument to lead the change?

LAMIA: Channel the power of procurement. Governments are major spenders and have a significant amount of power and influence over economic, social, and environmental systems. Efficient stewardship of public resources is a key responsibility of public leaders, but we should go even further. We have a responsibility to use procurement to advance strategic objectives that contribute to a greener, fairer, more equitable society.

Basma Abdul Khalek

[Linkedin](#)



Basma Abdul Khalek is an Economist and Program Officer at the Institut des Finances Basil Fuleihan. Basma's role was instrumental in policy research and analysis, advocacy and awareness raising to advance the Public Procurement reform agenda in Lebanon since 2018. She is responsible for coordinating reform strategy's action plan implementation and for reporting on progress. She also coordinates the Institute's work with international donors and partners supporting the reform.

She is a Certified Anti-Corruption Fellow (CACF) from the American Anti-Corruption Institute (AACI) and is member of the Lebanese State Alumni Community (LSAC).

She holds a Master's degree in Public Governance in the Euro-Arab Region from the Universidad de Granada in Spain, and a Bachelor's degree in Economics from Université Saint-Joseph in Beirut.

Lamia Moubayed Bissat

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Lamia Moubayed Bissat is the President of the Institut des Finances Basil Fuleihan and the Advisor of the Lebanese Minister of Finance on Public Procurement Reform. She advises on Agenda 2030 progress as member of the UN Committee of Experts on Public Administration, upon appointment by SG Antonio Guterres. She is Co-Chair of UN-CEPA since April 2021. Her 20 years multidisciplinary experience in Lebanon, MENA region and with UN agencies is focused on sustainable development and quality of government with emphasis on public sector reform, budget transparency and public procurement.

She teaches Public Governance at Saint Joseph University - Beirut and Governance and Gender at American University of Beirut (AUB). She is a Fellow at the Asfari Institute for Civil Society and Citizenship at the AUB.

She holds an M.Sc. degree from AUB and Professional Certificates in Strategic Policy Planning and in Strategic Management and Leadership from the UK.



For more information about Lebanon's efforts, please see the following resources:

- ▶ [The Institut des Finances Basil Fuleihan](#)
- ▶ [Citizen Guide to Public Procurement Law](#)
- ▶ [Lebanon Public Procurement Reform](#)
- ▶ [Progress Report: Lebanon](#)

The **Procurement Excellence Network** is an initiative of the Government Performance Lab designed to help public sector leaders use government procurement as a tool to improve resident outcomes and advance equity. The **Government Performance Lab**, housed at the Taubman Center for State and Local Government at the Harvard Kennedy School, conducts research on how governments can improve the results they achieve for their citizens. An important part of this research model involves providing hands-on technical assistance to state and local governments. Through this involvement, we gain insights into the barriers that governments face and the solutions that can overcome these barriers. By engaging current students and recent graduates in this effort, we are able to provide experiential learning as well.

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1 CEDRE stands for the "Conférence économique pour le développement, par les réformes et avec les entreprises" and is French for "cedar," the national symbol of Lebanon.

2 See, for example, the [MAPS assessment of Lebanon's public procurement system](#) produced in conjunction with the World Bank.