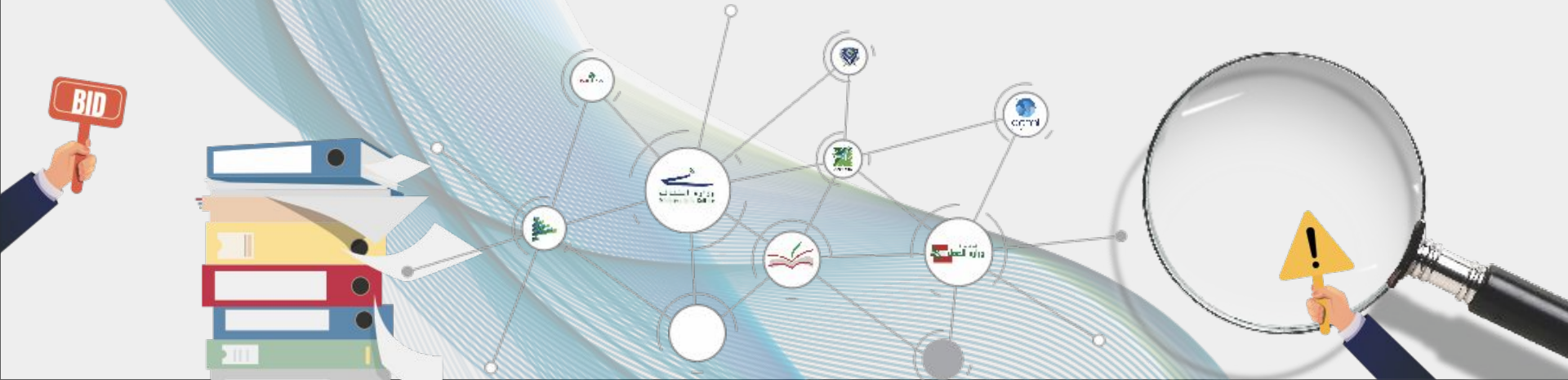




Two Years into the Implementation of the Public Procurement Law Monitoring Public Procurement in Lebanese Public Administrations

From 01/08/2023 to 01/08/2024



General Objectives

- Evaluating the extent of the application of this law's provisions, in addition to monitoring the number of announced bids, the number of administrations that participated in procurement operations, the sectors, services, and regions under which these bids occurred, and more relevant information.
- Assessing the impact of the Public Procurement Law on procurement operations, enhancing transparency, and contributing to improving the overall procurement landscape in Lebanon.
- Providing equal opportunities for small and medium-sized enterprises to participate in public procurement.
- Preparing and conducting workshops across all Lebanese towns in collaboration with public procurement experts.
- This study is based on a comprehensive analysis of available data, emphasizing the importance of enhancing transparency and accountability in public procurement operations to ensure the optimal use of public funds and to strengthen citizen trust in government institutions.



Data Collection Mechanism



Daily review of:

PPA website

Administrations' websites

Publication by posting

Official Gazette (Thursdays)



Following up on the request process by contacting and visiting administrations to gather information about the winning bidders and the value of awarded bids.



Publishing all data related to announced bids on **Monaqasa** platform.



Submitting requests for information when any required data is missing.



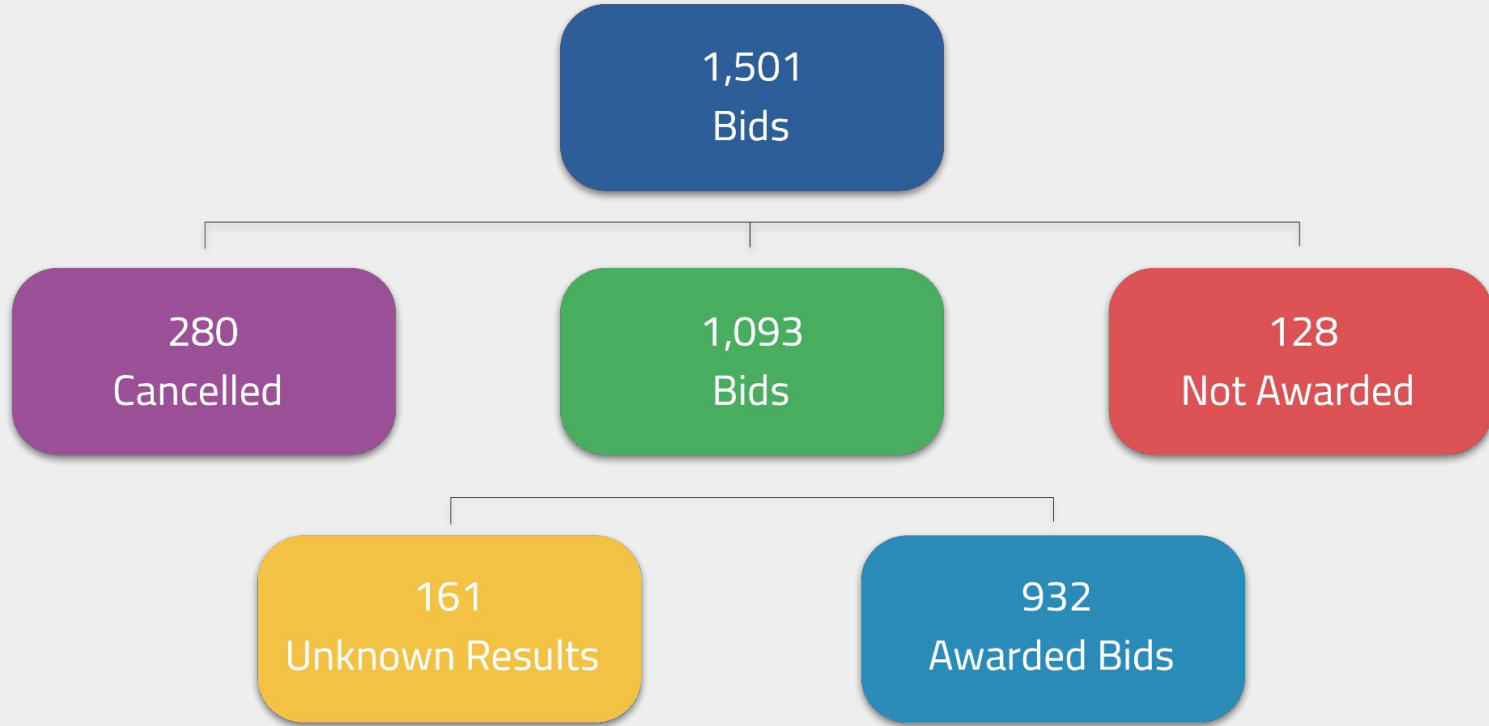
Publishing administrations responses on **Monaqasa**: bidders, winning bidder, contract value.

Key Findings of Gherbal Initiative

- The complete absence of procurement activities reported by Lebanese diplomatic missions.
- The Municipality of Beirut, did not record any procurement activities.
- The Parliament registered only 2 procurement operations.
- 72 municipalities and municipal unions announced a total of 79 procurement operations.
- 25% of the assessed procurement activities were conducted through direct contract.
- certain procurement activities were awarded despite violating the law.



By Figures



* Until November 7, 2024.

Top 5 Administrations in Terms of the Number of Announced Bids



67



99



113

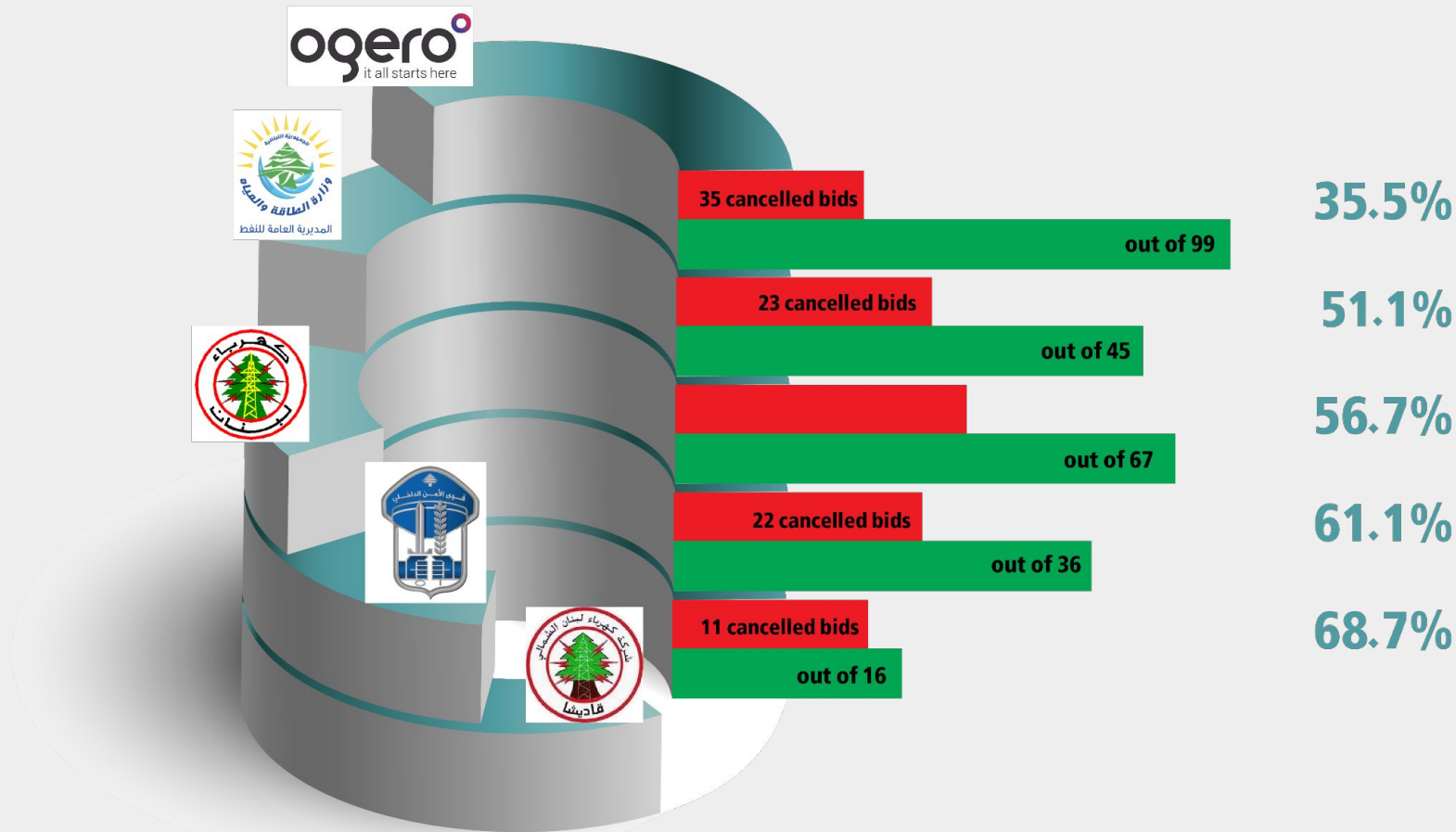


155



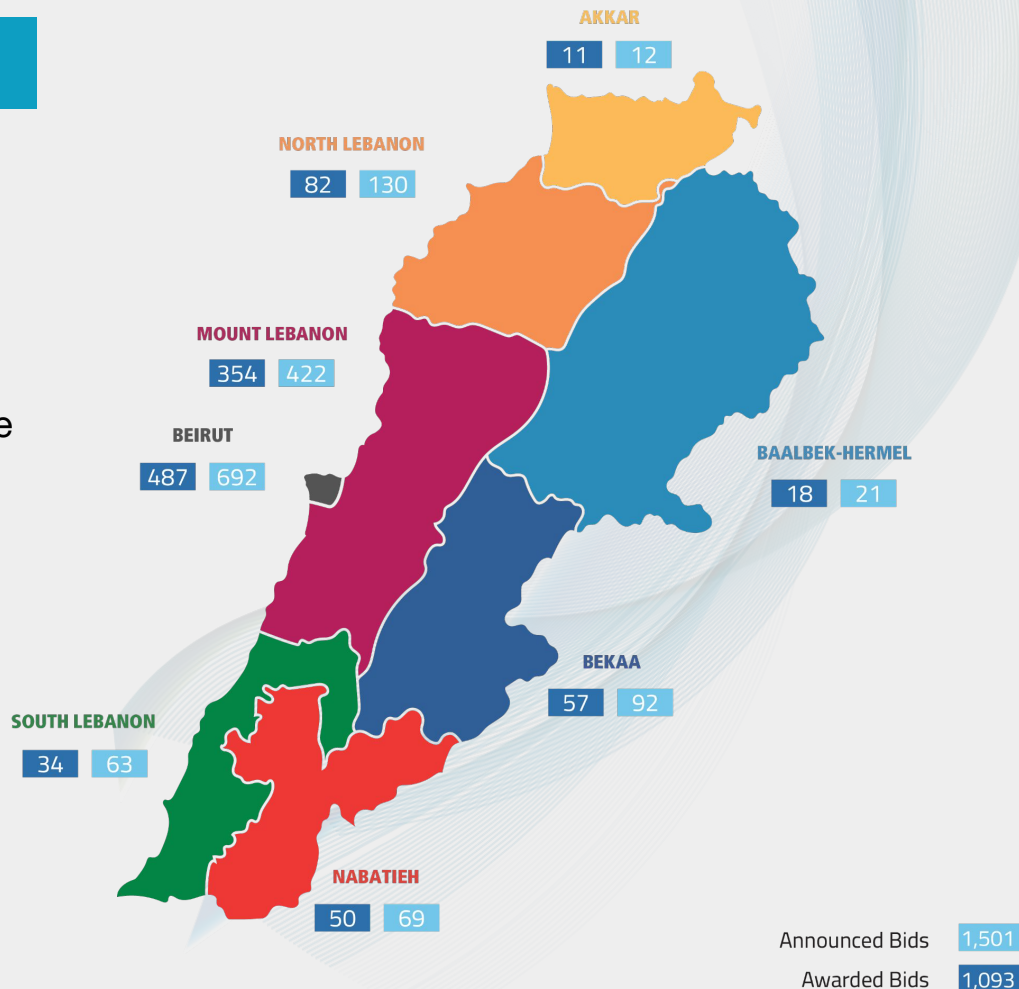
187

Top 5 Administrations in Terms of Cancelled and Not Awarded Bids



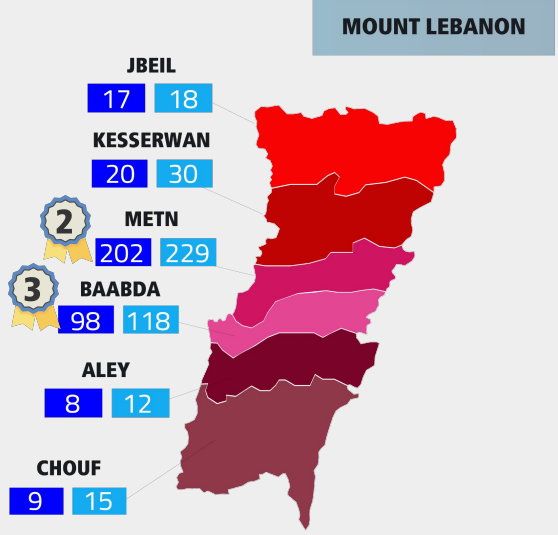
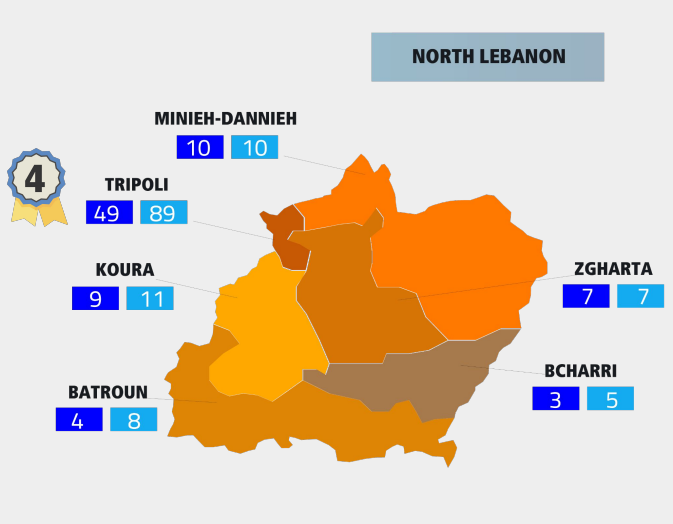
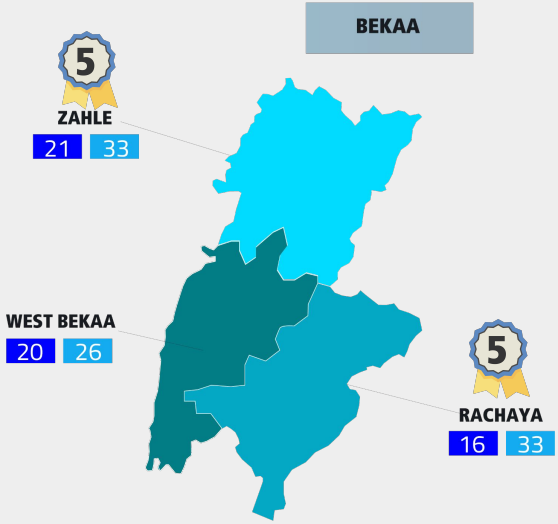
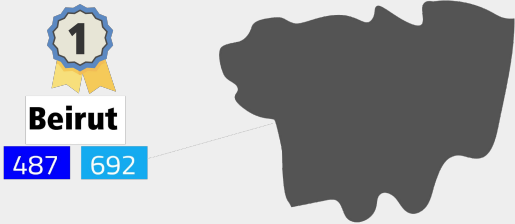
Distribution of Procurements by Governorates

- Nearly half of the procurement operations took place in the capital Beirut, due to the centralization of governance.
- Akkar and Baalbek-Hermel recorded the lowest number of announced bids, due to the lack of a balanced development approach and local development in the planning and operations of the central government.
- Neither the municipal unions nor the municipalities in Akkar announced any bids throughout the year.

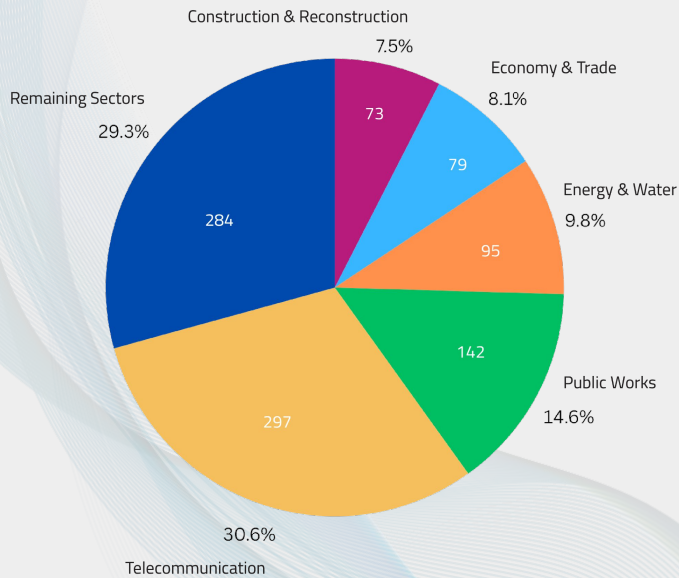


Distribution of the Number of Bids by Districts

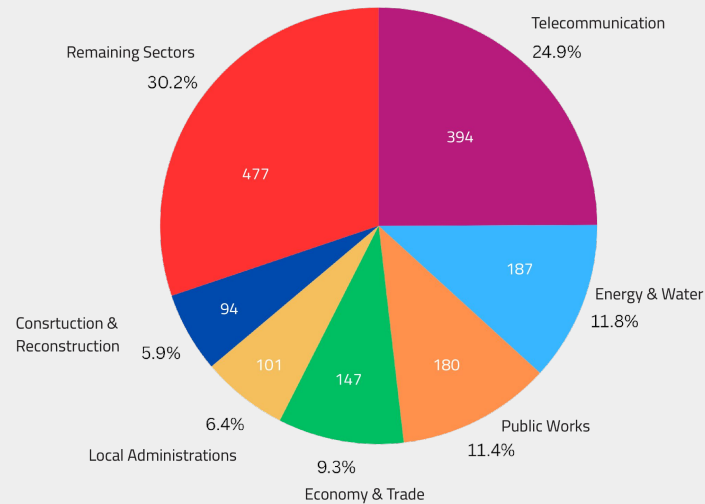
- The highest number of bids were conducted in Beirut.
- 72 municipalities and municipal unions have announced 79 bids.



Distribution of Bids by Sectors



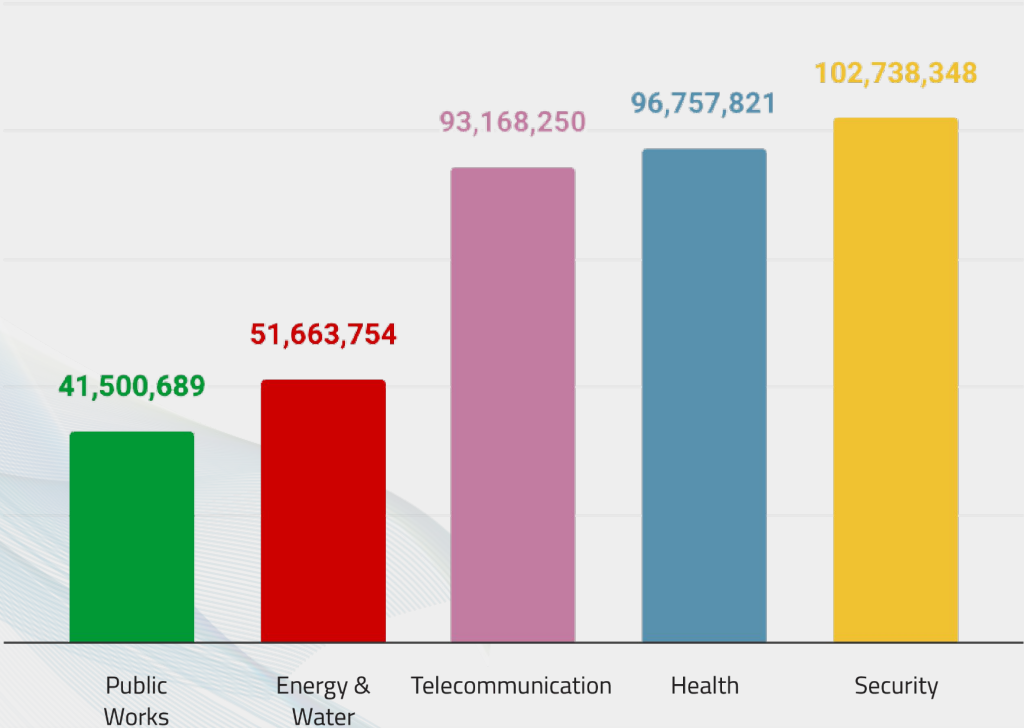
Announced Bids



Awarded Bids

In comparison to the first year of the law's implementation, the telecommunication sector remained in the lead, due to the commitment of the 2 mobile interim companies and Ogero Commission to publish all information related to their public procurement operations and the size of this sector in the Lebanese economy.

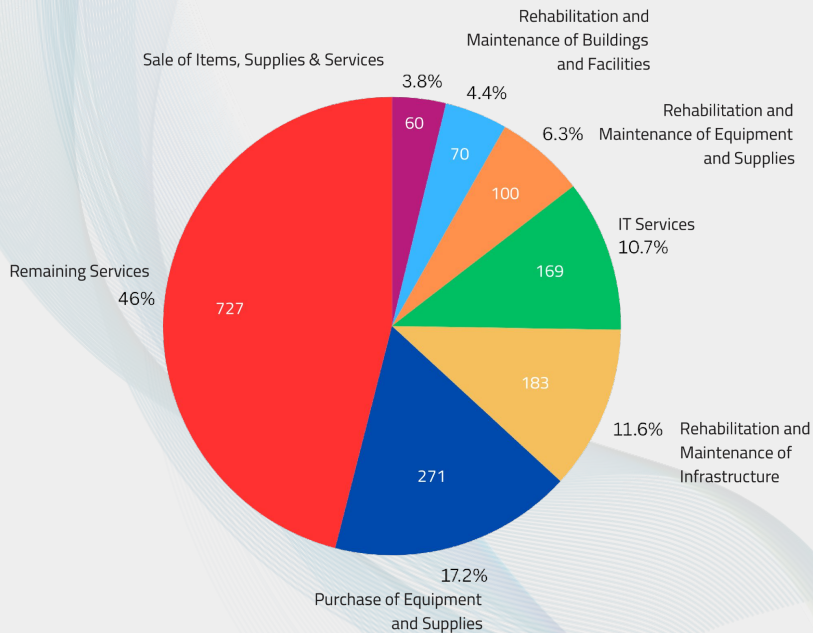
Distribution of Bids by Sectors in Terms of Value



The security sector dominated all others, as bids announced under this sector exceeded 100 million USD.

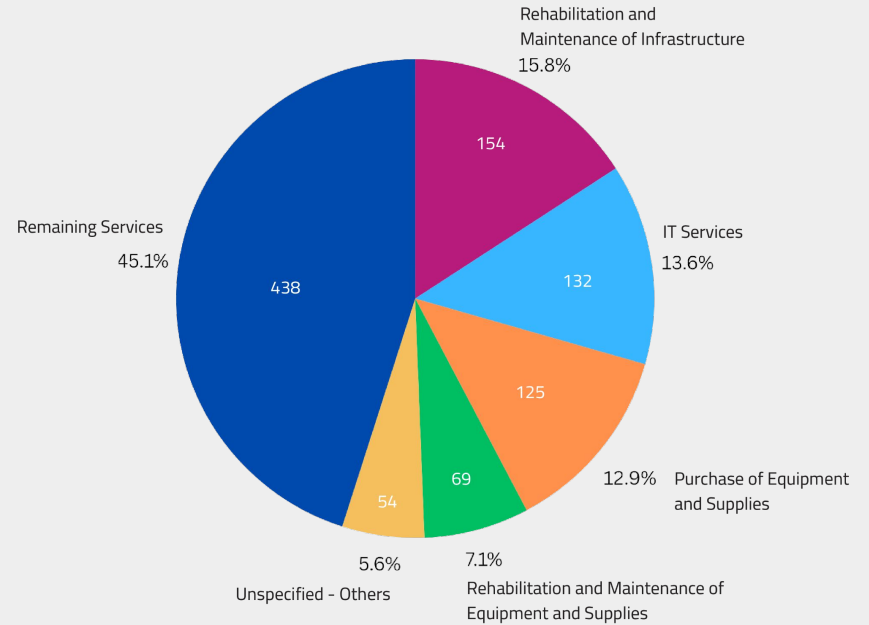


Distribution of Bids by Services



Announced Bids

The "Purchase of Equipment and Supplies" category topped the list in terms of the number of bids.

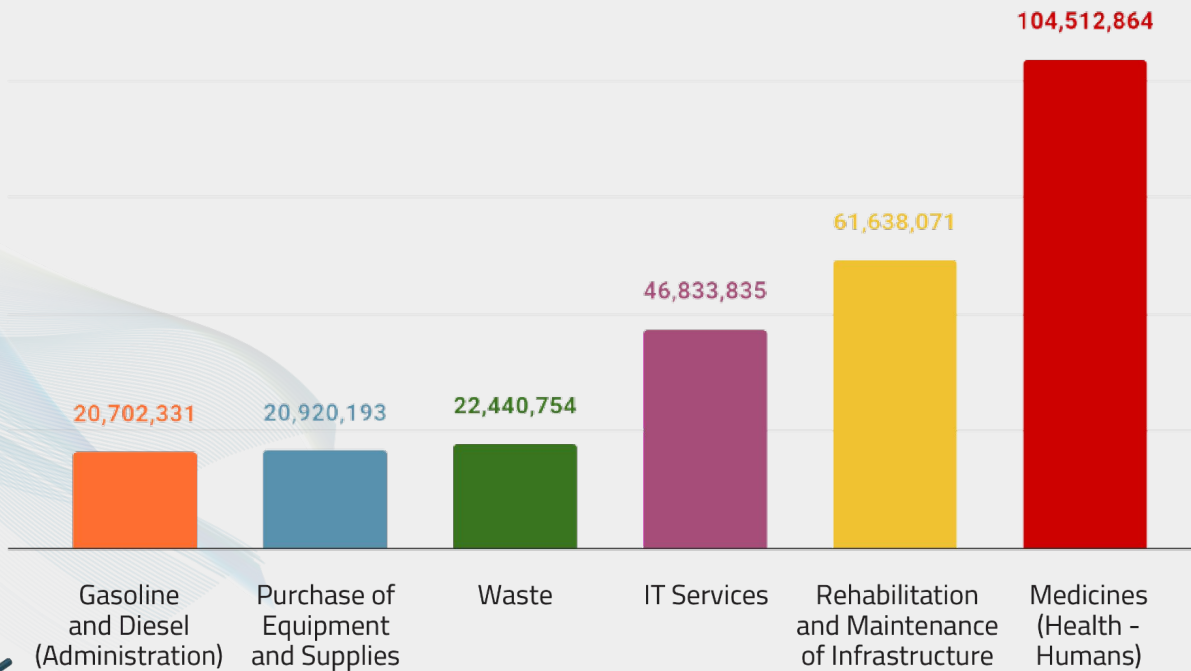


Awarded Bids

The "Rehabilitation and Maintenance of Infrastructure" service topped the list in terms of the number of bids.

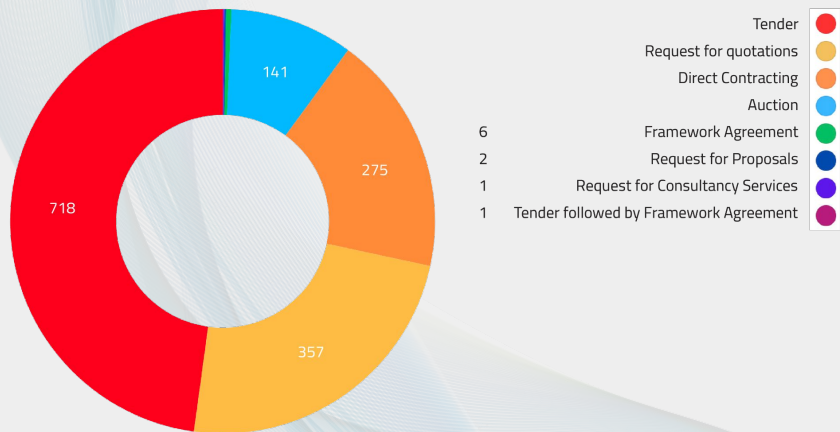


Distribution of Bids by Services in Terms of Value

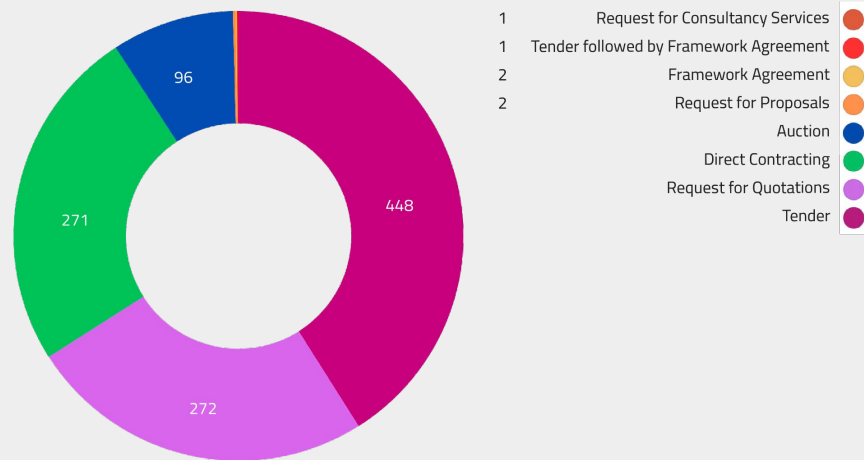


The “Purchase of Medicine” incurred the highest expenditure

Distribution of Bids by Type



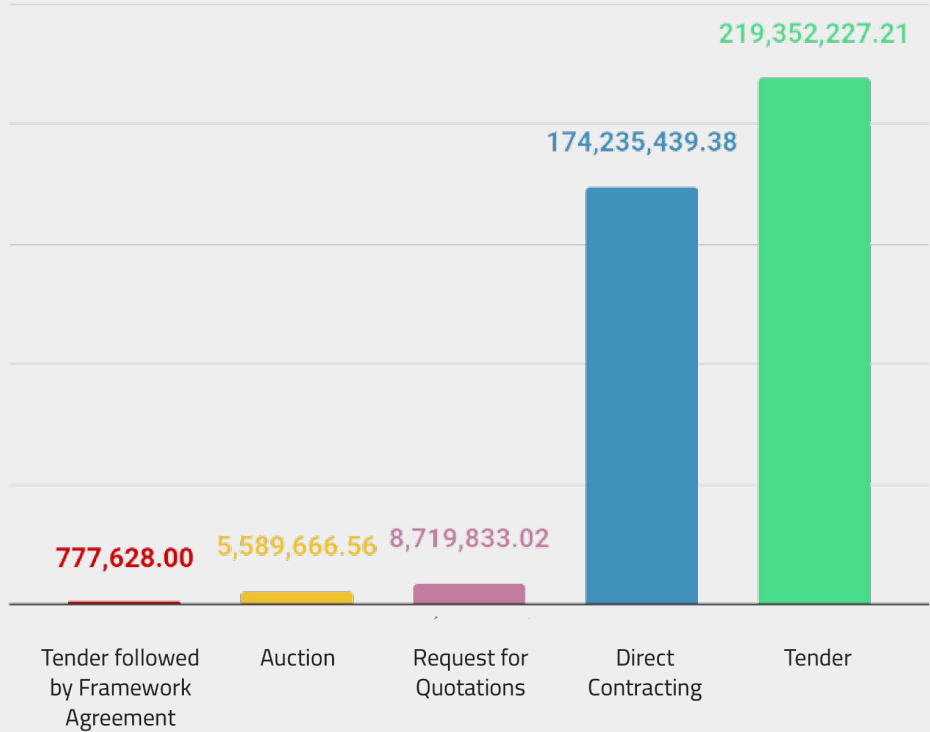
Announced Bids



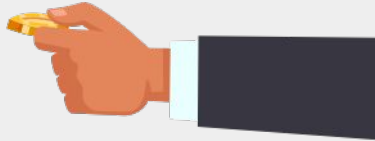
Awarded Bids

- Public Tender ranked first in terms of the number of announced bids.
- Administrations are no longer relying on Limited Tenders.
- The use of the terms “Request for Proposals” and “Request for Prices” (instead of “Requests for Quotations”) has declined.

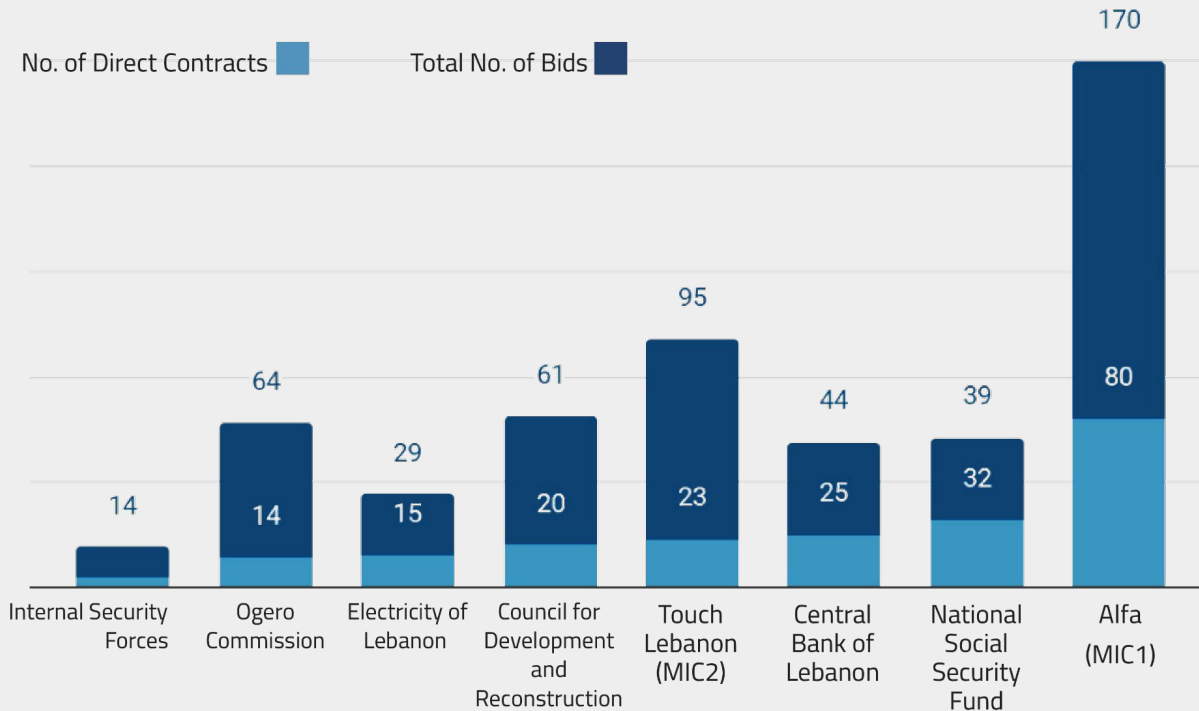
Distribution of Bids by Type in Terms of Value



Public Tenders accounted for the highest value, followed by Direct Contracts.



Direct Contracts



Some administrations have entered into a significant number of direct contracts with certain companies and service providers, where this number exceeded 80% of their total procurement operations.

Procurement by Invoice*

Administration	Total no. of Bids	No. of Procurements by Invoice	Value/USD	Value/LBP
Lebanese Army	0	1,946	3,8 million	342 billion
Directorate General of the Presidency of the Lebanese Republic	11	253	200,3 thousand	17,8 billion
South Lebanon Water Establishment	26	202	230,8 thousand	20,5 billion
Council for South	24	97	22 thousand	1,9 billion
National Social Security Fund	48	69	134 thousand	11,9 billion

- The procuring entity may resort to procurement by invoice if the estimated value of the procurement, including consulting services, does not exceed a financial ceiling set at 500 million LBP, previously capped at 100 million LBP.
- Only 14 procuring entities published their procurement by invoice operations.

*The study includes procurement by invoice operations conducted from January to June 2024.

Procurement by Invoice

Upon reviewing the invoices, we noticed that some procuring entities **exceeded the maximum limit** of 500 million LBP for procurement by invoice, which constitutes **a violation of the law**. These entities are:

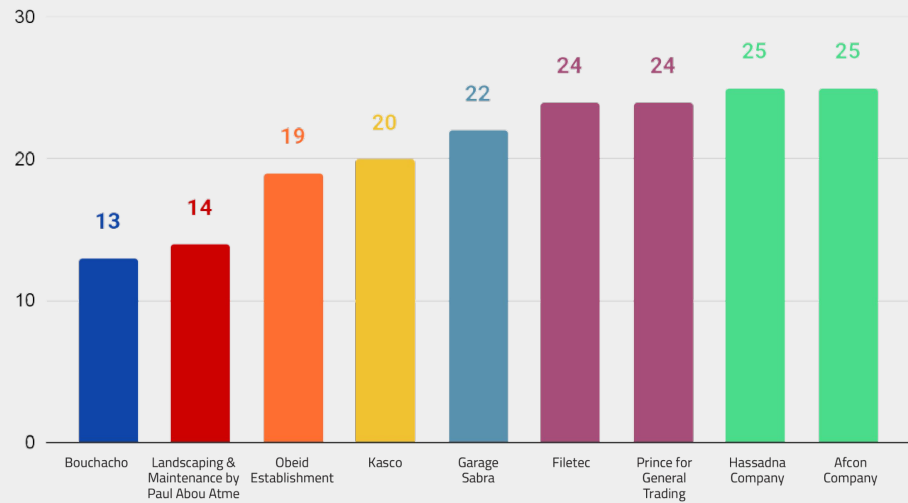
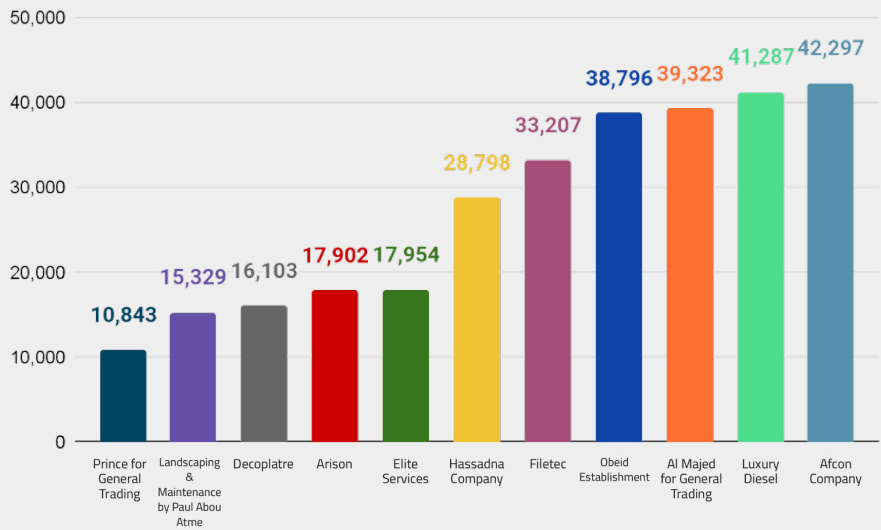
- National Social Security Fund: Purchase of diesel for various centers from *Luxury Diesel* for **674,877,245** LBP.
- South Lebanon Water Establishment: Maintenance and installation of Barish 1 well with *Afcon* for **661,240,000** LBP.
- South Lebanon Water Establishment: Dismantling and installation of several wells with *Arison* for **549,000,000** LBP.
- South Lebanon Water Establishment: Dismantling and installation of several wells with *Obeid Foundation* for **549,000,000** LBP.
- South Lebanon Water Establishment: Purchase of stationery with *Hasaduna* for **543,473,400** LBP.
- South Lebanon Water Establishment: Purchase of money counting machines for collection purposes from *BSE* for **516,827,258** LBP. However, this transaction was later canceled.
- South Lebanon Water Establishment: Purchase of IT equipment from *BSE* for **512,400,040** LBP.

Some invoices with the **same subject and value** were repeated and awarded to the **same supplier within the same year**. This pattern suggests that the procuring administrations resorted to contract **fragmentation** to evade oversight by the Court of Audit and to avoid conducting a public tender.



Suppliers Awarded Procurement by Invoice Contracts

The top rank was held by both Afcon and Hasaduna in terms of the number of awarded procurement by invoice contracts.



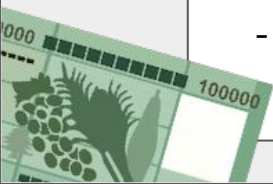
Afcon ranked first among suppliers who won the highest-value procurement by invoice contracts.



Distribution of Bids by Type and Value in LBP

Type of Bid	No. of Bids	Total Value of Bids/LBP
Direct Contract	92	10,651,503,067,129
Public Tender	108	3,652,806,115,660
Request for Quotations	33	84,491,635,840
Public Auction	35	45,261,000,000
Total	268	14,435,882,218,629 L.L.

- For the second consecutive year, the highest value in Lebanese Pounds was allocated by procuring entities for the conclusion of direct contracts, although the law specifies these contracts as exceptions to the rule and can only be concluded under specific conditions.
- Compared to the first year, public administrations spent a total of 3,08 trillion LBP on 139 contracts, indicating an **increase by a factor of 4.7** in the second year.



Distribution of Bids by Type and Value in USD

Type of Bid	No. of Bids	Total Value of Bids/USD
Public Tender	246	178,156,497.6
Direct Contract	155	51,330,504.21
Request for Quotations	203	6,425,756
Public Auction	22	5,081,116
Tender followed by Framework Agreement	1	777,628
Framework Agreement	1	53
Total	628	241,773,763.8 \$



- Public tenders ranked first among the contracts concluded in this currency for the second consecutive year, with the value of 246 tenders totaling 178.1 million USD.
- In comparison to the first year of the law's implementation, when Gherbal Initiative identified 248 contracts valued at 292,6 USD, the value **decreased by a factor of 1.21** in the second year.



Distribution of Bids by Type and Value in Euros

Type of Bid	No. of Bids	Total Value of Bids/€
Direct Contract	2	4,324,303
Public Tender	8	2,949,525.5
Request for Proposals	2	229,300
Request for Quotations	2	1,327,328
Total	14	8,830,456.5 €

- Public tenders ranked first among contracts awarded in Euros in terms of value for the second consecutive year.
- In comparison to the first year of the law's implementation, the Lebanese state concluded 9 contracts valued at 18,629,499.7 €, indicating a **decrease** in the value of these contracts **by a factor of 2.1**.



Public Administrations: Winning Bidder as well

Some public administrations were awarded direct contracts. In this context, these public administrations shifted from being procuring entities to winning bidders.



The Cooperative Fund for Mayors and the Directorate General of Personal Status

Directorate of Geographical Affairs



The South Lebanon Water Establishment

Directorate General of Oil - Zahrani Oil Installations



Directorate General of State Security

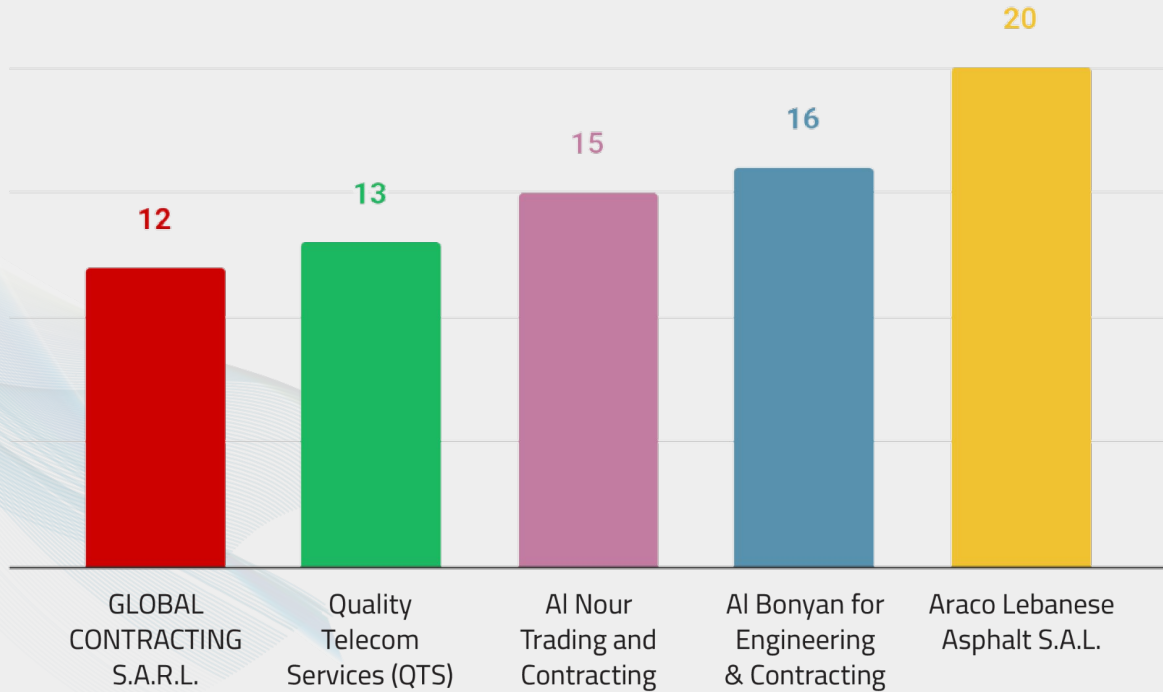
Directorate General of Oil



Electricity of Lebanon

Ogero Commission

Top 5 Winning Bidders in Terms of the Number of Bids



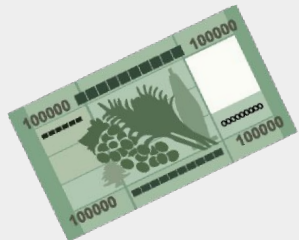
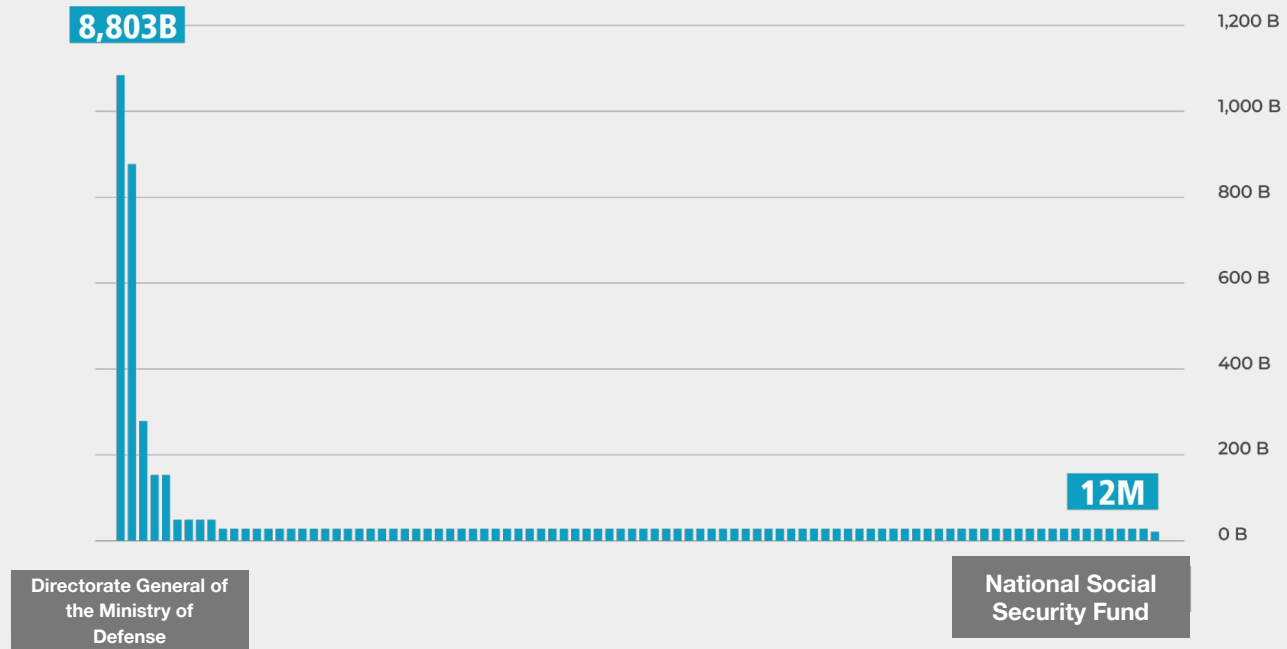
Noting that the other winning bidders have been awarded 10 or fewer bids.



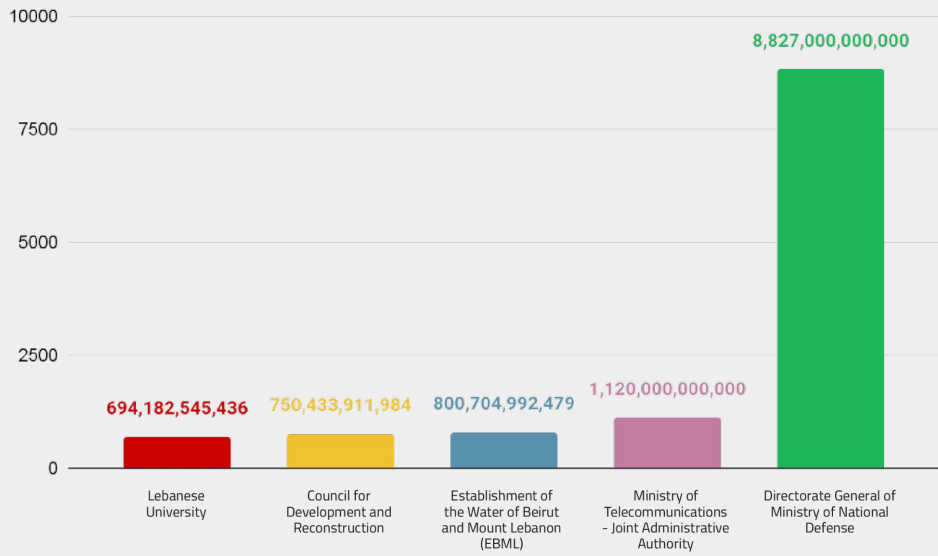
Bids awarded in Lebanese Pounds



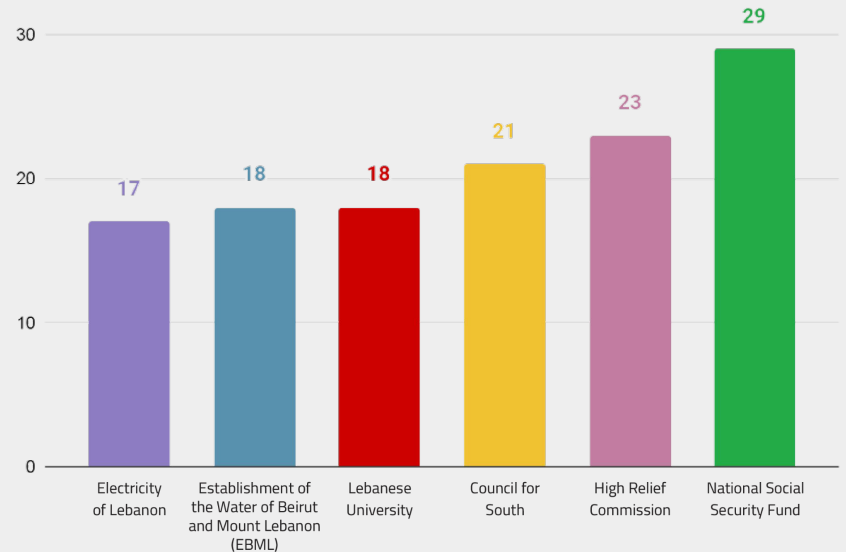
The lowest value of these contracts amounted to 12 million LBP, while the highest value reached 8.8 trillion LBP.



Top 5 Administrations in Terms of the Number and value of Bids in Lebanese Pounds

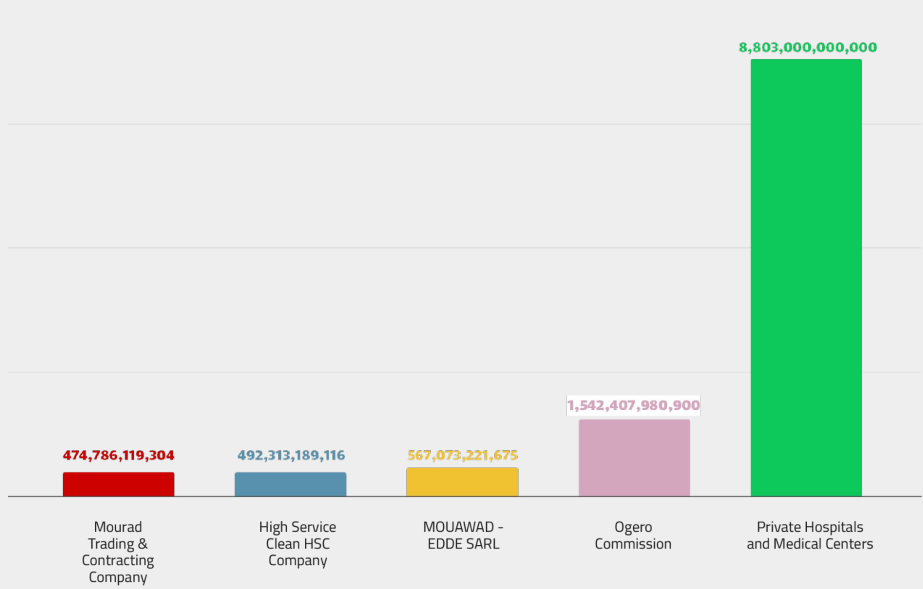


The Directorate General of the Ministry of National Defense ranked first in terms of the value of contracts awarded in LBP.

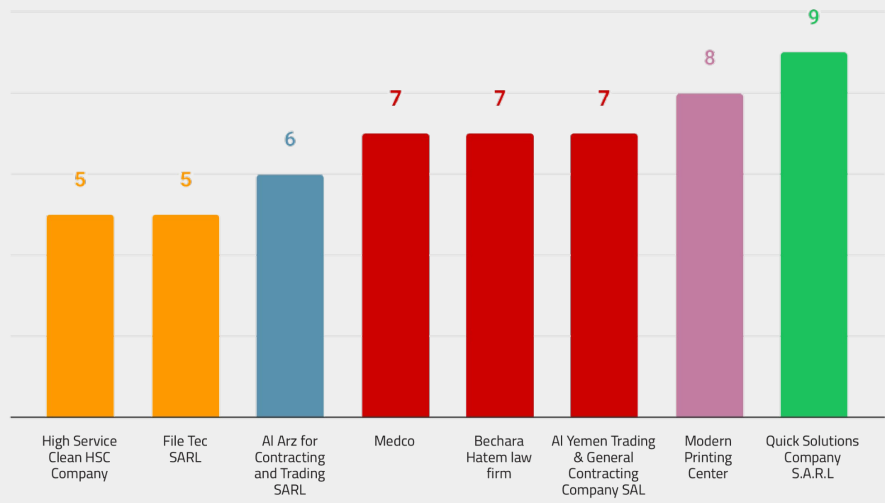


The National Social Security Fund ranked first among the administrations that awarded the highest number of contracts in LBP.

Top 5 Contractors in Terms of the Number and value of Bids in Lebanese Pounds



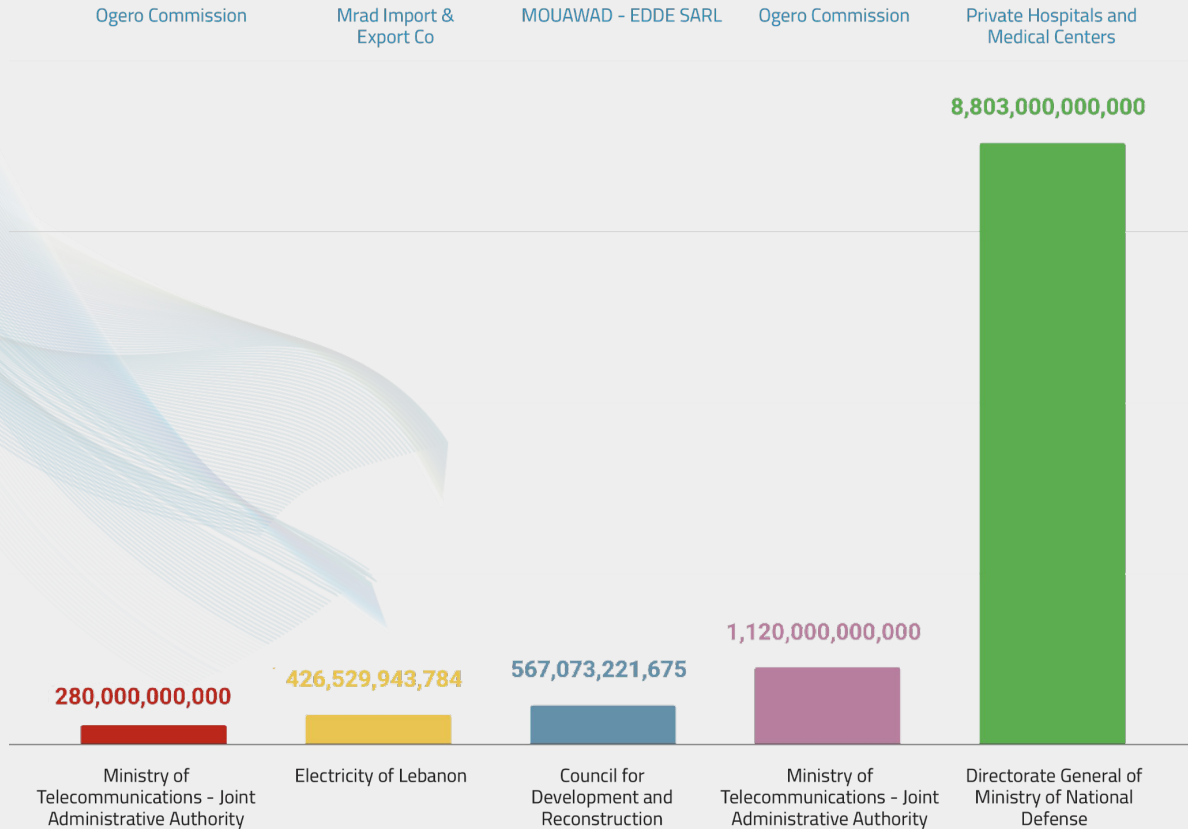
Several private hospitals and medical centers ranked first in terms of the value of contracts awarded in LBP.



Quick Solutions Company SARL ranked first in terms of the number of contracts awarded in LBP.

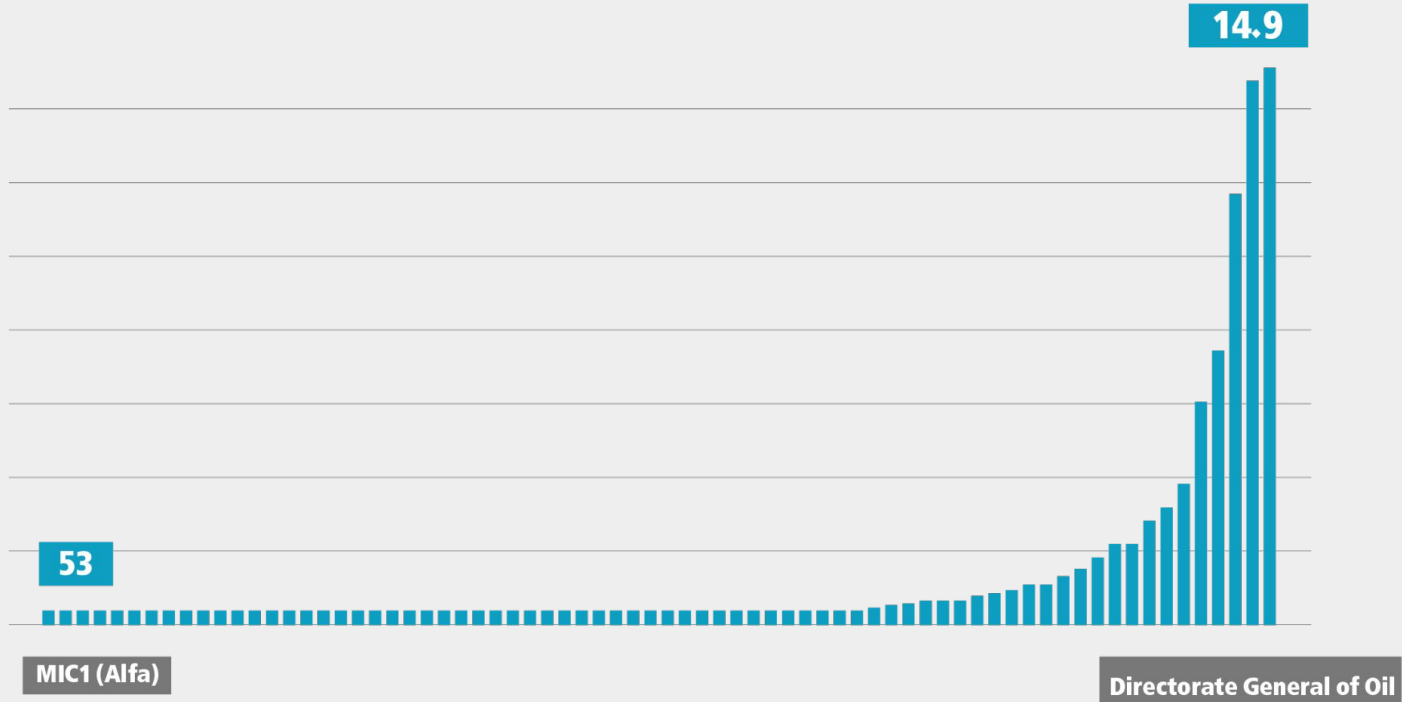


Top 5 Contracts in Terms of Value in Lebanese Pounds

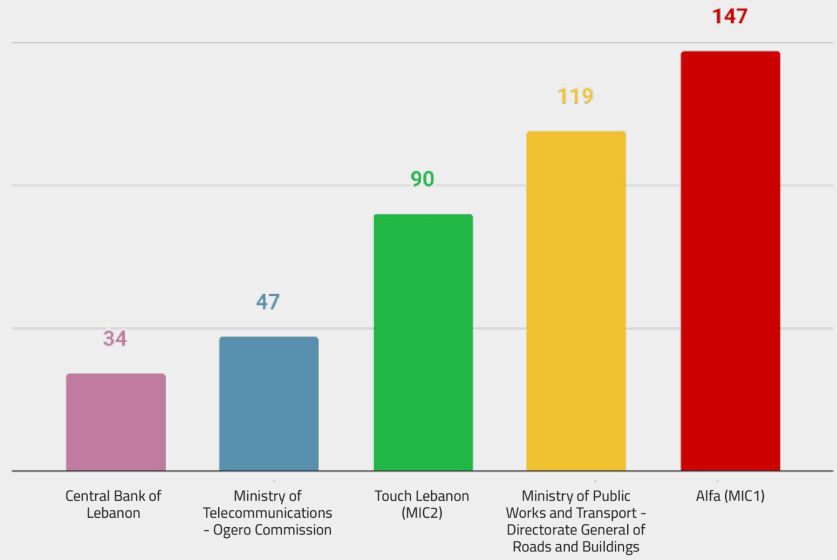
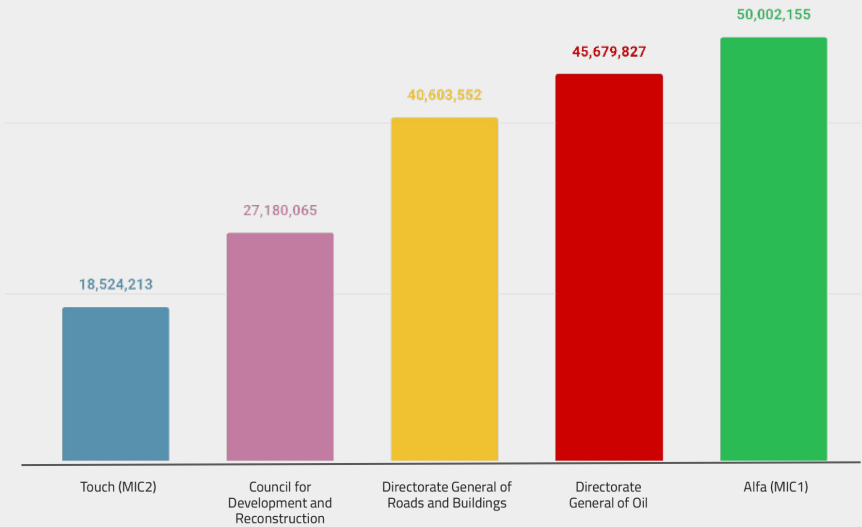


Bids Awarded in U.S. Dollars

The amounts ranged from 53 to 14.9 million USD.

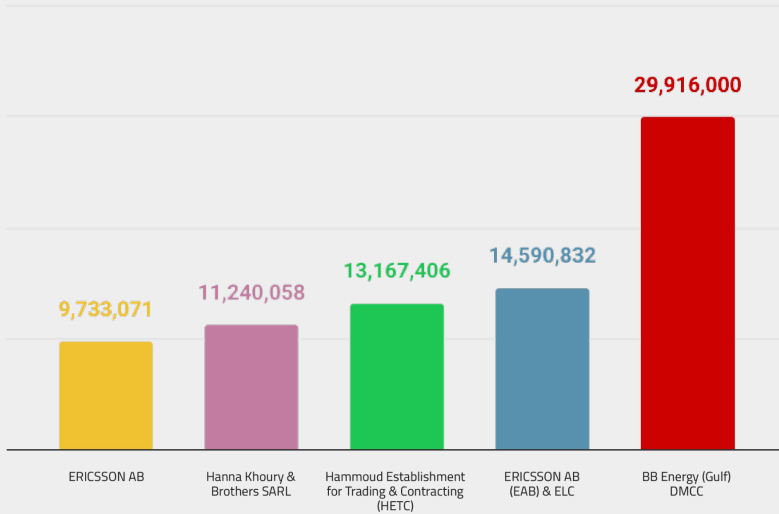


Top 5 Administrations in Terms of the Number and Value of Bids in U.S. Dollars

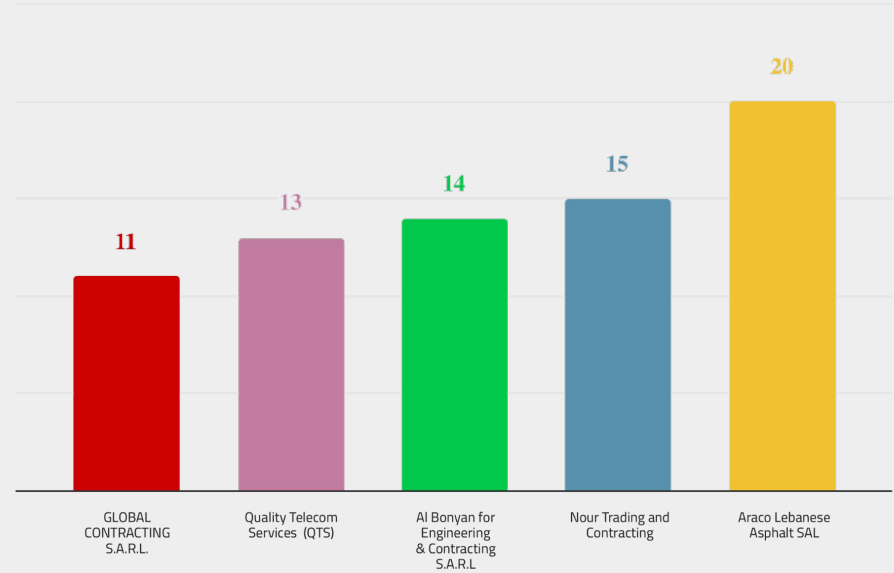


MIC1(Alfa) ranked first in terms of the number and value of awarded bids in USD.

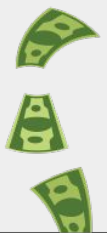
Top 5 Contractors in Terms of the Number and Value of Bids in U.S. Dollars



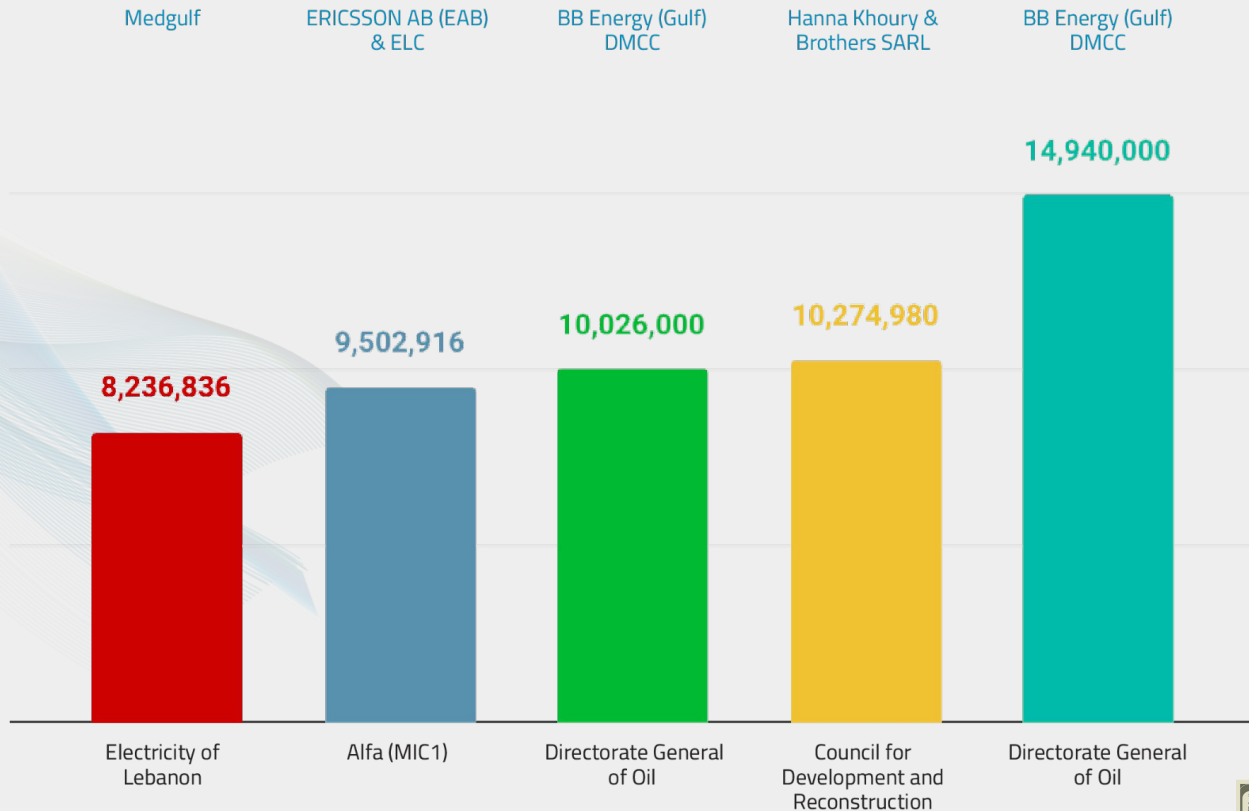
BB Energy (Gulf) DMCC ranked first in terms of value.



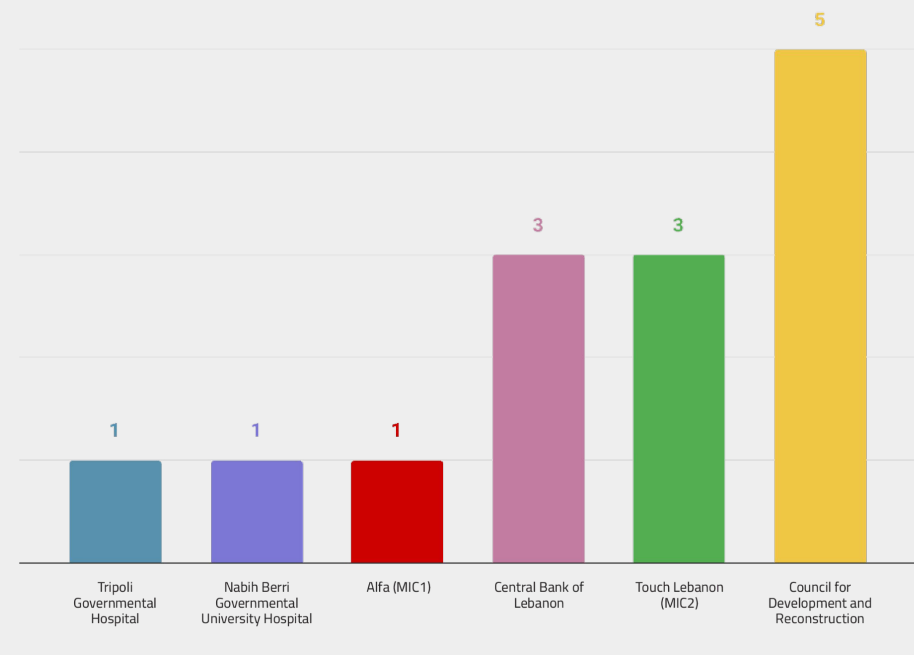
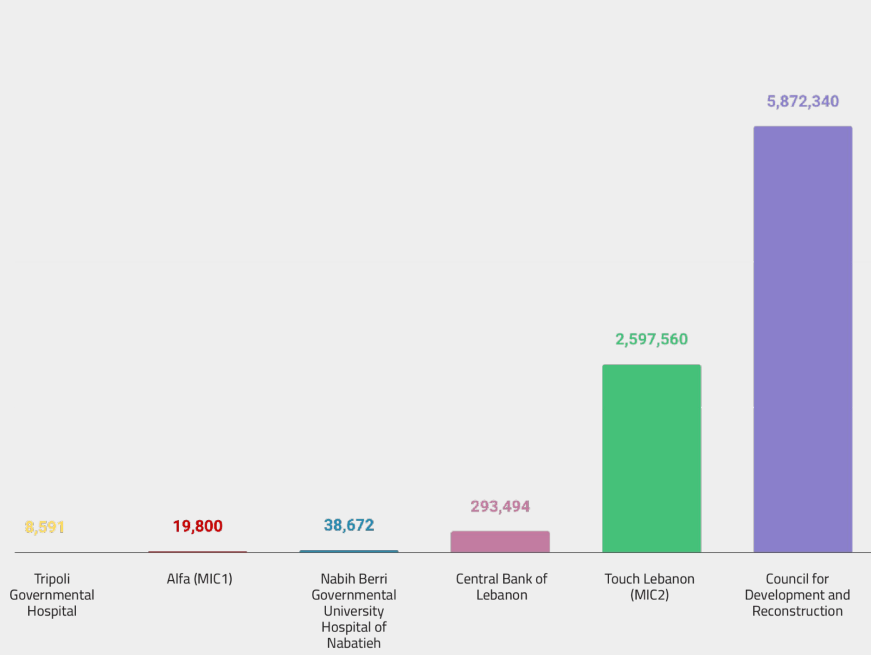
Araco Lebanese Asphalt SAL ranked first in terms of the number of contracts awarded in USD.



Top 5 Contracts in Terms of Value in U.S. Dollars



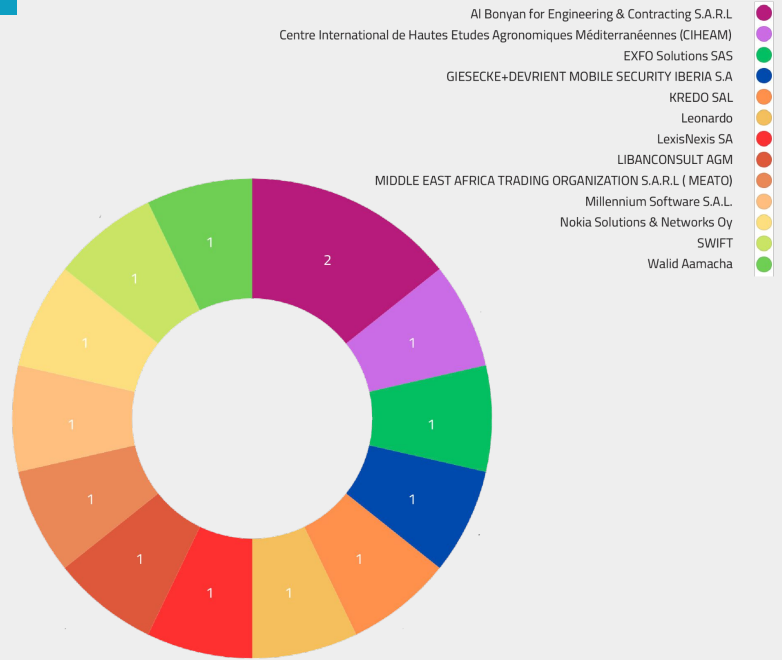
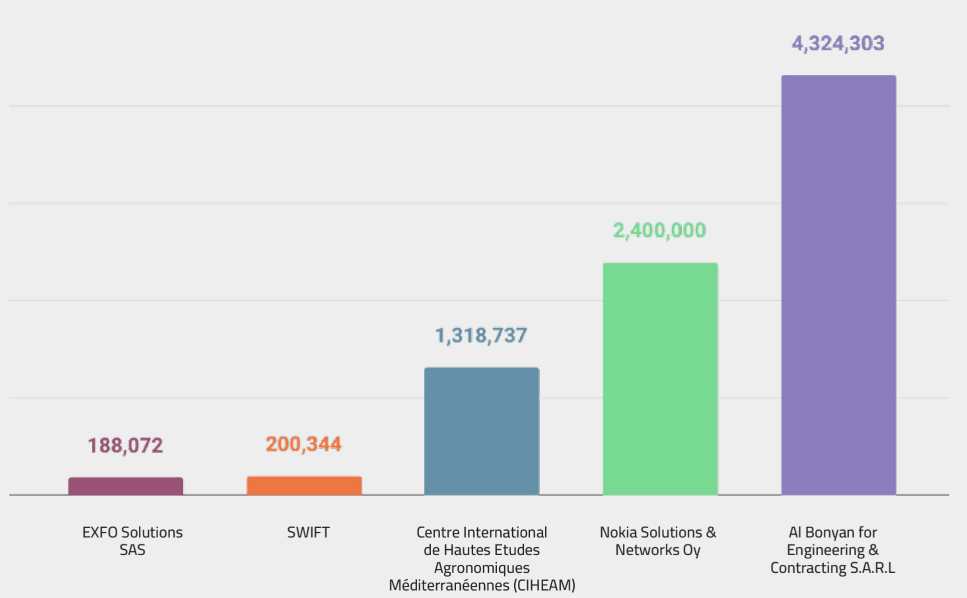
Top 5 Administrations in Terms of the Number and Value of Bids in Euros



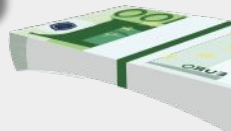
The Council for Development and Reconstruction secured the first rank in terms of the number and value of bids in Euros.



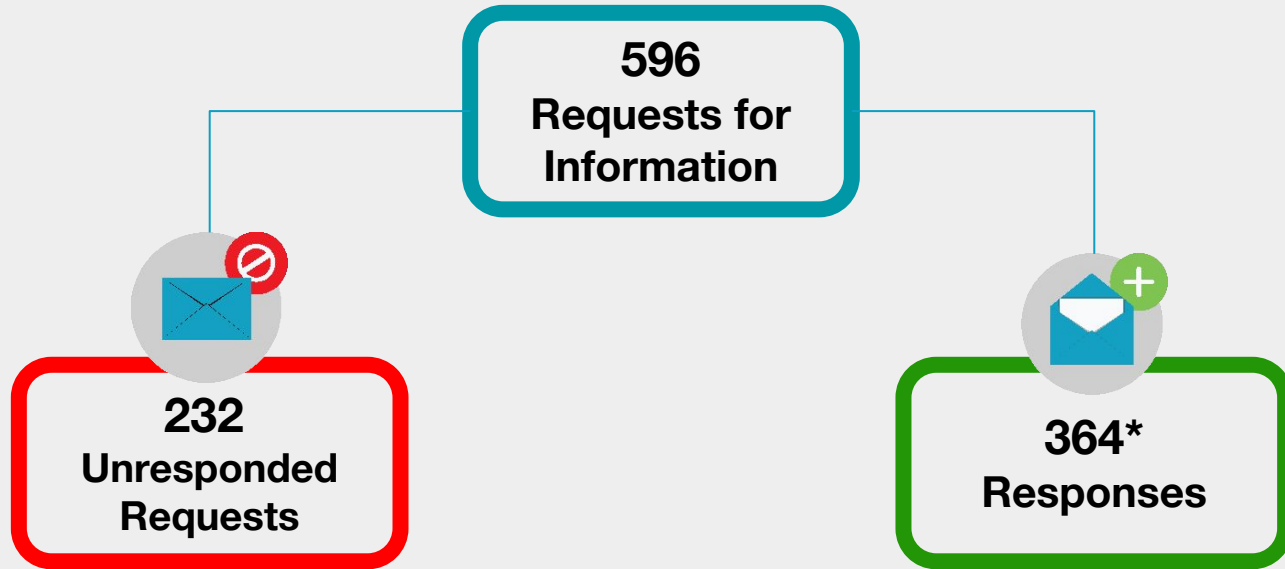
Top 5 Contractors in Terms of the Number of Bids in Euros



Al Bonyan for Engineering & Contracting SARL ranked first in terms of the number and value of awarded contracts.

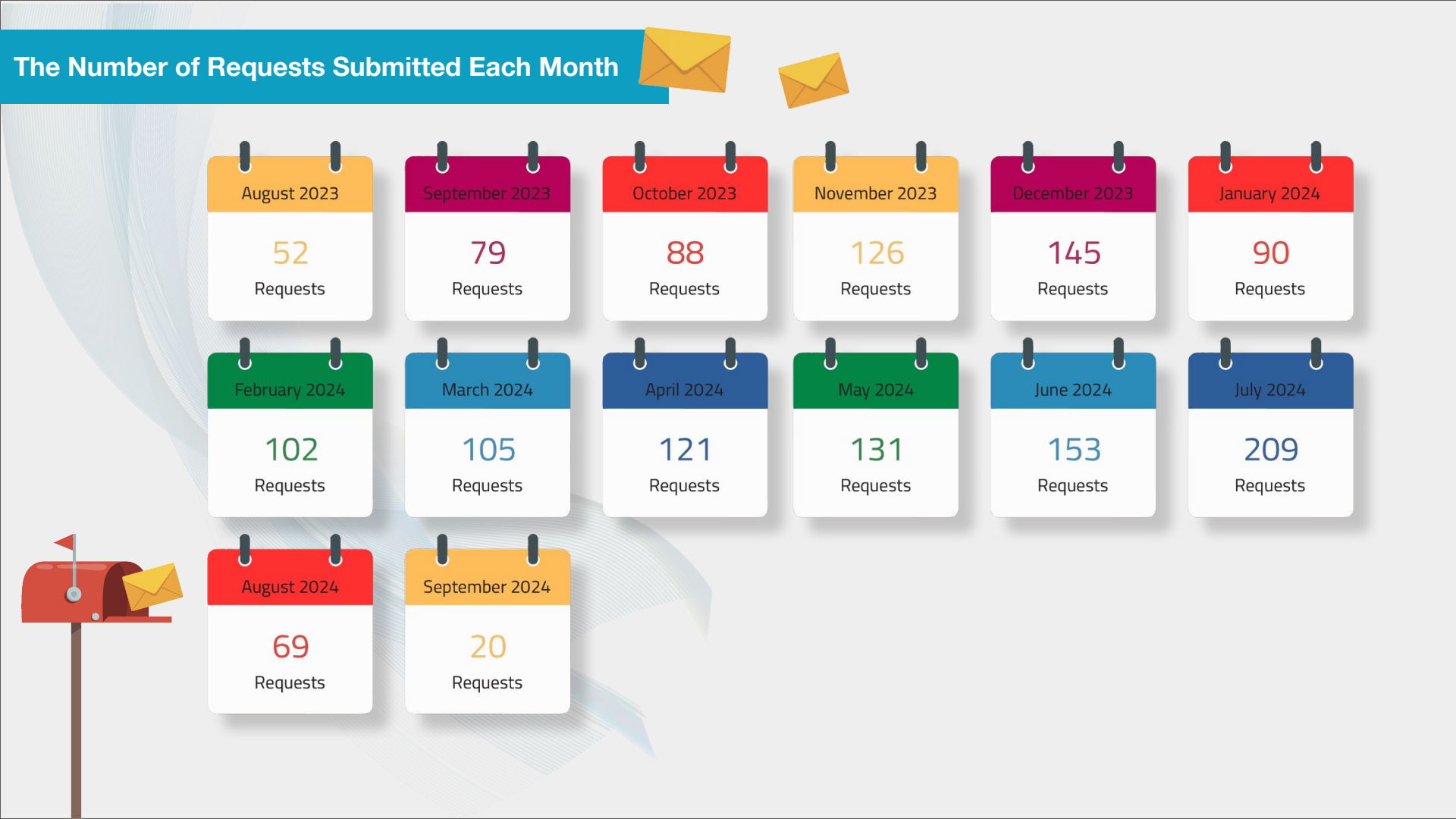
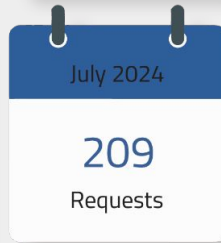
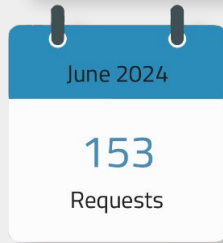
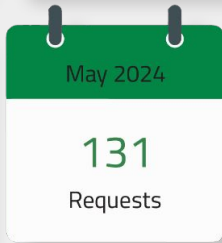
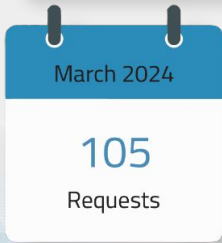
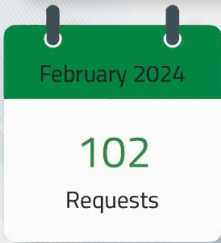
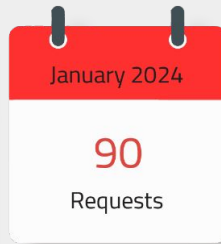
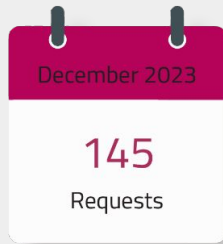
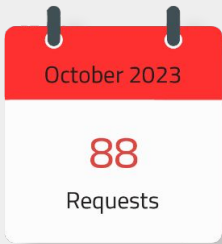


Requests for Information Submitted to Public Administrations, and their Responses



* South Lebanon Water Establishment provided Gherbal with 5 results without submitting a request.

The Number of Requests Submitted Each Month



Top 10 Administrations in Terms of the Number of Received Requests for Information

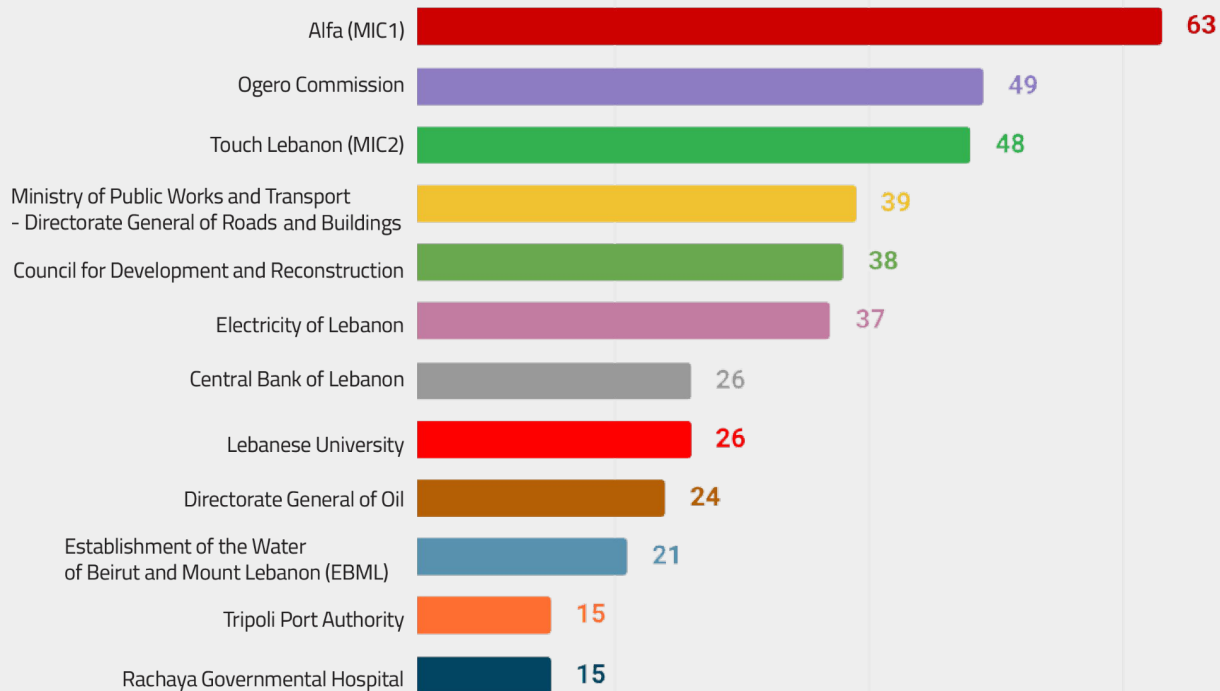
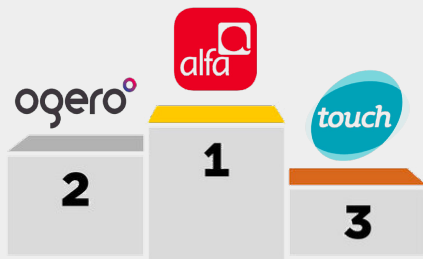
MIC1 (Alfa): **63 requests**

Ogero Commission: **49 requests**

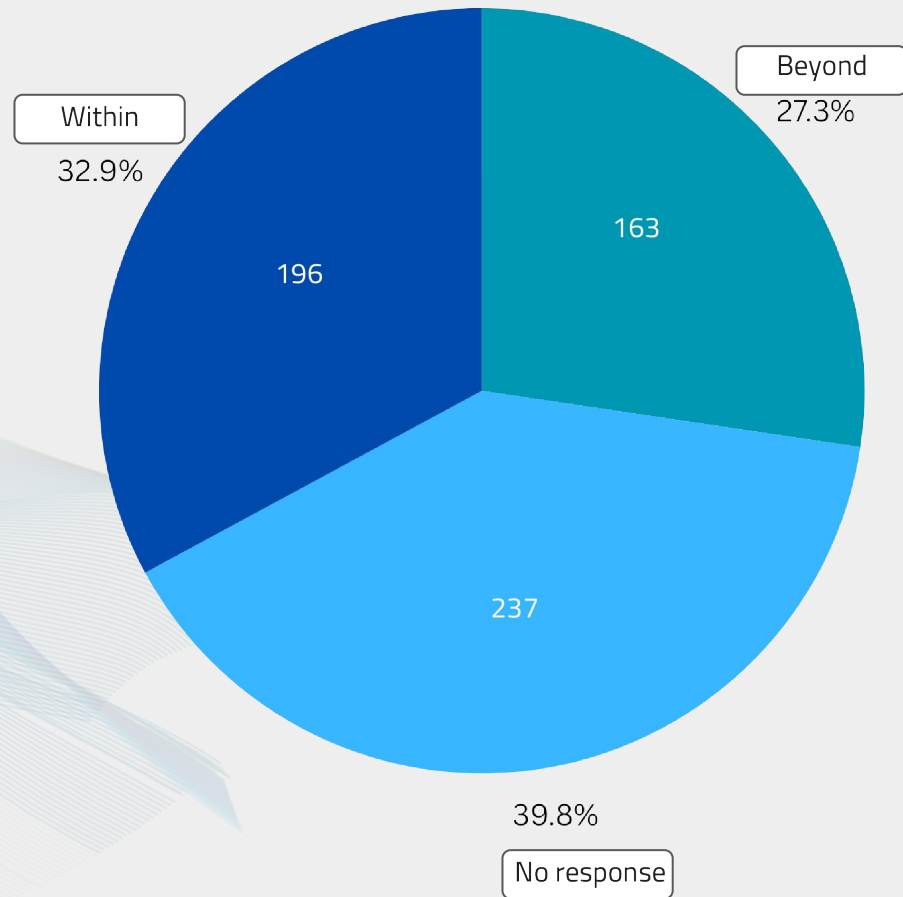
MIC2 (Touch): **48 requests**

Directorate General of Roads and Buildings: **39 requests**

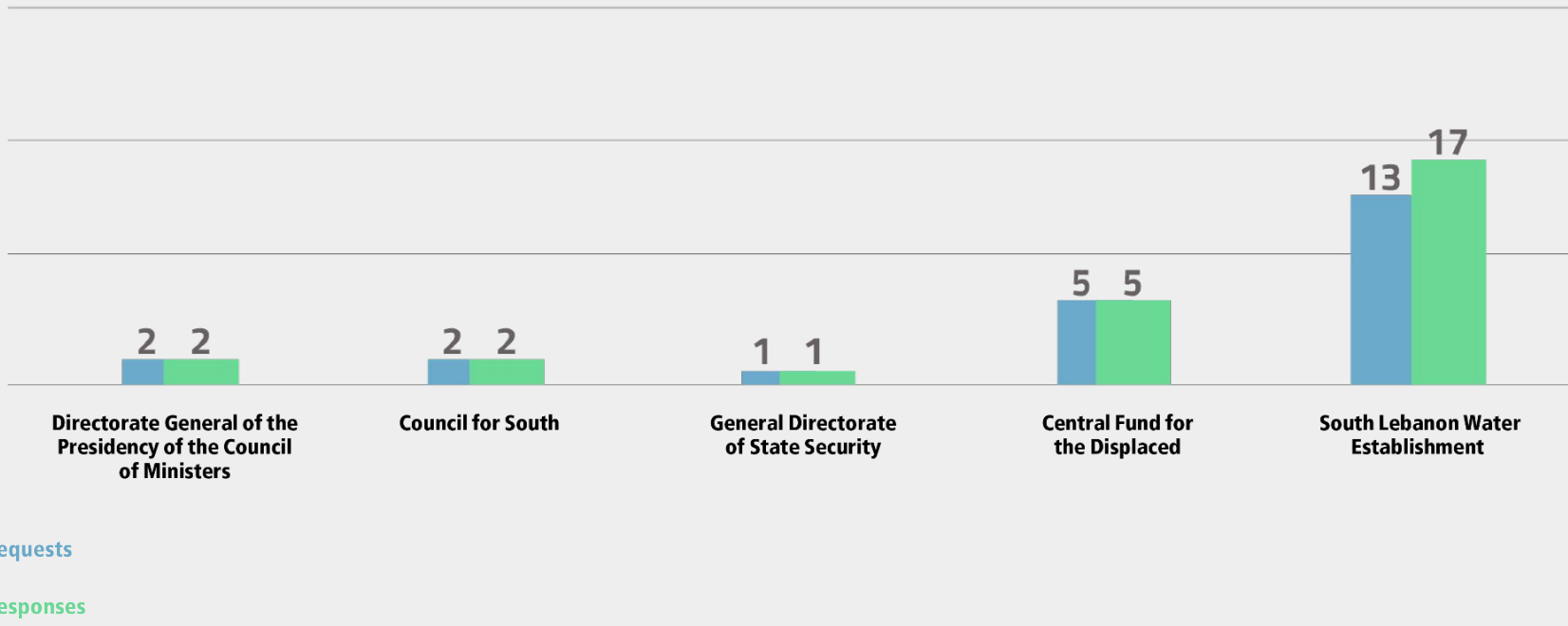
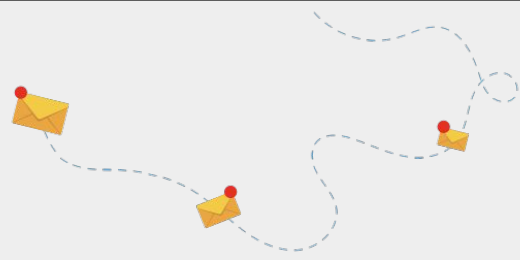
Council for Development and Reconstruction: **38 requests**



Responses to Request for Information Compliance with the Legal Time Limit

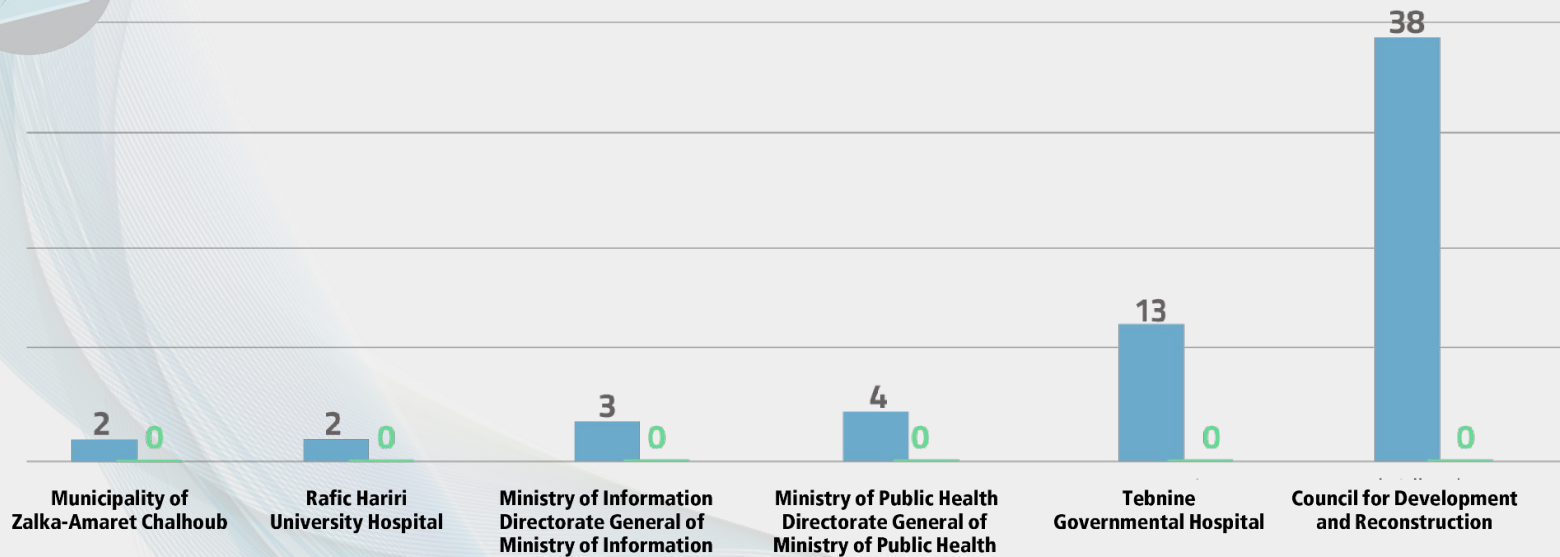


The response rate of the top 5 administrations compared to the number of submitted requests



*South Lebanon Water Establishment provided Gherbal with 5 results without submitting a request.

The non-response rate of the top 5 administrations compared to the number of submitted requests



18 administrations did not respond to any of the submitted requests.

■ Requests
■ Responses

Average Response Duration

Administration	No. of Responded Requests	Average Response Duration
MIC1	49	21 يوم
MIC2	46	31 يوم
Ogero Commission	33	16 يوم
Lebanese University	25	47 يوم
Directorate General of Oil	21	29 يوم
Electricity of Lebanon	21	26 يوم
Tripoli Port Authority	15	82 يوم
Central Bank of Lebanon	14	20 يوم
South Lebanon Water Establishment	12	14 يوم
North Lebanon Electricity Company- Qadicha	8	55 يوم





Number of Bidders

2023-2024

- **16 public tenders** in which procuring entities failed to meet the required number of bidders.
- **22 requests for quotations** that violated the requirement for a minimum of 3 bidders, with fewer than 3 being accepted and no justification provided. These cases should have led to the cancellation of the procurement, but the procuring entities completed the processes.
- **2 public auctions** where only 1 bidder participated, constituting a violation of the law. These cases should also have been cancelled as they lacked proper justification.

2022-2023

- **15 requests for quotations** that violated the requirement for a minimum number of bidders. Fewer than 3 bidders were accepted, thus the procuring entity should have cancelled the procurement, but instead proceeded with the process.
- **11 public tenders** in which the procuring entities failed to comply with the minimum number of required bidders.
- **3 procurement by invoice operations** where only 1 bidder participated, which constitutes a violation of the law. These cases should have been cancelled as they lacked proper justification.



The Legal Timeframe Granted to Bidders to Submit Their Proposals Starting from the Date of Tender Announcement

2023-2024

38 Public Tenders violated the announcement period:

- Ministry of Public Works and Transport - Directorate General of Roads and Buildings: 12 violations
- MIC1: 11 violations
- Directorate General of Oil: 6 violations
- High Relief Commission, Establishment of the Water of Beirut and Mount Lebanon and Rachaya Governmental Hospital: 2 violations each
- Center for Educational Research and Development, MIC2 and the Ministry of Information: 1 violation each.

2022-2023

41 Public Tenders violated the announcement period:

- Directorate General of Oil: 14 violations
- MIC1: 11 violations
- MIC2 and South Lebanon Water Establishment: 3 violations each
- Beirut Port Investment and Management, Ogero Commission, and Ministry of Agriculture – Directorate General of the Ministry of Agriculture: 2 violations each
- Lebanese University, Presidency of the Council of Ministers – Directorate General of the Presidency of the Council of Ministers, Establishment of the Water of Beirut and Mount Lebanon, and Ministry of Finance – Directorate of Public Finance: 1 violation each.



The Legal Timeframe Granted to Bidders to Submit Their Proposals Starting from the Date of Request for Quotations Announcement

2023-2024

83 Requests for Quotations violated the announcement period

- Ministry of Public Works and Transport - Directorate General of Roads and Buildings: 57 violations
- MIC2: 12 violations
- MIC1: 5 violations
- Tripoli Governmental Hospital and Rachaya Governmental Hospital: 3 violations each
- Litani River Authority, Higher Relief Commission, and Municipality of El Mina: 1 violation each.

2022-2023

17 Requests for Quotations violated the announcement period

- MIC1: 8 violations
- MIC2 and the Litani River Authority: 2 violations each
- Presidency of the Republic – Directorate General of the Presidency of the Republic, Directorate General of Oil, Municipality of El Mina, Rachaya Governmental Hospital, and Ogero Commission: 1 violation each.

Legal Violations

Public Auctions: Indicating the Opening Prices and Awarding Contracts at Higher Prices



- 12 auctions were announced without specifying an opening price.
- 3 auctions were awarded at prices below the specified opening price.

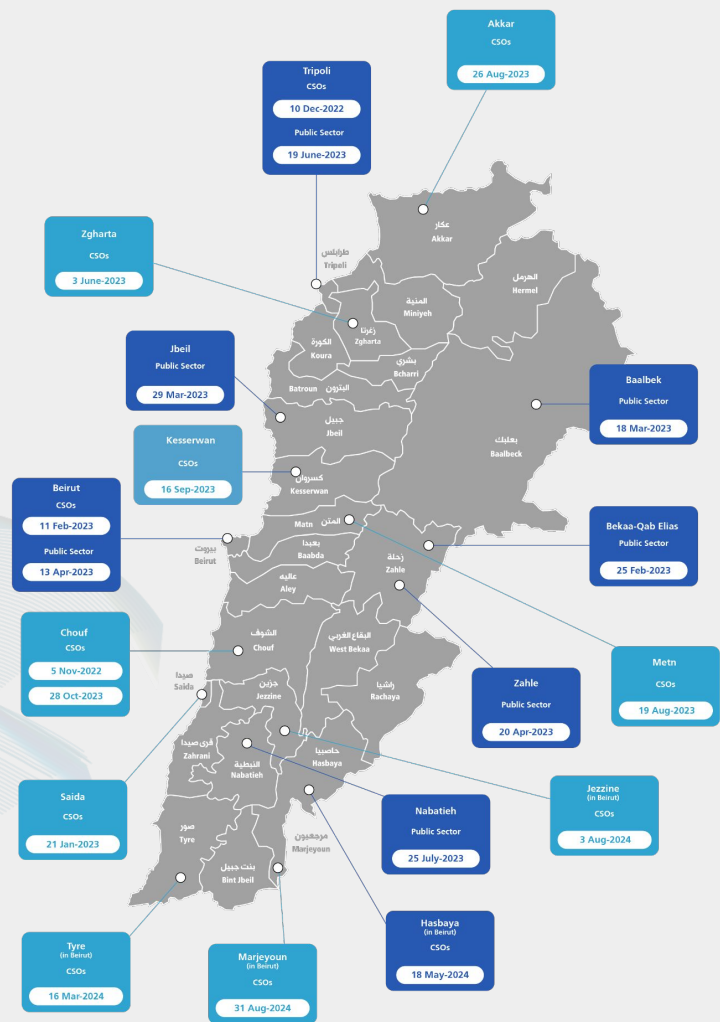
The Legal Timeframe Granted to Bidders to Submit Their Proposals Starting from the Date of Public Auction Announcement





Workshops Organized by Gherbal Initiative

- Between November 2022 and August 2024, Gherbal Initiative held **20 workshops** across various towns, with a total of **515 participants**.
- According to the data obtained from the pre-tests completed by participants, the average number of correct answers was 216 **(42.18% of the total)**, indicating the urgent need for awareness and education about the new law.
- After attending the workshops, the number of correct answers increased to **368 (72.09% of the total)**.
- When comparing these figures, Gherbal Initiative noted that the workshops improved the accuracy of attendees' answers by **30.1%**.



An illustration of a hand holding a sign. The hand is orange and is gripping a brown wooden stick. The stick is attached to a white rectangular sign with the words "Thank you" written in bold black text. The hand is wearing a blue sleeve with white stripes at the cuff. The background is a light gray gradient with a large, flowing, light blue abstract shape on the left side.

**Thank
you**