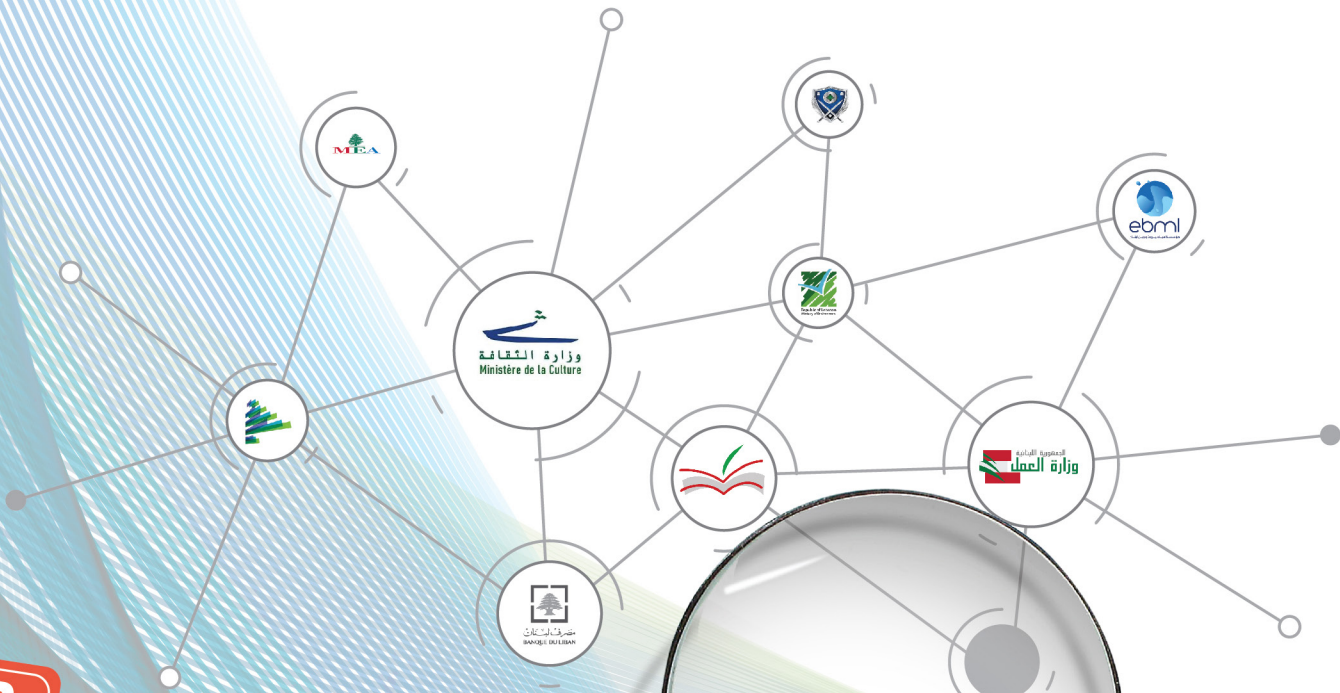




Two Years into the Implementation of the Public Procurement Law Monitoring Public Procurement in Lebanese Public Administrations

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



This report was prepared by Gherbal Initiative



Funded by the Middle East Partnership Initiative (MEPI).



The content of this publication was produced by Gherbal Initiative and does not necessarily reflect the position or opinion of the Middle East Partnership Initiative

In order to achieve the objectives of Gherbal Initiative, all publications are open access and can be used for academic and training purposes, provided that the source shall be mentioned.

Project Management

Assaad Thebian
Clara Bou Gharios

Author

Assaad Thebian
Clara Bou Gharios

“Monaqasa” Platform Management

Cynthia Serhan
Dania Ahmadieh

Translator & Copyeditor

Cynthia Serhan

Field Coordinator

Majed Alameld
Zeinoun Naboulsi

Graphic Designers

Elissa Mitri
Sahar Zellaya

Web Developer

Hussam Khaled

Table of Contents

| | |
|--|----|
| Disclaimer | 5 |
| Preamble | 6 |
| Comprehensive Analysis | 8 |
| The Number of Bids in Comparison to the Number of Administrations | 9 |
| The Months During Which the highest number of bids were announced | 11 |
| Cancelled and Not Awarded Bids according to Administration | 12 |
| Top 5 Administrations in Terms of the Number of Announced Bids | 16 |
| Distribution of Procurements by Governorates | 17 |
| Distribution of the Number of Bids by Districts | 19 |
| Distribution of Bids by Districts in Terms of Value | 22 |
| Distribution of Bids by Sectors | 26 |
| Distribution of Bids by Services | 29 |
| Distribution of Bids by Type | 30 |
| Direct Contracts | 33 |
| Procurement by Invoice | 37 |
| Suppliers Awarded Procurement by Invoice Contracts | 41 |
| Distribution of Bids by Type and Value | 43 |
| Public Administrations: Winning Bidder as well | 46 |
| Top 5 Winning Bidders in Terms of the Number of Bids | 47 |
| Bids awarded in Lebanese Pounds | 48 |
| Top 5 administrations in Terms of the number of Bids in Lebanese Pounds | 49 |
| Top 5 administrations in Terms of the Value of Bids in Lebanese Pounds | 50 |
| Top 5 Contractors in Terms of the Number of Bids in Lebanese Pounds | 51 |
| Top 5 Contractors in Terms of the Value of Bids in Lebanese Pounds | 52 |
| Top 5 Contracts in Terms of Value in Lebanese Pounds | 53 |
| Bids Awarded in U.S. Dollars | 54 |
| Top 5 Administrations in Terms of the Number of Bids in U.S. Dollars | 55 |
| Top 5 Administrations in Terms of the Value of Bids in U.S. Dollars | 56 |
| Top 5 Contractors in Terms of the Number of Bids in U.S. Dollars | 57 |
| Top 5 Contractors in Terms of the Value of Bids in U.S. Dollars | 58 |
| Top 5 Contracts in Terms of Value in U.S. Dollars | 59 |
| Bids Awarded in Euros | 60 |
| Top 5 Administrations in Terms of the Number of Bids in Euros | 61 |
| Top 5 Administrations in Terms of the Value of Bids in Euros | 62 |
| Top 5 Contractors in Terms of the Number of Bids in Euros | 63 |
| Top 5 Contractors in Terms of the Value of Bids in Euros | 64 |
| Requests for Information Submitted to Public Administrations, and their Responses | 65 |
| The Number of Requests Submitted Each Month | 66 |
| Average Response Duration | 73 |
| Legal Violations | 74 |
| Number of Bidders for 2022-2023 | 74 |
| Number of Bidders for 2023-2024 | 76 |
| The Legal Timeframe Granted to Bidders to Submit Their Proposals Starting from the Date of Tender Announcement for 2022-2023 | 77 |

| | |
|--|----|
| The Legal Timeframe Granted to Bidders to Submit Their Proposals Starting from the Date of Tender Announcement for 2023-2024 | 79 |
| The Legal Timeframe Granted to Bidders to Submit Their Proposals Starting from the Date of Request for Quotations Announcement for 2022-2023 | 81 |
| The Legal Timeframe Granted to Bidders to Submit Their Proposals Starting from the Date of Request for Quotations Announcement for 2023-2024 | 82 |
| Public Auctions: Indicating the Opening Prices and Awarding Contracts at Higher Prices | 84 |
| The Legal Timeframe Granted to Bidders to Submit Their Proposals Starting from the Date of Public Auction Announcement for 2022-2023 | 85 |
| The Legal Timeframe Granted to Bidders to Submit Their Proposals Starting from the Date of Public Auction Announcement for 2023-2024 | 86 |
| Workshops Organized by Gherbal | 87 |
| Distribution of the 20 Workshops Attendees According to their Gender, Age, and Background | 89 |
| Distribution of Each Workshops Attendees According to their Gender, Age, and Background | 91 |
| Attendees Answers According to Evaluation Tests | 93 |

The analysis in the report below covers all procurement processes announced between August 1, 2023, and August 1, 2024, marking the second year following the entry into force of the Public Procurement Law. This report serves as a continuation of the initial report, which covered the period from August 1, 2022, to August 1, 2023.

Disclaimer 1: Please note that the mentioned figures may have changed on Monqasa Platform since the preparation of this report, as Gherbal Initiative continues to monitor procurement activities conducted after August 1, 2024. To ensure accurate data on all recorded transactions during the period covered by the report, Gherbal Initiative reviewed the status of these transactions on November 7, 2024, confirming the cancellation or awarding of certain operations recorded between August and October 2024.

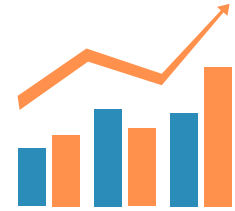
Disclaimer 2: Procurements by invoices have been excluded from this monitoring process, as they were published in a batch on the Public Procurement Authority's platform and divided between 2023 and 2024.

Noting that Gherbal Initiative will analyze them and publish related information in a separate report. However, they will be addressed in a dedicated section of this report, with the total expenditure for 2024 included in the overall procurement spending of each administration.

Disclaimer 3: To issue this report and compare operations in a single currency, all procurement operations have been calculated based on an exchange rate of 89,000 Lebanese Pounds per U.S. Dollar and 1.1 Dollars per Euro.



Preamble



The Lebanese Public Procurement Law, enacted under Law No. 244 of 2021, represents an important step toward improving the management of public procurement and enhancing transparency and accountability in this field. This law is part of Lebanon's efforts to reform its administrative and financial systems and reflects the country's commitment to international standards in public procurement.

Since its adoption, Gherbal Initiative has dedicated part of its efforts to monitor the implementation of this law. Therefore, in collaboration with the Middle East Partnership Initiative (MEPI) and the Institut des Finances Basil Fuleihan, "[Monaqasa.org](https://monaqasa.org)" platform was launched to monitor, track, and publish all announced bids. This platform allows all visitors (individuals, small and medium-sized enterprises, oversight bodies, researchers, etc.) to search within the bids and view their statuses; whether still active, awarded, or canceled, along with the names of the winning bidders, contract values, and other relevant information.

In addition to its research efforts and the monitoring platform mentioned earlier, Gherbal Initiative organized a series of 20 workshops across all Lebanese regions to explain the new Public Procurement Law to the attendees, broaden their understanding of its provisions (with 25-35 participants per workshop), and address their questions. The targeted participants included citizens (including civil society organizations and small and medium-sized enterprises) and public sector employees.

To further support these efforts, Gherbal Initiative is launching this report to mark the second anniversary of the enactment of the Public Procurement Law. The report aims to assess the extent of the law's implementation, track the number of announced bids, document the number of administrations involved in procurement operations, and analyze the sectors, services, and districts where these operations occurred, along with other relevant data.

Additionally, the report seeks to evaluate the impact of the Public Procurement Law on procurement operations, assess its role in enhancing transparency, and contribute to improving the overall procurement landscape in Lebanon.

This report documents all bids collected by Gherbal Initiative from various sources, including the Public Procurement Authority's platform, the Official Gazette, public administrations' websites, and other platforms. These bids were published on "[Monaqasa.org](https://monaqasa.org)" platform and followed up on through official requests for information sent to the administrations, and field visits to gather data on winning bidders and the value of awarded contracts.

Monitoring public procurement in Lebanese public administrations remains a pivotal issue, particularly in the second year of the implementation of the Public Procurement Law. While the law aims to promote transparency and integrity in managing public funds, the findings so far highlight significant challenges.

- The Initiative successfully gathered information on 1,501 bids from various sources. Noting that 280 were canceled, while 128 others were not awarded (as reported by the administrations). Of the remaining 1,093 operations, 932 were awarded. Despite this improvement compared to the previous year, these numbers remain limited, considering the law requires compliance by over 200 public administrations nationwide, more than 1,100 municipalities and municipal unions locally, and all diplomatic and representative missions abroad.
- One of the key findings of Gherbal Initiative was the complete absence of procurement activities reported by Lebanese diplomatic missions.

- Furthermore, Lebanon's largest municipality, the Municipality of Beirut, did not record any procurement activities, while the Parliament registered only 2 procurement operations over the entire year.
- It is noteworthy that only 72 municipalities and municipal unions announced a total of 79 procurement operations, regardless of whether they were later canceled or awarded. This is an extremely low figure by two measures:
 - 1. Number of transactions:** This number represents only 5% of the total 1,501 announced bids.
 - 2. Number of administrations:** It accounts for only 6% of the approximately 1,100 municipalities and municipal unions required to comply with the law.
- The data also reveals that 25% of the assessed procurement activities continue to be conducted through direct contracting. The number of such contracts increased from 206 in the first year to 271 in the second year of the law's implementation, despite the theoretical reduction in cases where such contracts could be used.
- Regarding tenders and their values, tenders amounting to 219 million USD were recorded, indicating a relative improvement compared to the first year. However, the high proportion of direct contracts raises concerns about the effectiveness of the law's implementation and its impact on improving public procurement mechanisms.
- Additionally, certain procurement activities were awarded despite violating the law. Gherbal Initiative identified 22 requests for quotations, 16 tenders, and 2 auctions in which only one bidder participated, yet they were awarded without valid justification, rendering them non-compliant with the law.

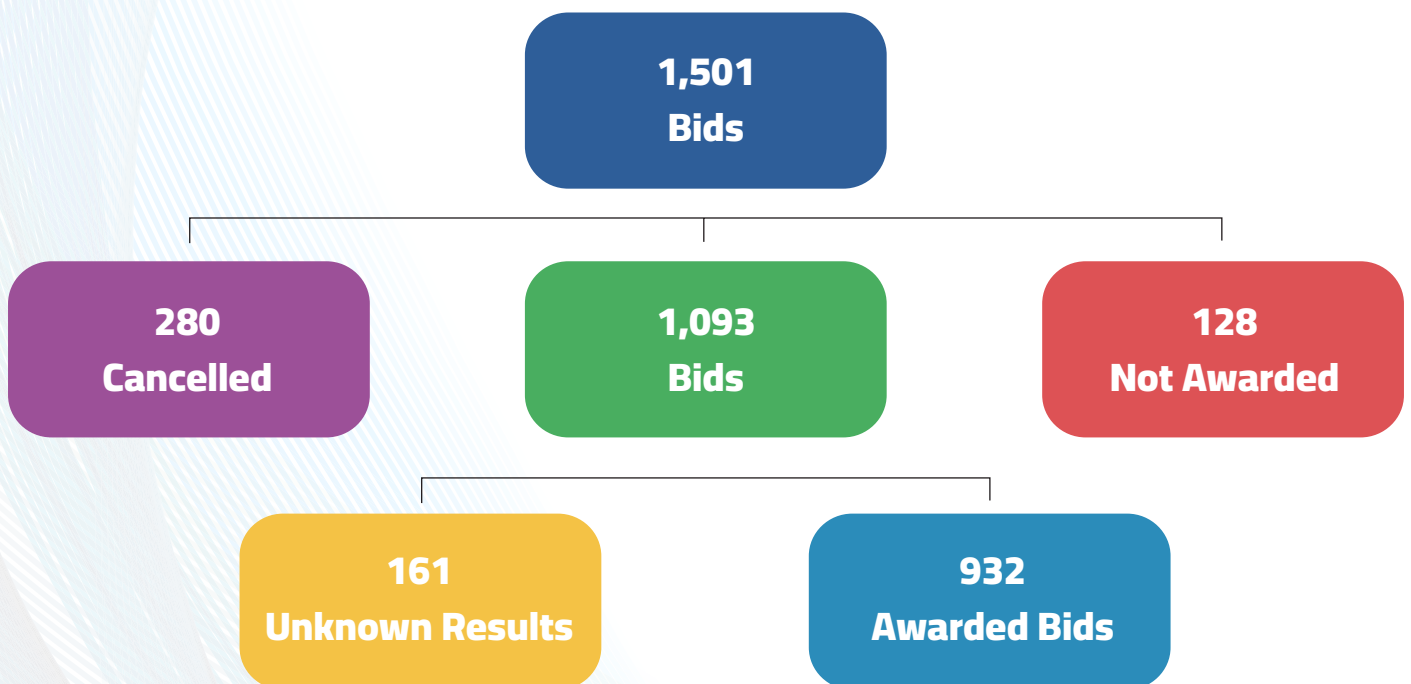
This study is based on a comprehensive analysis of available data, emphasizing the importance of enhancing transparency and accountability in public procurement operations to ensure the optimal use of public funds and to strengthen citizen trust in government institutions.



Comprehensive Analysis

Two years after the implementation of Public Procurement Law No. 244 of 2021, Gherbal Initiative continues to publish all announced procurement operations between August 1, 2023, and August 1, 2024, on its platform "[Monaqasa.org](https://monaqasa.org)" collecting data on 1,501 bids from various sources.

It is noteworthy that 280 out of the 1,501 bids were canceled, while 128 remained not awarded (as reported by the respective administrations). Of the remaining 1,093 bids, 932 were successfully awarded.





The Number of Bids in Comparison to the Number of Administrations

Initially, we analyzed the bids based on the administrations that announced them. The analysis showed that only 139 administrations issued procurement announcements, despite the fact that more than 200 public administrations and institutions, approximately 1,100 municipalities and municipal unions, as well as all Lebanese diplomatic missions and embassies abroad, are required to comply with the Public Procurement Law. This number constitutes a small percentage, not exceeding 10% of all administrations subject to the law.

The number of procurement operations announced by administrations varied during the second year, as 62 administrations announced only 1 bid each, while 22 administrations announced 2 bids, 12 administrations announced 3 bids, 4 administrations announced 4 procurement operations and 3 administrations announced 5 operations. Additionally, 9 administrations announced between 5 and 10 bids, 8 administrations announced between 10 and 20 transactions and 12 administrations announced between 20 and 50 bids. Moreover, 4 administrations announced between 50 and 100 procurement operations, while only 3 announced more than 100 operations.

| Number of announced bids | Number of administrations |
|--------------------------|---------------------------|
| 1 | 62 |
| 2 | 22 |
| 3 | 12 |
| 4 | 4 |
| 5 | 3 |
| 5-10 | 9 |
| 10-20 | 8 |
| 20-50 | 12 |
| 50-100 | 4 |
| More than 100 | 3 |

Thus, the number of administrations that announced more than 20 bids in one year does not exceed 27 administrations nationwide, which is considered an extremely low percentage, barely surpassing 2% of all public administrations. This remains the case even when taking into account smaller administrations (municipalities) or those with limited budgets, as well as the ongoing economic crisis, which has entered its fifth year.

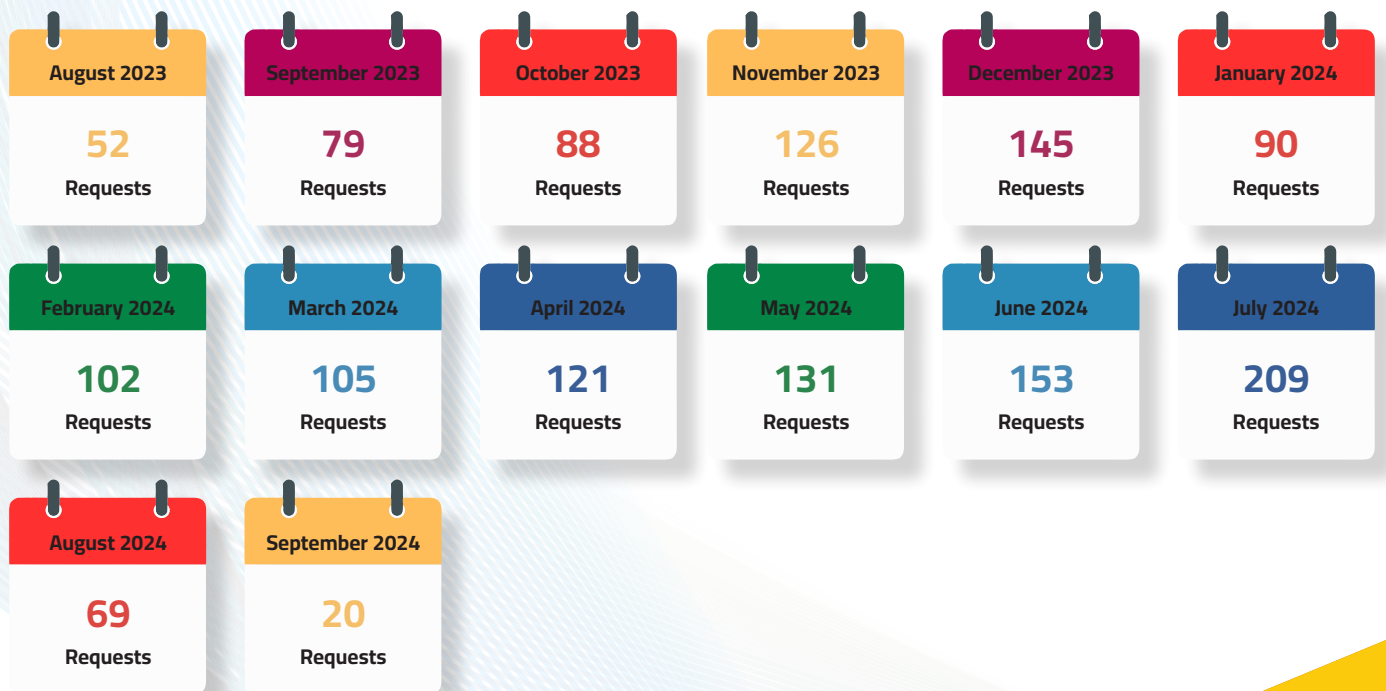
The below table shows the number of bids announced by each administration:

| Administration | | Administration | |
|---|-----|--|---|
| Alfa (MIC1) | 187 | Directorate General of Presidency of Council of Ministers Ministry of Information - Directorate General of Ministry of Information | 6 |
| Ministry of Public Works and Transport - Directorate General of Roads and Buildings | 155 | Ministry of Interior and Municipalities - Directorate General of General Security | |
| Touch Lebanon (MIC2) | 113 | Rafic Hariri University Hospital | |
| Ogero Commission | 99 | Central Fund for the Displaced General Directorate of State Security | 5 |
| Electricity of Lebanon | 67 | Ministry of Education and Higher Education - Directorate General of Education and Higher Education | |
| Central Bank of Lebanon Council for Development and Reconstruction | 63 | North Lebanon Water Establishment Ministry of Interior and Municipalities - Directorate General of Civil Defense | 4 |
| National Social Security Fund | 48 | Directorate General of Civil Aviation Railway and Public Transportation Authority | |
| Establishment of the Water of Beirut and Mount Lebanon (EBML) | 47 | Cooperative Fund of the Mayors / Bekaa Water Establishment Ministry of Energy & Water - Directorate General of Water and Electrical Resources / Ministry of Environment - Directorate General of Environment / Ministry of Foreign Affairs and Emigrants - General Secretariat / Municipality of Beit Meri / Municipality of Chekka / Municipality of Chiyah / Municipality of Dekweneh / Municipality of Kfarhamam / Municipality of Saida / Municipality of Zahle - Maalaka - Taanayel | 3 |
| Lebanese University Directorate General of Oil | 45 | | |
| Beirut Port Investment and Management | 37 | Cooperative of Government Employees / General Secretariat of the Lebanese Parliament / Ministry of Agriculture - Directorate of Agricultural Wealth / Ministry of Agriculture - General Directorate of Cooperatives / Lebanese Petroleum Administration / Ministry of Industry - Directorate General of Ministry of Industry / Ministry of Telecommunications - General Directorate of Construction and Equipment / Municipal Union of Jbeil / Municipal Union of Saida - Zahrani / Municipality of Ain Dara / Municipality of Bchamoun / Municipality of Dbayeh-Zouk El Khrab-Haret El Bellaneh-Awkar / Municipality of Falougha - Khalwat Falougha / Municipality of Hasbaya / Municipality of Jezzine - Ain Majdalain / Municipality of KfarSelwan / Municipality of Kfarhim / Municipality of Majdelyoun / Municipality of Qaitouli / Municipality of Raiit / Municipality of Zalka Amaret Chalhoub / Rachid Karami International Fair - Tripoli | 2 |
| Internal Security Forces | 36 | | |
| South Lebanon Water Establishment | 26 | | |
| Tripoli Port Authority | 25 | | 1 |
| Council for South High Relief Commission Tebnine Governmental Hospital | 24 | | |
| Rachaya Governmental Hospital | 21 | Central Administration of Statistics / Central Inspection Bureau Faihaa Municipal Union / Ministry of Economy and Trade - Directorate General of Economy and Trade / Radio Lebanon / Ministry of Interior and Municipalities - Directorate General of Civil Status / Traffic, Trucks, and Vehicles Management Authority / Tyre Port Authority / Ministry of Telecommunications - Joint / Administrative Authority / Municipal Union of Baalbek / Municipal Union of Tyre / Municipality of Aghmid / Municipality of Aaramta / Municipality of Ablah / Municipality of Aitanit / Municipality of Akoura / Municipality of Anfeh / Municipality of Arabsalim / Municipality of Baabda-Louaize / Municipality of Balloune / Municipality of Barouk-Fraidis / Municipality of Barsa / Municipality of Bkassine / Municipality of Bmohray / Municipality of Bourj El Brajneh / Municipality of Bourj Hammoud / Municipality of Chwaya / Municipality of Dmt / Municipality of Ebel El Saqi / Municipality of El Mina / Municipality of El Monsef / Municipality of Faraya / Municipality of Fardis / Municipality of Fih / Municipality of Haitoura / Municipality of Hebbarieh / Municipality of Houla / Municipality of Jbaa / Municipality of Jbeil / Municipality of Jdeideh-Bauchrieh-Sed / Municipality of Jeb Jannine / Municipality of Jeita / Municipality of Kfarhabou / Municipality of Kfeir / Municipality of Khalwat / Municipality of Maaser El Chouf / Municipality of Marj / Municipality of Mayfadoun / Municipality of Mimess / Municipality of Mtayleb / Municipality of Naameh - Haret El Naameh / Municipality of Qab Elias / Municipality of Qornayel / Municipality of Rachaya Al Foukhar / Municipality of Roum / Municipality of Sabbah / Municipality of Sehaile / Municipality of Terbol / Municipality of Zouk Mosbeh / Nabih Berri Governmental University Hospital of Nabatieh / Tele Liban / Turkish Trauma and Emergency Hospital | |
| Ministry of Agriculture - Directorate General of Agriculture | 17 | | |
| General Directorate of Ministry of Public Health North Lebanon Electricity Company- Qadicha | 16 | | |
| Litani River Authority (LRA) | 15 | | |
| Tripoli Governmental Hospital | 14 | | |
| Ministry of Finance - Directorate of Public Finance Ministry of National Defense - Directorate General of Ministry of National Defense | 13 | | |
| Directorate General of the Presidency of the Lebanese Republic | 11 | | |
| Ministry of Finance - Directorate General for Customs | 10 | | |
| Lebanese Agricultural Research Institute | 9 | | |
| Center for Educational Research and Development Ministry of Finance - Directorate General of Land Registry and Cadastre Higher Council of Customs | 7 | | |

The Months During Which the Highest Number of Bids were Announced

We categorized the announced procurements according to the months the administrations planned to open the bids. The data revealed that the number of public procurement announcements ranged between 50 and 200 per month, except for September 2024 (as our monitoring of announced procurements ceased on August 1, 2024, noting that September included only 20 purchases scheduled for bid opening in the following month).

The chart below illustrates that procurement announcements did not follow a systematic increase or significant growth due to the law's implementation. Instead, the numbers were tied to the specific purchasing needs of the administrations. The figures further indicate that the number of announced bids remains limited compared to the number of Lebanese public administrations and their procurement needs. It is implausible for over 200 public administrations and institutions, more than 1,100 municipalities and municipal unions, and dozens of diplomatic and political missions abroad to require fewer than 250 procurement operations per month at most.





Cancelled and Not Awarded Bids according to Administration

Based on the monitoring conducted by Gherbal Initiative, 280 bids were cancelled by procuring entities during the observed year. Additionally, 128 bids were announced but not awarded to any bidder, as a result of the insufficient number of bidders or other reasons specified by the administration.

Upon reviewing these cancelled bids, it was found that both the Electricity of Lebanon and Ogero Commission topped the list, each cancelling 34 bids. The Central Bank of Lebanon and the Internal Security Forces came in second, cancelling 19 procurement operations each. They were followed by the Directorate General of Oil and MIC2 (Touch Lebanon), each with 17 cancelled operations, then MIC1 (Alpha) with 16 cancelled bids.

| Administration | No. of Announced Bids | No. of Cancelled Bids | % of Cancelled bids from Total No. of Bids |
|---|-----------------------|-----------------------|--|
| Electricity of Lebanon | 67 | 34 | 50.7 |
| Ogero Commission | 99 | 34 | 34.3 |
| Central Bank of Lebanon | 63 | 19 | 30.2 |
| Internal Security Forces | 36 | 19 | 52.8 |
| Directorate General of Oil | 45 | 17 | 37.8 |
| Touch Lebanon (MIC2) | 113 | 17 | 15.0 |
| Alfa (MIC1) | 187 | 16 | 8.6 |
| Beirut Port Investment and Management | 37 | 12 | 32.4 |
| North Lebanon Electricity Company-Qadisha | 16 | 10 | 62.5 |
| South Lebanon Water Establishment | 26 | 9 | 34.6 |
| National Social Security Fund | 48 | 9 | 18.8 |

Concerning the bids that were not awarded, Rachaya Governmental Hospital topped the list with 14 announced procurement operations that were not awarded. Additionally, the Directorate General of Roads and Buildings at the Ministry of Public Works and Transport, the Directorate General of the Ministry of Agriculture, and Tebnine Governmental Hospital each recorded 9 bids that remained unawarded.

| Administration | No. of Announced Bids | No. of Not Awarded Bids | % of Not Awarded Bids from Total No. of Bids |
|---|-----------------------|-------------------------|--|
| Rachaya Governmental Hospital | 21 | 14 | 66.7 |
| Ministry of Agriculture - Directorate General of Agriculture | 17 | 9 | 52.9 |
| Ministry of Public Works and Transport - Directorate General of Roads and Buildings | 155 | 9 | 5.8 |
| Tebnine Governmental Hospital | 24 | 9 | 37.5 |
| Tripoli Governmental Hospital | 14 | 7 | 50.0 |
| South Lebanon Water Establishment | 26 | 6 | 23.1 |
| Directorate General of Oil | 45 | 6 | 13.3 |
| Tripoli Port Authority | 25 | 5 | 20.0 |
| Electricity of Lebanon | 67 | 4 | 6.0 |
| Ministry of Finance - Directorate of Public Finance | 13 | 4 | 30.8 |

When combining both cancelled and not awarded bids and calculating their proportion out of the total announced bids by the administrations, we noticed that 22 administrations cancelled or failed to award all the procurement operations they had announced. Notably, these administrations did not announce more than 5 bids throughout the year.



| Administration | No. of Announced Bids | No. of Canceled Bids | No. of Not Awarded Bids | % of Not Awarded and/or Canceled Bids from Total No. of Announced Bids |
|--|-----------------------|----------------------|-------------------------|--|
| Ministry of Environment - Directorate General of Environment | 3 | 0 | 3 | 100 |
| Central Fund for the Displaced | 5 | 3 | 2 | 100 |
| Municipality of Dbayeh-Zouq El Khrab-Haret El Bellaneh-Awkar | 2 | 0 | 2 | 100 |
| Ministry of Agriculture - Directorate of Agricultural Wealth | 2 | 1 | 1 | 100 |
| Faihaa Municipal Union | 1 | 0 | 1 | 100 |
| Ministry of Information - Radio Lebanon | 1 | 0 | 1 | 100 |
| Municipality of Ablah | 1 | 0 | 1 | 100 |
| Municipality of Arabsalim | 1 | 0 | 1 | 100 |
| Municipality of Dmit | 1 | 0 | 1 | 100 |
| Municipality of Jbaa | 1 | 0 | 1 | 100 |
| Municipality of Kfeir | 1 | 0 | 1 | 100 |
| Municipality of Roum | 1 | 0 | 1 | 100 |
| Municipality of Terbol | 1 | 0 | 1 | 100 |
| Municipality of Saida | 3 | 3 | 0 | 100 |
| Municipality of Bchamoun | 2 | 2 | 0 | 100 |
| Municipality of Raiit | 2 | 2 | 0 | 100 |
| Rachid Karami International Fair - Tripoli | 2 | 2 | 0 | 100 |
| Central Administration of Statistics | 1 | 1 | 0 | 100 |
| Municipality of Aghmid | 1 | 1 | 0 | 100 |
| Municipality of Fardis | 1 | 1 | 0 | 100 |
| Municipality of Fih | 1 | 1 | 0 | 100 |
| Municipality of Khalwat | 1 | 1 | 0 | 100 |



We note that the cancellation and non-awarding of bids were not limited to administrations that announced a small number of bids but also included prominent administrations that announced many procurement operations. Notably:

Ogero Commission: 35 cancelled or not awarded bids out of 99 (35.5%)

Directorate General of Oil: 23 cancelled or not awarded bids out of 45 (51.1%)

Electricity of Lebanon: 38 cancelled or not awarded bids out of 67 (56.7%)

Internal Security Forces: 22 cancelled or not awarded bids out of 36 (61.1%)

North Lebanon Electricity Company- Qadisha: 11 cancelled or not awarded bids out of 16 (68.7%)

Alternatively, it is noteworthy that some administrations cancelled a limited number of the announced procurement operations. Among the most significant are:

Council for Development and Reconstruction: 63 announced bids, 61 of which were awarded (97%)

Higher Relief Commission: 24 announced bids, only 1 of which was cancelled (96%)

Directorate General of Roads and Buildings – Ministry of Public Works and Transport: 155 announced bids, 145 of which were awarded (93.5%)

Lebanese University: 45 announced bids, 41 of which were awarded (91%)

MIC1: 187 announced bids, 170 of which were awarded (91%)

| Administration | No. of Announced Bids | No. of Canceled Bids | No. of Not Awarded Bids | % of Awarded Bids |
|---|-----------------------|----------------------|-------------------------|-------------------|
| Council for Development and Reconstruction | 63 | 0 | 2 | 96.8 |
| High Relief Commission | 24 | 1 | 0 | 95.8 |
| Ministry of Public Works and Transport - Directorate General of Roads and Buildings | 155 | 1 | 9 | 93.5 |
| Lebanese University | 45 | 3 | 1 | 91.1 |
| Alfa (MIC1) | 187 | 16 | 1 | 91 |
| Council for South | 24 | 2 | 1 | 87.5 |
| Center for Educational Research and Development | 7 | 0 | 1 | 85.7 |
| Establishment of the Water of Beirut and Mount Lebanon (EBML) | 47 | 5 | 2 | 85.1 |
| Touch Lebanon (MIC2) | 113 | 17 | 1 | 84.1 |
| Rafic Hariri University Hospital | 6 | 0 | 1 | 83.3 |

Top 5 Administrations in Terms of the Number of Announced Bids

For the second consecutive year, the 3 telecommunications companies (MIC1, MIC2, and Ogero Commission) continued to top the list of the 5 administrations with the highest number of announced bids.

This year also saw the commitment of 2 additional administrations to the provisions of the Public Procurement Law, namely the Directorate General of Roads and Buildings and the Electricity of Lebanon. The table below shows the number of announced bids for each administration:

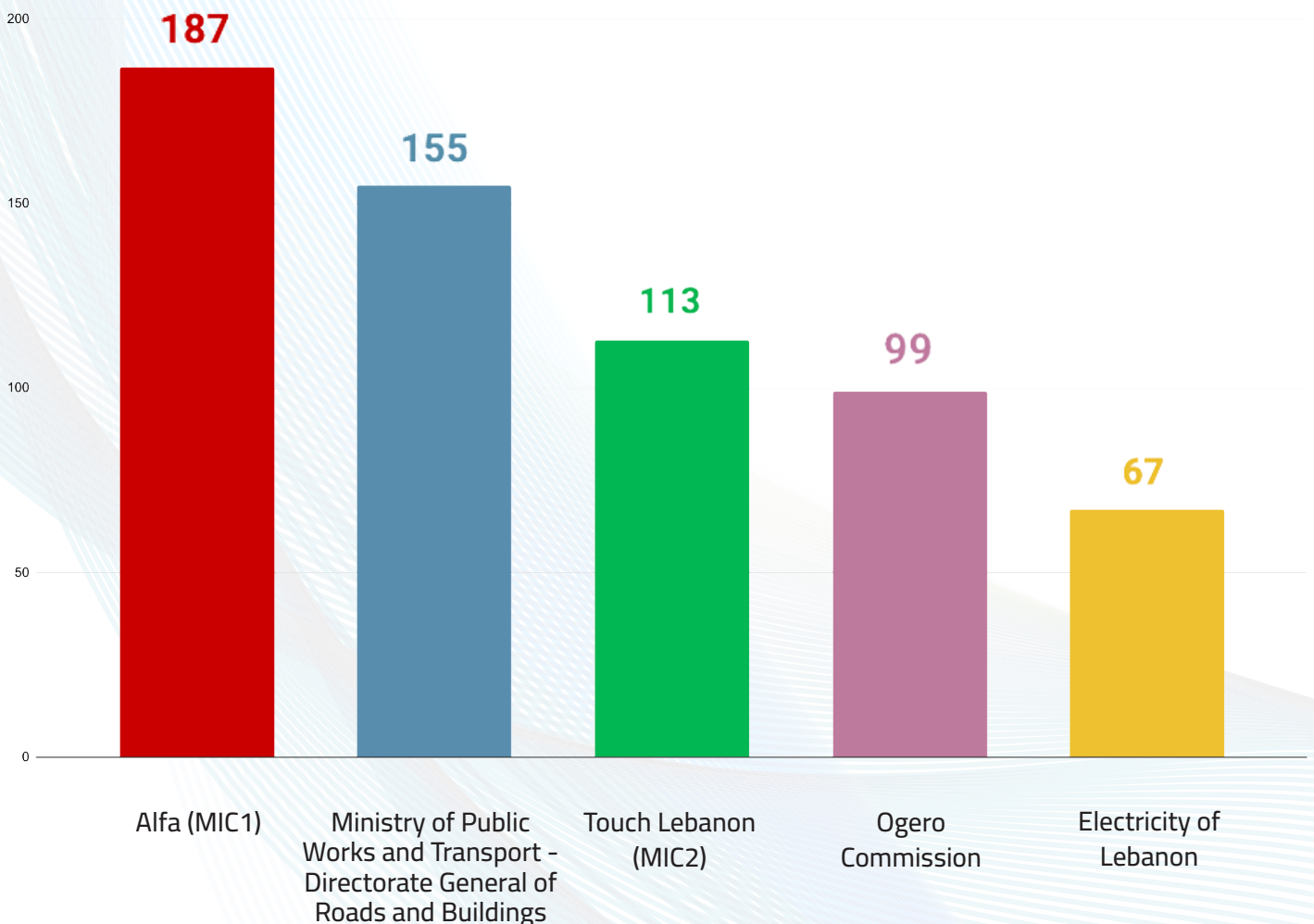
MIC1: 187 bids

Ministry of Public Works and Transport - Directorate General of Roads and Buildings: 155 bids

MIC2: 113 bids

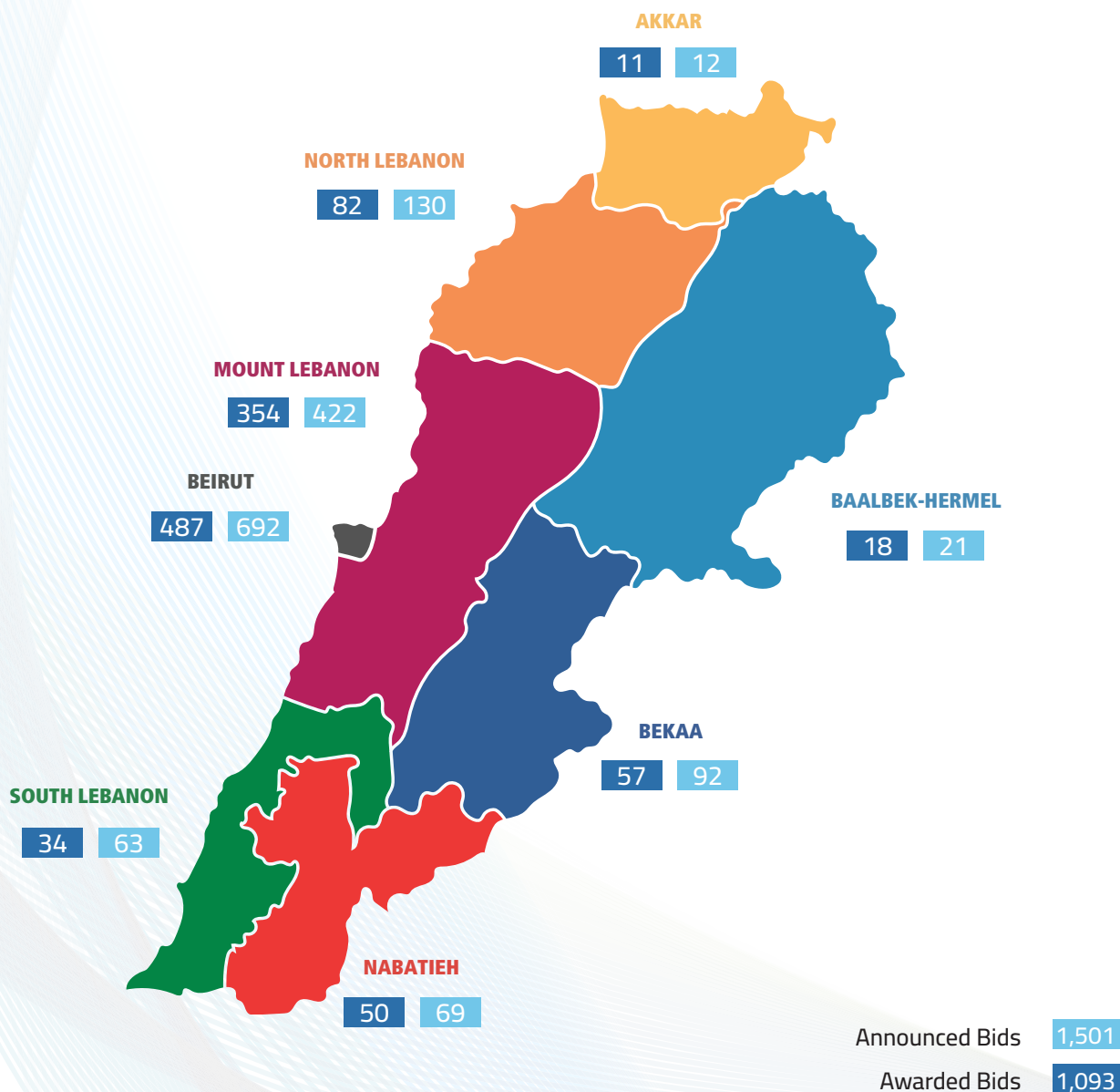
Ogero Commission: 99 bids

Electricity of Lebanon: 67 bids



Distribution of Procurements by Governorates

The following map illustrates the distribution of the number of procurement operations announced in each of Lebanon's governorates during the second year of the implementation of the new Public Procurement Law.



Nearly half of the procurement operations took place in the capital. In fact, 491 bids were announced in Beirut, compared to 613 in the other governorates. This significant disparity is likely due to the centralization of governance and the presence of most public administrations and institutions in the capital.

The map above indicates that Akkar and Baalbek-Hermel recorded the lowest number of announced bids. This raises many questions regarding the level of awareness of the law in remote areas, particularly at the level of municipalities and municipal unions, as well as the central authorities' interest in conducting public procurement operations for these regions. This highlights the lack of a balanced development approach and local development in the planning and operations of the central government.

In Baalbek-Hermel governorate, only 18 bids were announced, 1 of which was by Baalbek Municipal Union, while the remaining 17 announcements were distributed across several entities. The Directorate General of Roads and Buildings announced 12 bids, the Council for Development and Reconstruction announced 2, and each of the Electricity of Lebanon, the Lebanese University, and MIC1 announced 1 bid. Although the 12 announcements made by the said Directorate may seem like a high number, they account for less than 9% of the total bids announced by the Directorate this year (149 bids). Notably, this Directorate did not announce any bids for Akkar, the governorate which figures we will proceed to analyze.

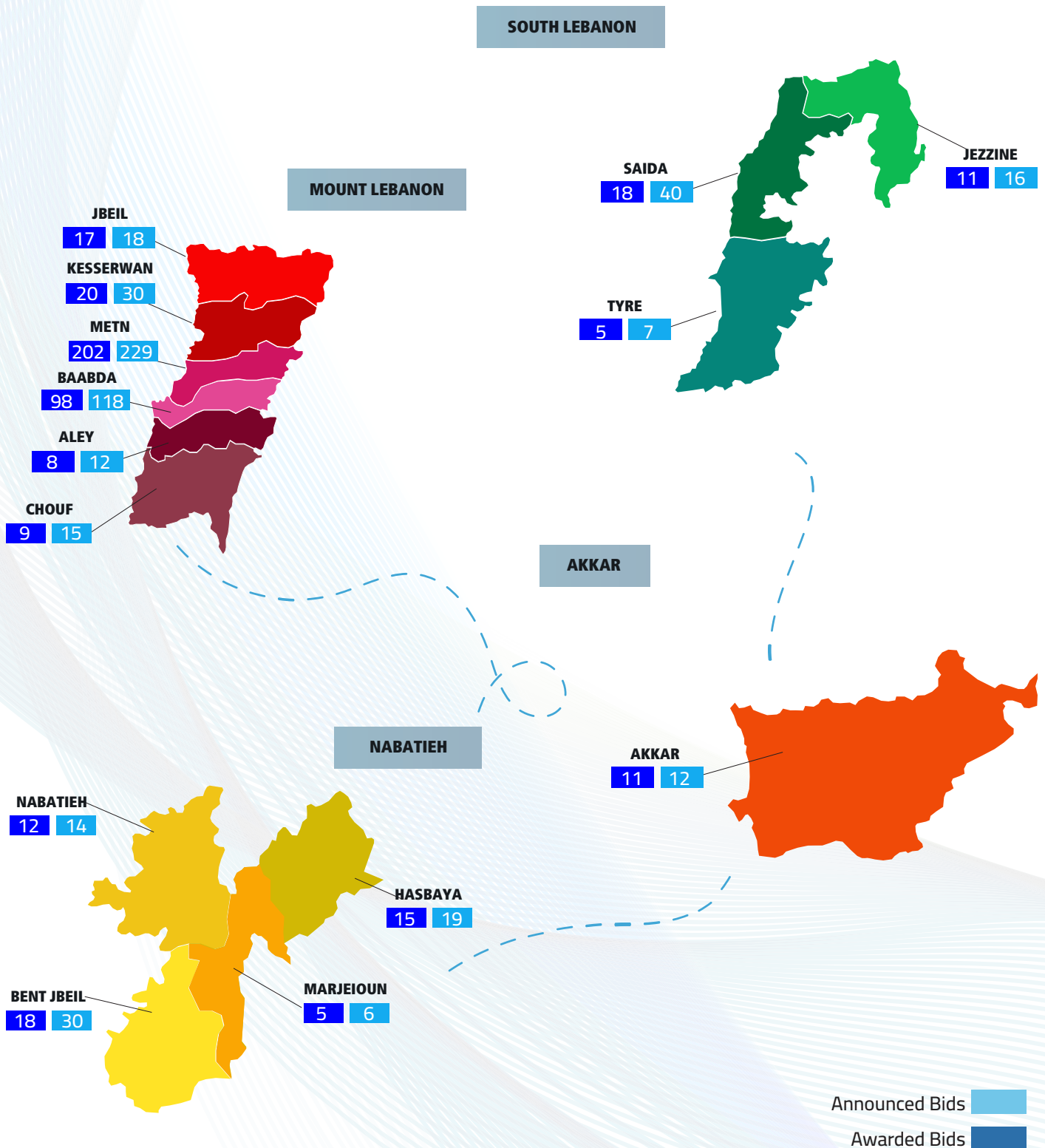
In Akkar, 4 procurement operations were announced by the Council for Development and Reconstruction, and 7 by the High Relief Commission. Notably, neither the municipal unions nor the municipalities in the governorate announced any bids throughout the year. It is also worth mentioning that Akkar accounted for 33% of the total bids announced by the High Relief Commission (7/24), while the bids announced by the Council for Development and Reconstruction for the governorate accounted for only 6% of its total announcements (4/61).

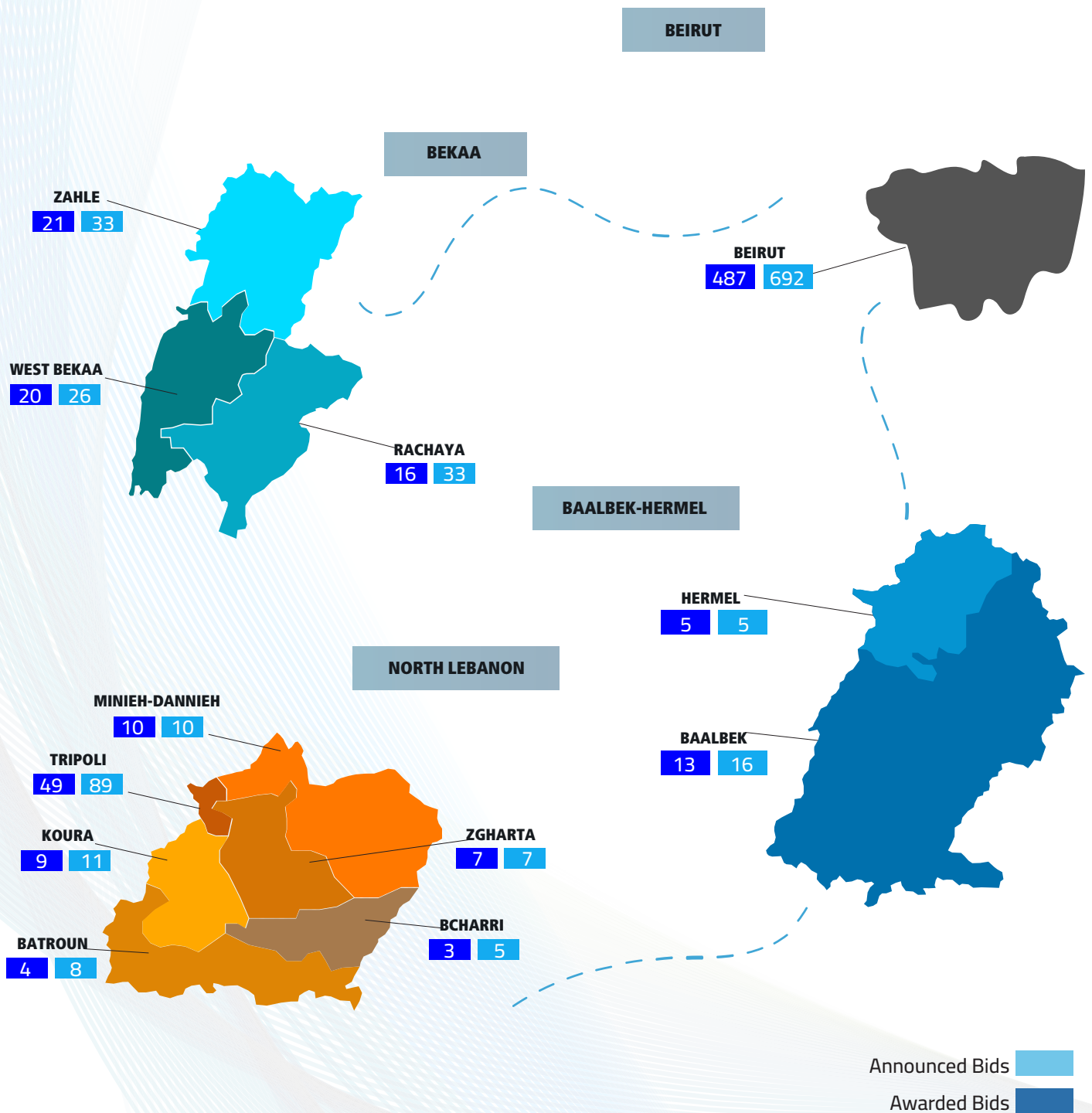
No other public entities announced any procurement operations related to the governorate during the monitored year.



Distribution of the Number of Bids by Districts

The below map highlights the disparity in the number of bids across different districts.





After reviewing the data, it became clear that the highest number of bids were conducted in Beirut, with a total of 692 announced bids, of which 487 were executed. Metn district ranked second with 229 announced bids, 202 of which were executed, followed by the Baabda district with 118 announced bids, 98 of which were implemented. Tripoli came in fourth with 89 announced bids, 49 of which were awarded, and fifth place was shared by Zahle and Rachaya districts, each with 33 announced bids, though only 21 were executed in Zahle and just 16 in Rachaya.

When analyzing the data by the percentage of announced and executed procurement operations, the districts of Zgharta, Minieh-Dannieh, and Hermel recorded the highest execution rates as 100% of their announced bids being executed (only 22 public procurement bids were announced across these districts combined). In contrast, the execution rate dropped to just 45% in Saida, where 40 bids were announced but only 18 were executed.

| District | Percentage of awarded bids in each district |
|----------------|---|
| Akkar | 91.7 |
| Aley | 66.7 |
| Baabda | 83.1 |
| Baalbek | 81.2 |
| Batroun | 50 |
| Beirut | 70.4 |
| Bent Jbeil | 60 |
| Bcharri | 60 |
| Chouf | 60 |
| Hasbaya | 78.9 |
| Hermel | 100 |
| Jbeil | 94.4 |
| Jezzine | 68.7 |
| Kesserwan | 66.7 |
| Koura | 81.8 |
| Marjeioun | 83.3 |
| Metn | 88.2 |
| Minieh-Dannieh | 100 |
| Nabatieh | 85.7 |
| Rachaya | 48.5 |
| Saida | 45 |
| Tripoli | 55.1 |
| Tyre | 71.4 |
| West Bekaa | 76.9 |
| Zahle | 63.6 |
| Zgharta | 100 |

Noting that only 72 municipalities and municipal unions have announced 79 bids, regardless of whether they were later cancelled or awarded, which is a very low number on 2 scales. First, compared to the total number of bids, which reached 1,501 (approximately 5%). Second, compared to the number of municipalities and municipal unions, around 1,100 (at an approximate rate of only 6%).

Distribution of Bids by Districts in Terms of Value

Upon analyzing the value of the conducted bids by district, it was evident that spending in the capital, Beirut, accounts for 36.8% of the total value of contracts we were able to track. Baabda ranks second with 32.6%, followed by Metn at 12.7%, Zahle at 3.1%, and Tripoli at 2.9%.

These figures demonstrate the limited spending by public administrations in other Lebanese districts, especially in peripheral areas, where the value of contracts in Bekaa and Akkar governorates combined did not exceed 3.4% of the total value. The numbers also highlight the lack of transparency and commitment by local administrations in publishing information about their public procurement operations and contracts, alongside a lack of funding and budgets allocated to support the needed spending.

| District | Value of awarded bids in each district/USD |
|-------------------|--|
| Beirut | 150,400,280 |
| Baabda | 133,154,432 |
| Metn | 51,790,953 |
| Zahle | 12,911,967 |
| Tripoli | 11,762,023 |
| Baalbek | 9,998,882 |
| Chouf | 8,049,725 |
| Saida | 4,514,508 |
| West Bekaa | 3,901,687 |
| Kesserwan | 3,819,396 |
| Jbeil | 3,153,911 |
| Hermel | 2,340,600 |
| Bsharri | 2,106,570 |
| Minyeh - Denneyeh | 1,838,320 |
| Akkar | 1,458,362 |
| Nabatieh | 1,360,042 |
| Koura | 1,266,973 |
| Jezzine | 1,141,433 |
| Rachaya | 854,509 |
| Batroun | 613,007 |
| Marjaayoun | 581,745 |
| Zgharta | 564,259 |
| Bint Jbeil | 535,909 |
| Aley | 312,668 |
| Hasbaya | 143,175 |
| Tyre | 99,514 |

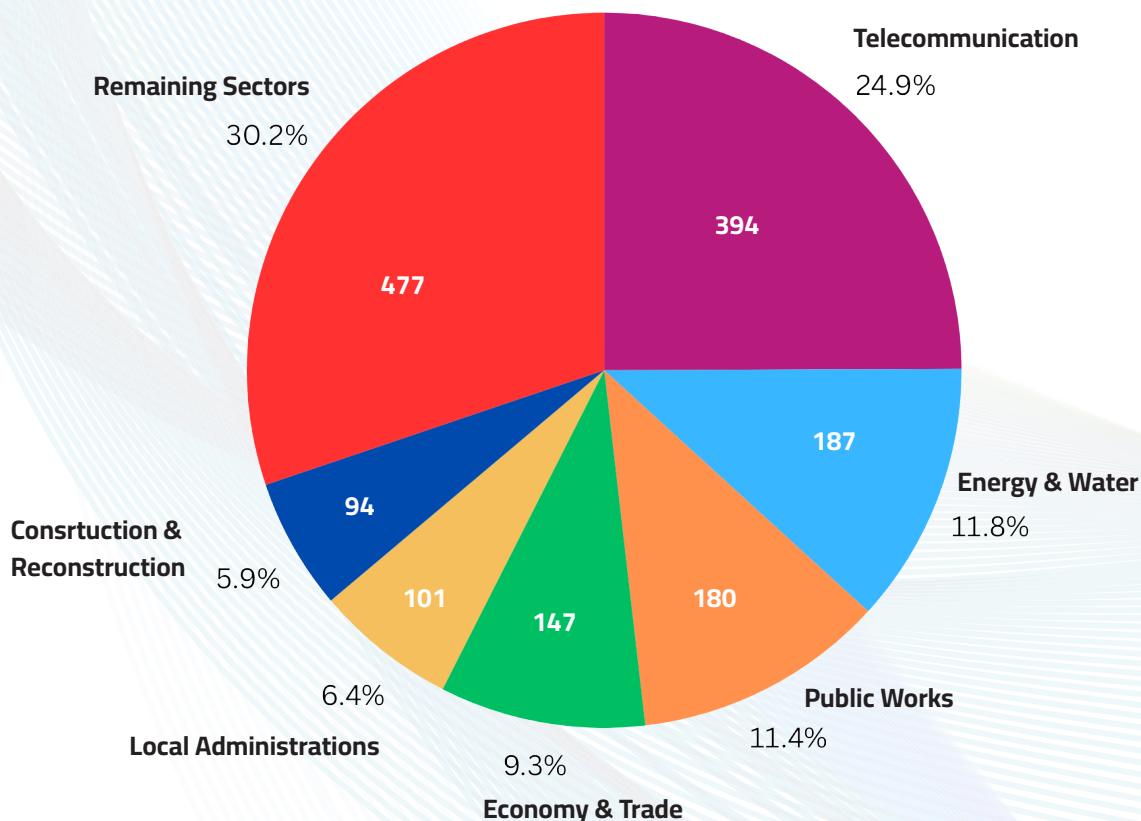
Distribution of Bids by Sectors

At Gherbal Initiative, we classified the announced procurement operations into key sectors to gain a deeper understanding of public spending mechanisms. Of course, the analysis below does not provide a complete picture of the Lebanese state's spending priorities by sector, as many administrations have refrained from publishing information about their public bids on the Public Procurement Authority's platform or their websites. Additionally, certain expenditures, such as salaries and wages, are not included. Nonetheless, we can draw certain conclusions from monitoring these public procurement operations.

The following sectors ranked highest in terms of the number of announced bids:

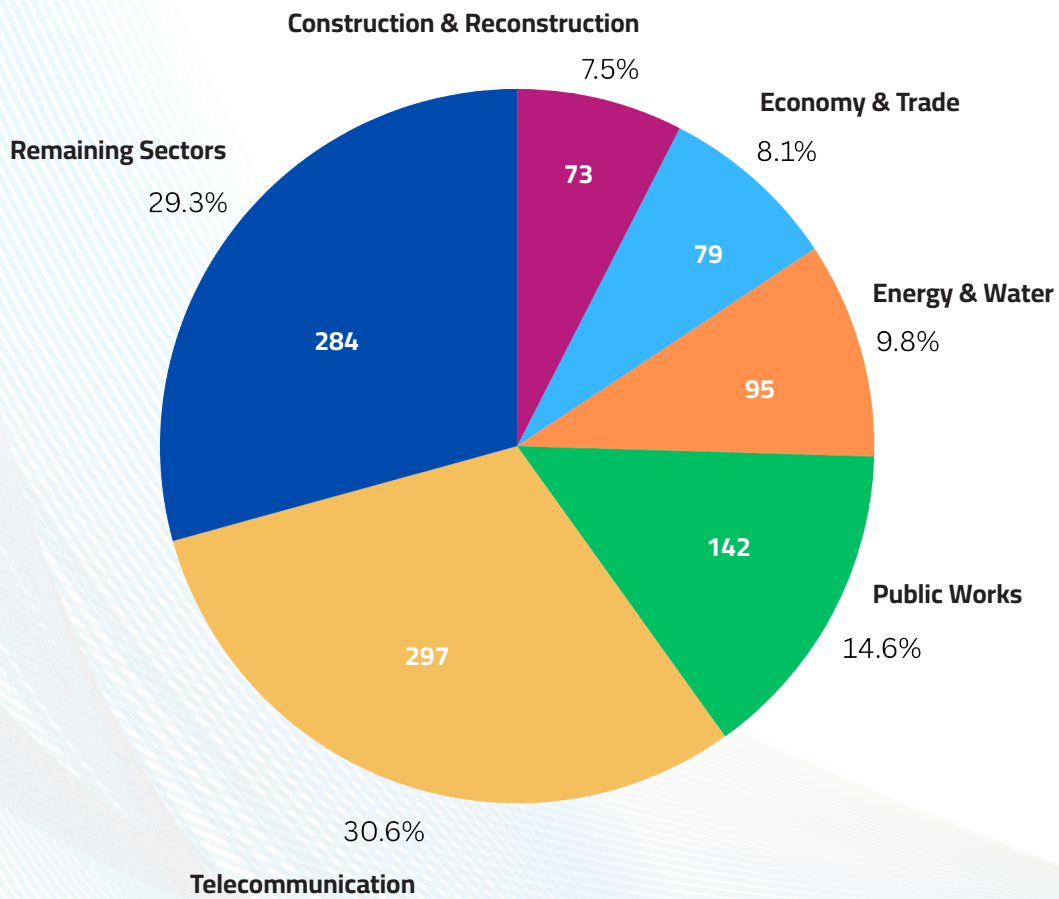
- Telecommunications:** 394 contracts (24.9%)
- Energy and Water:** 187 contracts (12.4%)
- Public Works:** 180 contracts (11.4%)
- Economy and Trade:** 147 contracts (9.3%)
- Local Administrations:** 101 contracts (6.4%)
- Construction and Reconstruction:** 94 contracts (5.9%)

Note: The total number of bids in the following chart reaches 1,580 procurement operations instead of 1,501, which is a normal occurrence as some operations are categorized under multiple sectors. It should be noted that only 970 bids are awarded.



However, when considering only the awarded bids, excluding those that were cancelled or not awarded, the percentages become as follows:

- Telecommunication:** 297 contracts (30.6%)
- Public Works:** 142 contracts (14.6%)
- Energy and Water:** 95 contracts (9.8%)
- Economy and Trade:** 79 contracts (8.1%)
- Construction and Reconstruction:** 73 contracts (7.5%)



Upon analyzing the cancelled and not awarded bids by sector, the following results emerged:

The "telecommunication" and "economy and trade" sectors ranked first, each with 95 bids. These were followed by the "energy and water" sector with 91 bids. The "health" sector ranked third with 60 procurements, followed by the "public works" sector with 36 bids. "Local administrations" came next with 35 operations. The "agriculture" sector secured sixth place with 34 bids, and the "education" sector came seventh with 30 contracts. The "security" sector ranked eighth with 28 bids, and finally, the "construction and reconstruction" sector ranked ninth with 22 procurement operations.

| Sector | No. of Announced Bids | No. of Canceled and/or Not Awarded Bids | % of Canceled and/or Not Awarded Bids from Total No. of Bids |
|-------------------------------|-----------------------|---|--|
| Telecommunication | 394 | 95 | 24.1 |
| Energy & Water | 187 | 91 | 48.6 |
| Public Works | 180 | 36 | 20 |
| Economy & Trade | 147 | 95 | 64.6 |
| Local Administrations | 99 | 35 | 35.3 |
| Construction & Reconstruction | 94 | 22 | 23.4 |
| Health | 87 | 60 | 68.9 |
| Agriculture | 64 | 34 | 53.1 |
| Security | 63 | 28 | 44.4 |
| Education | 55 | 30 | 54.5 |

In comparison to the first year of the law's implementation, the telecommunication sector remained in the lead, with 394 bids this year compared to 236 in the previous year. This increase is attributed to the commitment of the 2 mobile interim companies and Ogero Commission to publish all information related to their public procurement operations, in addition to the size of this sector in the Lebanese economy.

The energy and water sector secured the second rank, with 187 bids announced this year compared to 159 in the first year.

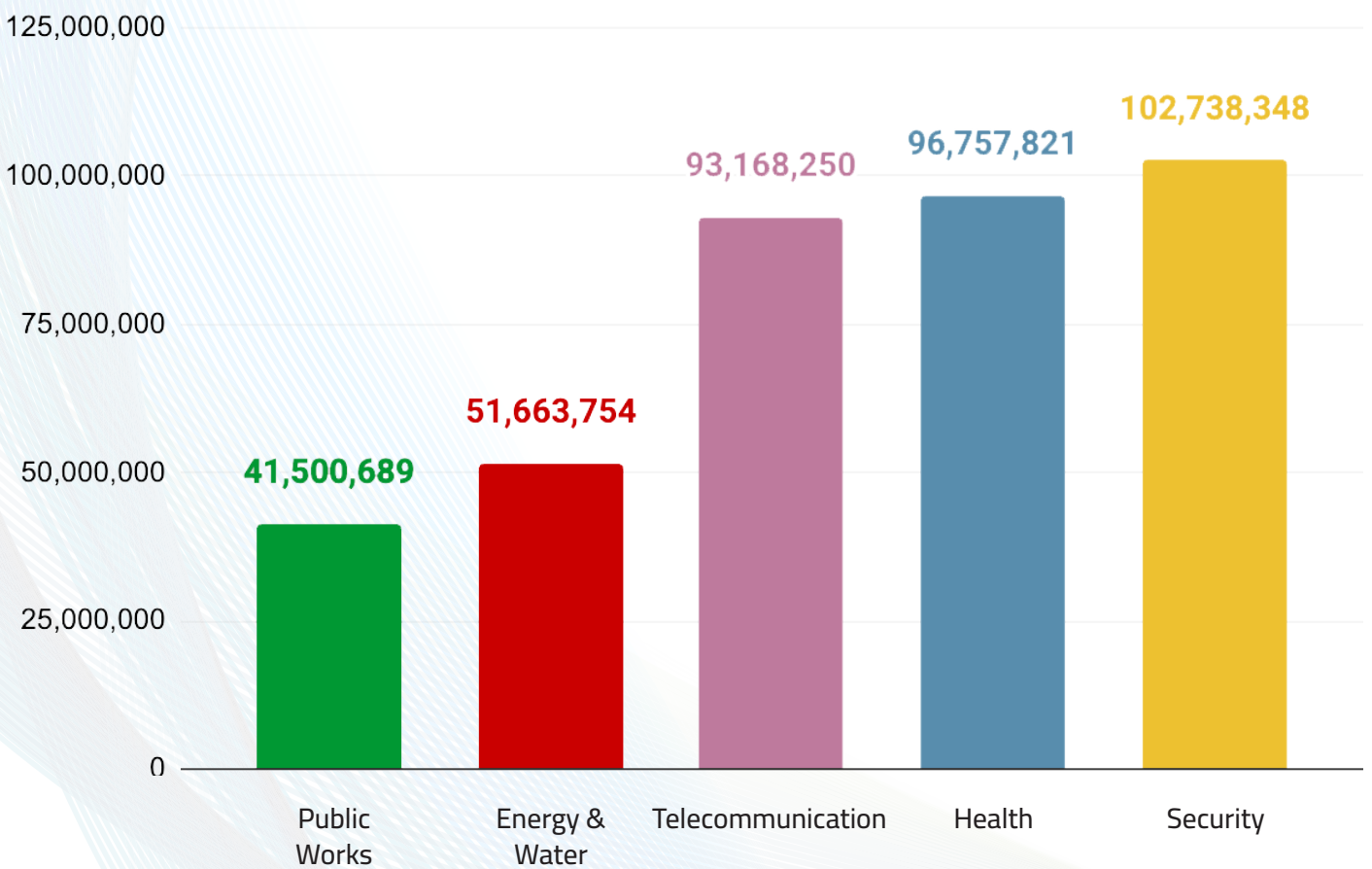
The public works sector ranked third with 180 contracts, followed by the economy and trade with 147 bids. Local administrations came in fifth place with 101 bids, and finally, the construction and reconstruction sector ranked sixth with 94 announcements.





Distribution of Bids by Sectors in Terms of Value

Upon analyzing the bids by sectors in terms of their values, we noticed that the security sector dominated all others, as bids announced under this sector exceeded 100 million U.S. Dollars (including 3 bids conducted by security agencies for healthcare services). The telecommunication sector followed, with a value reaching approximately 93 million U.S. Dollars, followed by the energy and water sector with a value of 51 million U.S. Dollars. The public works sector ranked fourth with contracts valued at 41 million U.S. Dollars, and the construction and reconstruction sector secured the fifth rank with a value approaching 40 million U.S. Dollars.

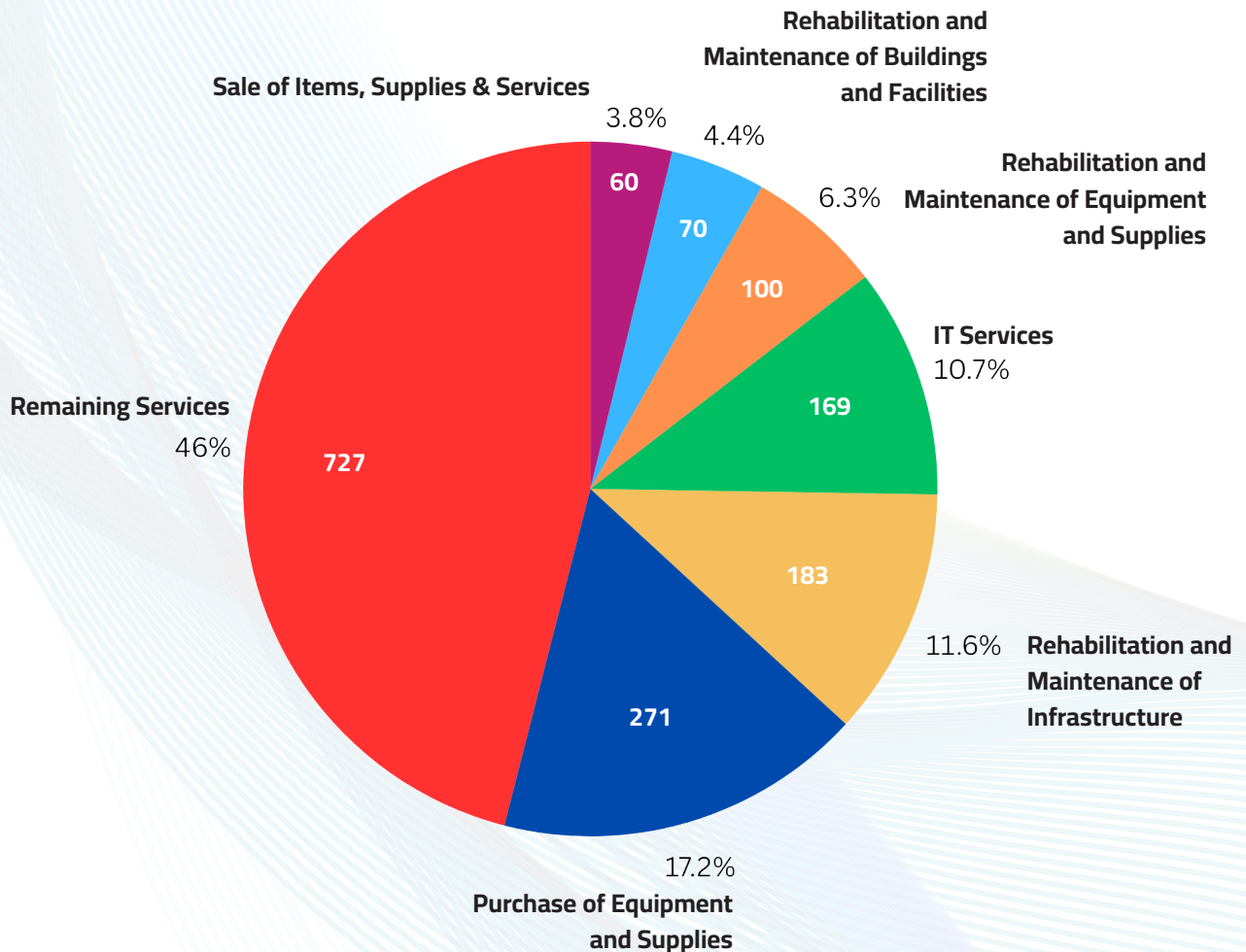


Distribution of Bids by Services

In each sector, a variety of services are provided, and these services may vary based on the specific scope of the procurement operation. As a result, each bid may be linked to one or more services. This explains why the total number of bids in this chart reaches 1,580, instead of 1,501 which represents the total number of public procurement operations.

When comparing the services under which all announced bids were categorized, the statistics show that the following services topped the list:

- Purchase of equipment and supplies:** 271 bids (17.1%)
- Rehabilitation and maintenance of infrastructure:** 183 bids (11.6%)
- IT services:** 169 contracts (10.7%)
- Rehabilitation and maintenance of equipment and supplies:** 100 bids (6.3%)
- Rehabilitation and maintenance of buildings and facilities:** 70 bids (4.4%)
- Sale of items, supplies, and services:** 60 bids (3.8%)



Upon calculating these figures based on awarded bids, excluding those cancelled or not awarded, the following results emerged:

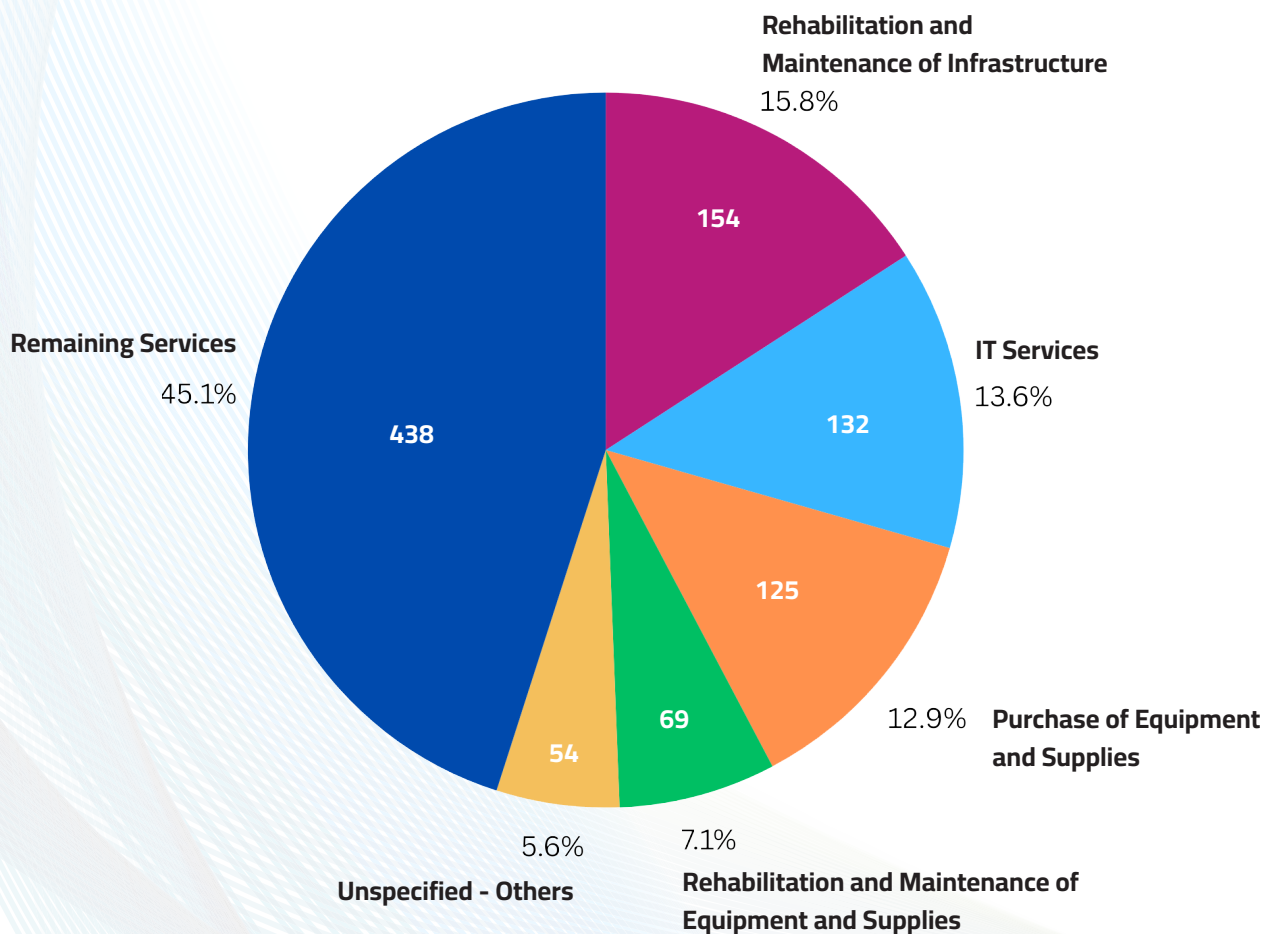
Rehabilitation and maintenance of Infrastructure: 154 contracts (15.8%)

IT services: 132 bids (13.6%)

Purchase of equipment and supplies: 125 bids (12.9%)

Rehabilitation and maintenance of equipment and supplies: 69 bids (7.1%)

Unspecified: 54 bids (5.5%)

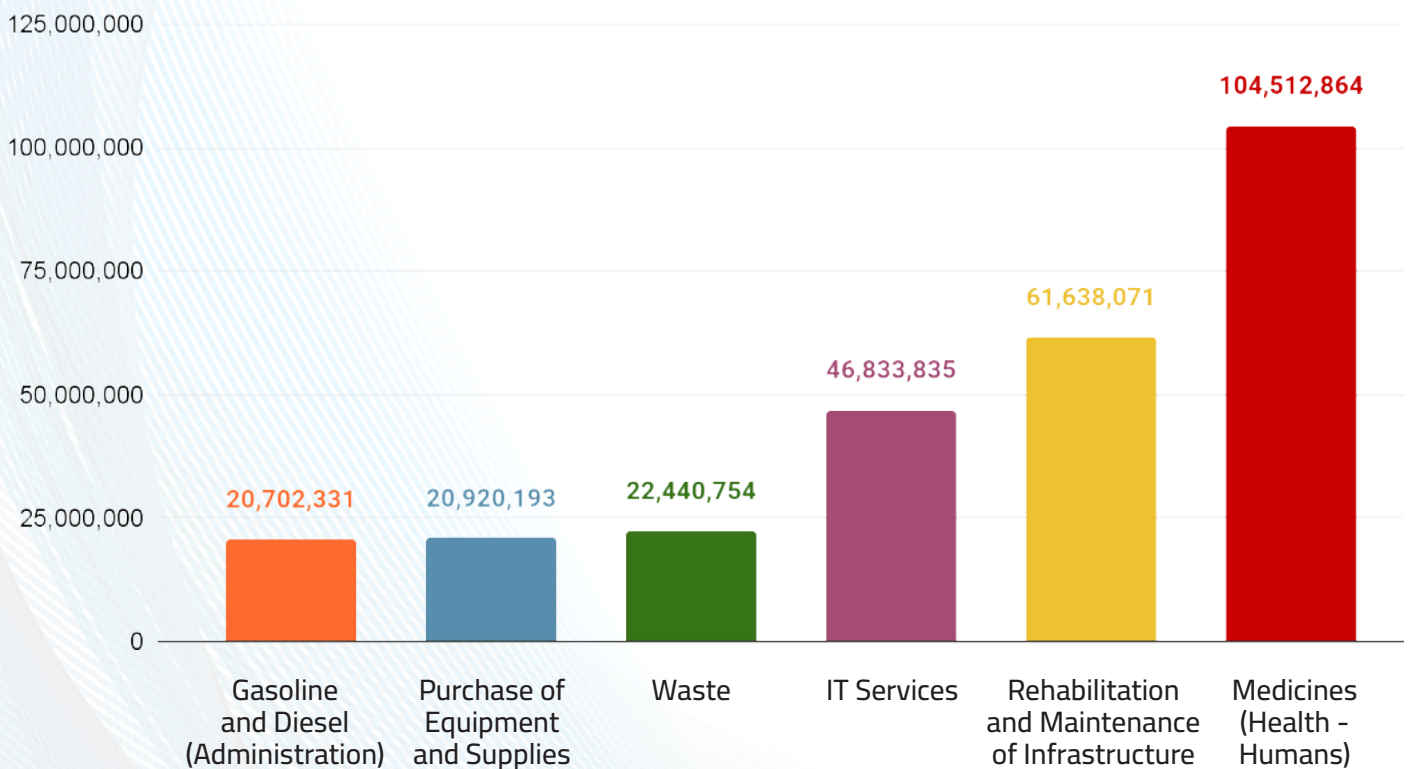


Upon analyzing the cancelled and not awarded bids by service categories, we noticed that the «Purchase of Equipment and Supplies» category topped the list, with 135 bids being either cancelled or not awarded. Following, the «Other Services» category came in second, with 39 bids. The «IT Services» category ranked third, with 35 canceled or not awarded bids. Next was the «Sale of Items, Supplies and Services» category (mostly included auctions related to the sale of crops) with 34 canceled or not awarded bids.

The «Rehabilitation and Maintenance of Buildings and Facilities» category followed, with 30 such bids. Lastly, both the «Rehabilitation and Maintenance of Equipment and Supplies» and «Rehabilitation and Maintenance of Infrastructure» categories recorded 27 cancelled or not awarded bids each.

Distribution of Bids by Services in Terms of Value

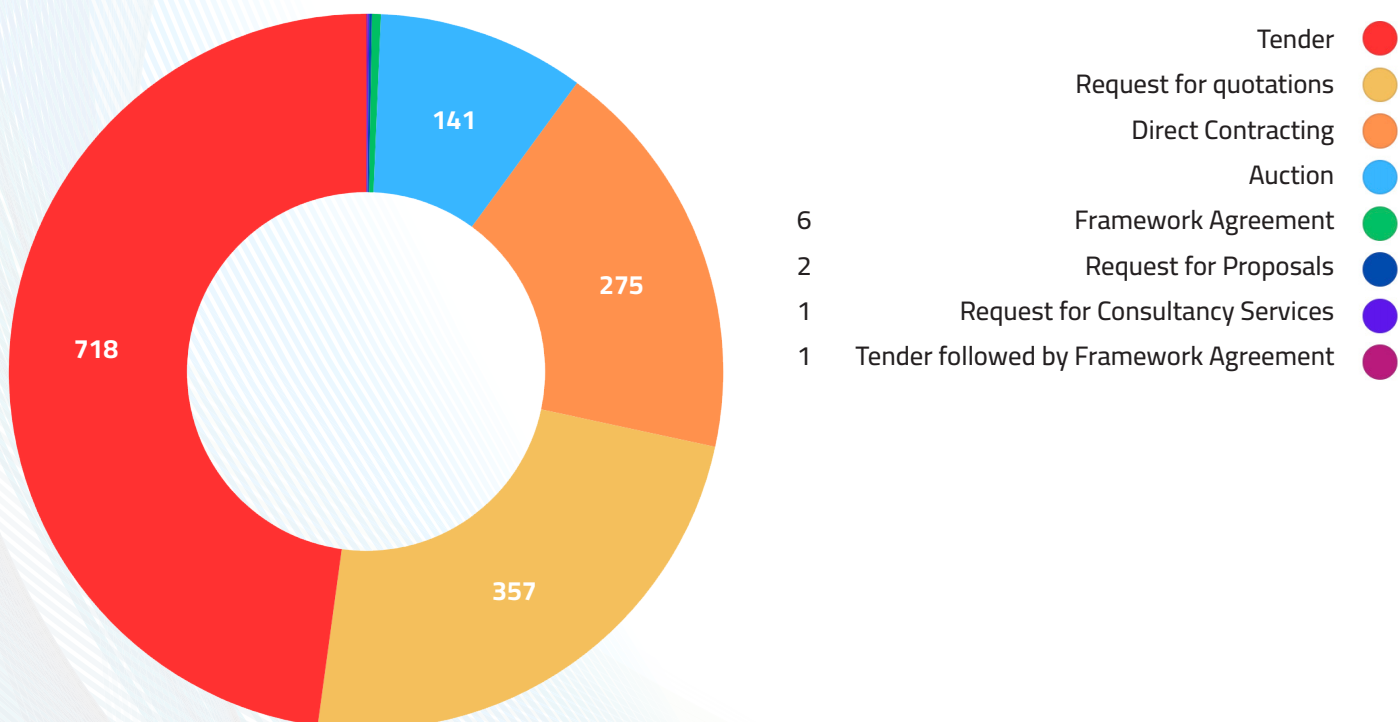
In terms of financial value, upon analyzing the awarded bids according to the services provided, we noticed that the services with the highest expenditure were led by the purchase of "Medicines" which amounted to 104 million USD. This was followed by "Rehabilitation and Maintenance of Infrastructure", with a value close to 62 million USD, and "IT Services", which recorded expenditures of approximately 46 million USD. «Waste» management services ranked fourth, with an expenditure of 22 million USD, followed by "Purchase of Equipment and Supplies" with a value of around 21 million USD. Finally, the purchase of "Gasoline and Diesel" for administrations accounted for 20 million USD.



Distribution of Bids by Type

The Public Procurement Law provides various types of bids, aiming at enhancing the principles of transparency and effective competition. However, this law reduced the cases that allowed the adoption of direct contracting from 12 to 6, making the resort to this type of contract an exception rather than the rule.

The different types of announced bids were distributed as follows:



Upon analyzing the data, we notice that the bids announced during the second year of the new Public Procurement Law's implementation fall under the 4 main types of bids:

Public Tender: 718 bids (47.8%)

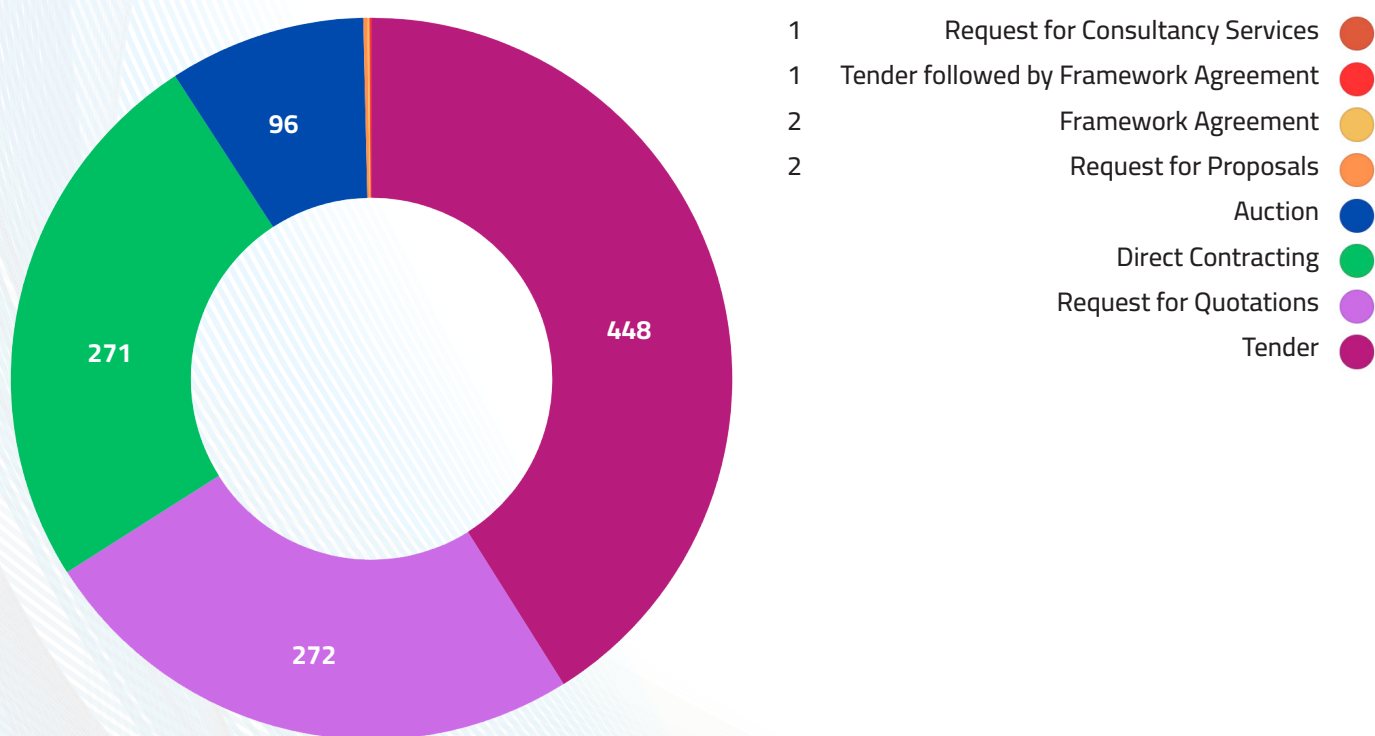
Request for Quotations: 357 bids (23.8%)

Direct Contract: 274 bids (18.3%)

Public Auction: 141 bids (9.4%)

However, when considering only the awarded bids, excluding those that were cancelled or not awarded, the results become as follows:

- Public Tender:** 448 bids (41%)
- Request for Quotations:** 272 bids (22.9%)
- Direct Contract:** 271 bids (24.8%)
- Public Auction:** 96 bids (8.8%)



In comparison to the first year of the law's implementation, we observe that the administrations began using the correct legal terminology to describe the type of bids they intend to conduct. In the first year, the terms "requests for proposals" and "requests for prices" stipulated in the Public Accounting Law and the Tender System, were commonly used instead of the term "request for quotations" specified in the Public Procurement Law. However, in the second year of implementing the law, the use of these 2 terms declined, which indicates the importance of mandatory training for employees in charge of procurement tasks, to develop their knowledge of the law and be familiar with its new terminology and procedures.

It was also noted that the administrations stopped relying on limited tenders in the second year of the law's implementation, after registering 3 bids of this type in the first year.

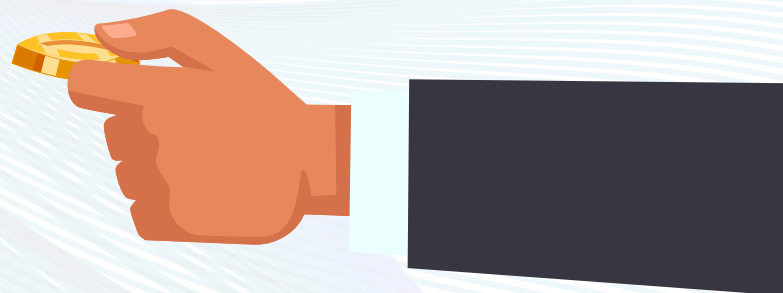
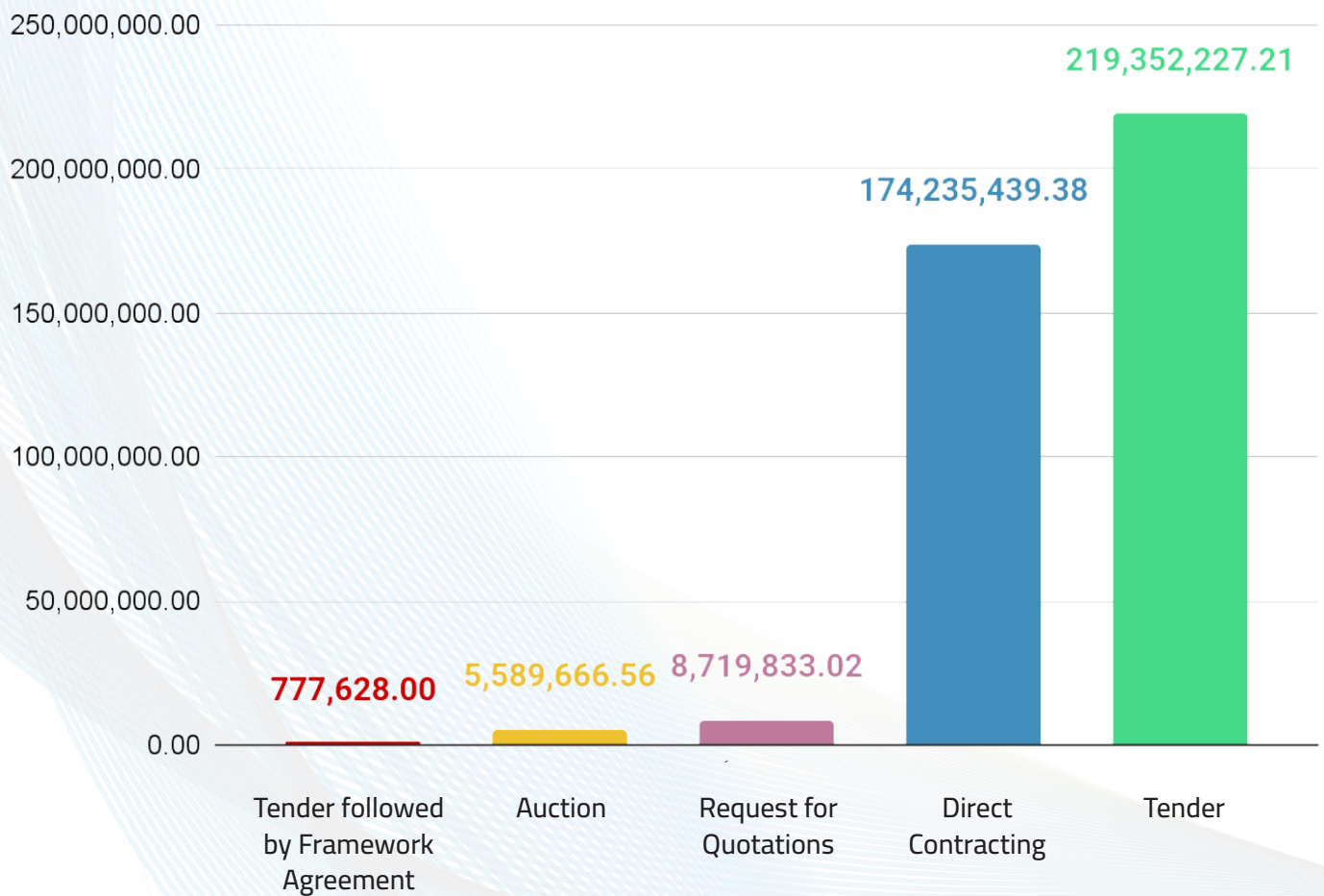


Distribution of Bids by Type in Terms of Value

Upon analyzing the bids by type in relation to their financial value, we observed that public tenders accounted for the highest value, exceeding 219 million USD (53.6%). This was followed by direct contracts, with a value surpassing 174 million USD (42.6%).

The request for quotations ranked third with a value exceeding 8 million USD (2.1%), while auctions ranked fourth, totaling more than 5 million USD (1.4%).

Tenders followed by framework agreements secured the fifth rank with a value exceeding 700,000 USD (0.2%).



Direct Contracts

The conducted analysis shows that 25% of the announced bids were conducted by direct contracting.

The number of these contracts has increased compared to the first year of the law's implementation, rising from 206 to 271 agreements in the second year, despite the theoretical reduction in the cases where such agreements are allowed under the new law.

The following table indicates the top 10 administrations in terms of the number of announced direct contracts:

| Administration | No. of Direct Contracts | Awarded Value/USD |
|--|-------------------------|-------------------|
| Alfa (MIC1) | 80 | 31,841,441.2 |
| National Social Security Fund | 32 | 230,423.6 |
| Central Bank of Lebanon | 25 | 1,519,675.7 |
| Touch Lebanon (MIC2) | 23 | 8,747,257.8 |
| Council for Development and Reconstruction | 20 | 2,309,595.5 |
| Electricity of Lebanon | 15 | 131,789.0 |
| Ogero Commission | 14 | 6,907,298.8 |
| Internal Security Forces | 8 | 280,898.9 |
| Directorate General of Oil | 3 | 4,969,950.0 |
| Municipality of Beit Meri | 3 | 83,775.3 |
| Municipality of Dekwaneh | 3 | 43,415.7 |
| Rachaya Governmental Hospital | 3 | 0.0 |
| Rafic Hariri University Hospital | 3 | 97,780.0 |

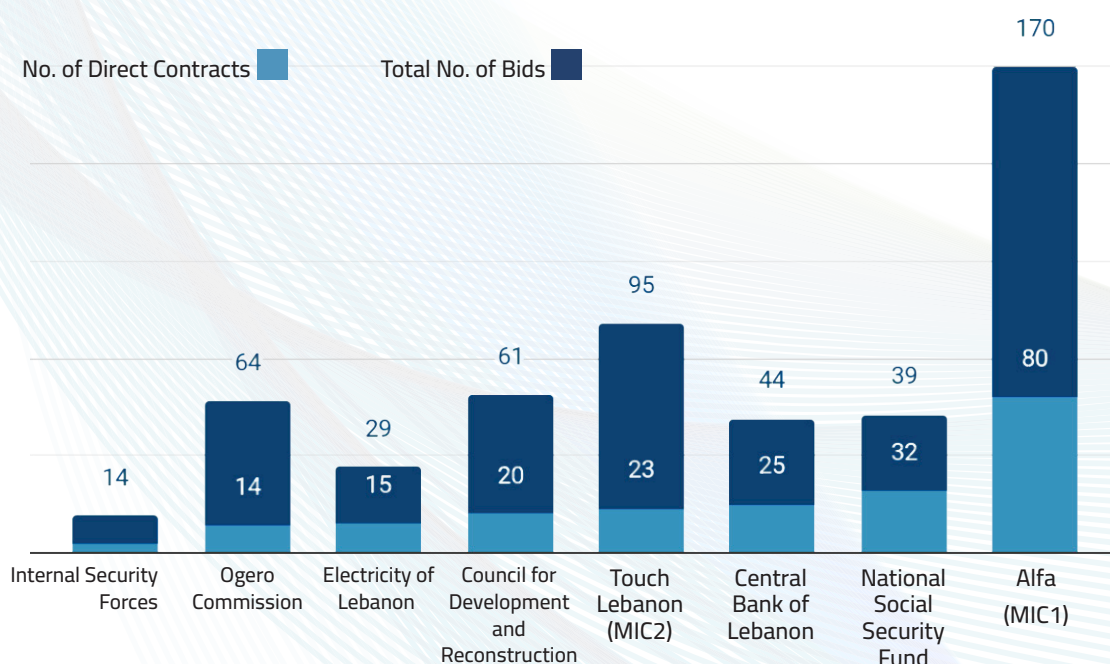


The above table's figures indicate that MIC1 conducted the highest number of direct contracts during the second year of the law's execution, with a value amounting to 31.8 million USD.

Furthermore, the below table presents the highest-value direct contracts conducted by the top 10 administrations:

| Administration | Awarded Value/USD | No. of Direct Contracts |
|--|-------------------|-------------------------|
| Ministry of National Defense - Directorate General of Ministry of National Defense | 98,910,112.4 | 1 |
| Alfa (MIC1) | 31,841,441.2 | 80 |
| Ministry of Telecommunications - Joint Administrative Authority | 12,584,269.7 | 1 |
| Touch Lebanon (MIC2) | 8,747,257.8 | 23 |
| Ogero Commission | 6,907,298.8 | 14 |
| Directorate General of Oil | 4,969,950.0 | 3 |
| Ministry of Telecommunications - General Directorate of Construction and Equipment | 4,746,067.4 | 2 |
| Council for Development and Reconstruction | 2,309,595.5 | 20 |
| Central Bank of Lebanon | 1,519,675.7 | 25 |
| Internal Security Forces | 280,898.9 | 8 |

The following chart indicates the administrations that have conducted the highest number of direct contracts compared to the total number of their announced bids:





This comparison reveals that 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.

The table below shows the percentage of direct contracts of the total bids conducted by these administrations during the second year of the law's implementation:

MIC1: 80 out of 170 bids (47%)

National Social Security Fund: 23 out of 39 bids (82%)

Central Bank of Lebanon: 25 out of 44 bids (56.8%)

MIC2: 23 out of 95 bids (24.2%)

Council for Development and Reconstruction: 20 out of 61 bids (32.7%)

Electricity of Lebanon: 15 out of 29 bids (51.7%)

Ogero Commission: 14 out of 64 bids (21.8%)

Directorate General of the Interior Security Forces: 5 out of 14 bids (35.7%)



It is noteworthy that certain administrations conducted all their procurement operations through direct contracts: Central Inspection Bureau, Cooperative Fund for Mayors, Cooperative of Government Employees, Ministry of Information - Directorate General of Ministry of Information, Ministry of Telecommunications - General Directorate of Construction and Equipment, Ministry of Telecommunications - Joint Administrative Authority, Nabih Berri Governmental University Hospital of Nabatieh.

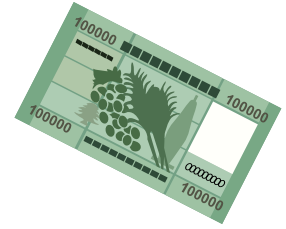
As for local administrations, the following stood out in terms of the number of direct contracts: Municipal Union of Tyre, Municipality of Baabda-Louaize, Municipality of Balloune, Municipality of Beit Meri, Municipality of Bourj Hammoud, Municipality of Dekwaneh, Municipality of Faraya, Municipality of Jeita, Municipality of Naameh - Haret El Naameh, Municipality of Sehaile, Municipality of Zouk Mosbeh. This indicates the continued tendency of municipalities to resort to this type of agreement for procurement operations, where most of these contracts were concluded to maintain and develop specialized information systems and software for financial and administrative work within the municipalities.

Meanwhile, the National Social Security Fund resorted to direct contracts to be represented before the courts and all judicial authorities, and to appoint the winning contractor, in accordance with applicable laws and regulations, for all legal tasks required by the Fund's interests. Additionally, these contracts covered the transportation of the director general, hospitality and protocol services, and similar tasks at the director general's office, as well as actuarial and statistical studies and other services.

Similarly, the telecommunications companies MIC1 and MIC2 relied on the execution of these contracts based on paragraph (1) of Article 46 of the Public Procurement Law in most cases. Likely, the contractors providing services or technical assistance to MIC1 and MIC2 are the exclusive suppliers of these services, but this claim cannot be verified or confirmed.

It is worth noting that the Central Bank of Lebanon concluded 56.8% of its bids through direct contracting, aiming to secure various services, including electronic access to judicial rulings and decisions, support for all operational systems and software licenses, purchase and maintenance of filters for devices used in the Bank, in addition to technical and informational support services, among others.

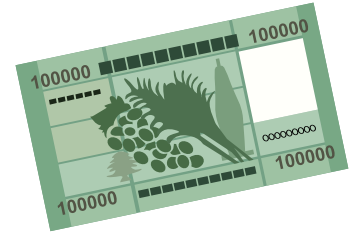
As for the Council for Development and Reconstruction, it entered into direct contracts for several tasks, including providing technical assistance to the IT Department, auditing project accounts, filling various potholes, technical safety audits for traffic safety, and other tasks.



The highest-value direct contracts are divided as follows:

Contracts in Lebanese Pounds:

The Directorate General of the Ministry of National Defense conducted a direct contract with several private hospitals and medical centers, to provide the beneficiaries of the military medical services with hospitalization and treatment services for 2024, amounting to **8,803,000,000,000 LBP**.



Contracts in U.S. Dollars:

MIC1 conducted a direct contract, on March 13, 2024, for Support and SSPS covering the period from January 1, 2024 to December 31, 2024, valued at **9,502,916 USD**, with Ericsson EAB and ELC.



Contracts in Euros:

MIC2 conducted a direct contract with Nokia Solutions & Networks Oy, for Nokia Care Renewal from August 1, 2023 to July 31, 2024, valued at **2,400,000 €**.



Procurement by Invoice

Article 47 of the Public Procurement Law stipulates the conditions for procurement by invoice, stating that the procuring entity may resort to such a method 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. The article also notes that this financial ceiling may be amended based on a recommendation from the Public Procurement Authority and by a decree issued by the Council of Ministers upon the Prime Minister's proposal, provided that the amendment does not conflict with the objectives of this article and the principles enshrined in the law.

Due to the ongoing war in Lebanon and the urgent need for quick intervention during emergencies and relief efforts, the Council of Ministers issued Decree No. 14063 on October 3, 2024, which amended some financial ceilings specified in the Public Procurement Law. Among these amendments was the increase in the maximum value for procurement by invoice, raising it from 500 million LBP to 1.5 billion LBP.

It is noteworthy that the law mandates the publication of procurement operations conducted by invoice on the Public Procurement Authority's platform at least once a year. Our monitoring and tracking efforts revealed that certain public entities published their invoice operations conducted from January to June 2024. This analysis is detailed in the following section.

As for the years 2022 and 2023, their respective data were published at a later date. Therefore, Gherbal Initiative will conduct a detailed analysis of these procurements in an upcoming report. Note that this data will also be made available on the "[Monaqasa.org](https://monaqasa.org)" platform.

According to Gherbal Initiatives monitoring of procurement by invoice operations published on the Public Procurement Authority's platform dated from January to June 2024, the procuring entities that resorted to this type of procurement were distributed as follows:



| Administration | No. of Procurements by Invoice | Value/LBP | Value/USD |
|--|--------------------------------|------------------------|--------------------|
| Lebanese Army | 1,946 | 342,072,781,673 | 3,843,514.4 |
| Directorate General of the Presidency of the Lebanese Republic | 253 | 17,830,741,540 | 200,345.4 |
| South Lebanon Water Establishment | 202 | 20,546,468,350 | 230,859.2 |
| Council for South | 97 | 1,963,052,000 | 22,056.8 |
| National Social Security Fund | 69 | 11,915,775,986 | 133,885.1 |
| Municipality of Zahle-Maalaka-Taanayel | 53 | 8,058,152,300 | 90,541.0 |
| Municipality of Shweir-Ain Sindyaneh | 45 | 1,188,629,736 | 13,355.4 |
| Institut des Finances Basil Fuleihan | 37 | 1,945,592,490 | 21,860.6 |
| Municipality of Tripoli | 28 | 2,169,703,285 | 24,378.7 |
| Municipality of Saida | 23 | 1,055,946,930 | 11,864.6 |
| National Anti-Corruption Commission | 6 | 1,193,538,885 | 13,410.5 |
| Ogero Commission | 2 | 498,530,000 | 5,601.5 |
| Cooperative Fund for Mayors | 1 | 74,925,000 | 841.9 |
| Councils of the Unitarian Druze Community | 1 | 150,000,000 | 1,685.4 |
| Total | 2,763 | 410,663,838,175 | 4,614,200.4 |

The figures in the table above indicate that only 14 procuring entities published their procurement by invoice operations. Upon reviewing the entities with the highest spending in this category, the Lebanese Army ranked first, with its spending exceeding 3.8 million USD. It is noteworthy that the Army has not published any other type of procurement on the Public Procurement Authority's platform.

The South Lebanon Water Establishment ranked second, spending 230,000 USD on procurements by invoice. The Directorate General of the Presidency of the Lebanese Republic came third, with expenditures exceeding 200,000 USD.

The National Social Security Fund ranked fourth, with its invoices amounting to over 133,000 USD. In fifth place, the Municipality of Zahle-Maalaka-Taanayel spent 90,000 USD through procurement by invoice.

When comparing these figures to the total number of procurement operations announced by these entities, as monitored in this report, we noticed that the majority of their operations were conducted by invoice, and can be illustrated as follows:

| Administration | No. of Procurements by Invoice | Total no. of Bids |
|--|--------------------------------|-------------------|
| Lebanese Army | 1,946 | 0 |
| Directorate General of the Presidency of the Lebanese Republic | 253 | 11 |
| South Lebanon Water Establishment | 202 | 26 |
| Council for South | 97 | 24 |
| National Social Security Fund | 69 | 48 |
| Municipality of Zahle-Maalaka-Taanayel | 53 | 3 |
| Municipality of Shweir-Ain Sindiyaneh | 45 | 0 |
| Institut des Finances Basil Fuleihan | 37 | 0 |
| Municipality of Tripoli | 28 | 0 |
| Municipality of Saida | 23 | 3 |
| National Anti-Corruption Commission | 6 | 0 |
| Ogero Commission | 2 | 99 |
| Cooperative Fund for Mayors | 1 | 3 |
| Councils of the Unitarian Druze Community | 1 | 0 |
| Total | 2,763 | 217 |

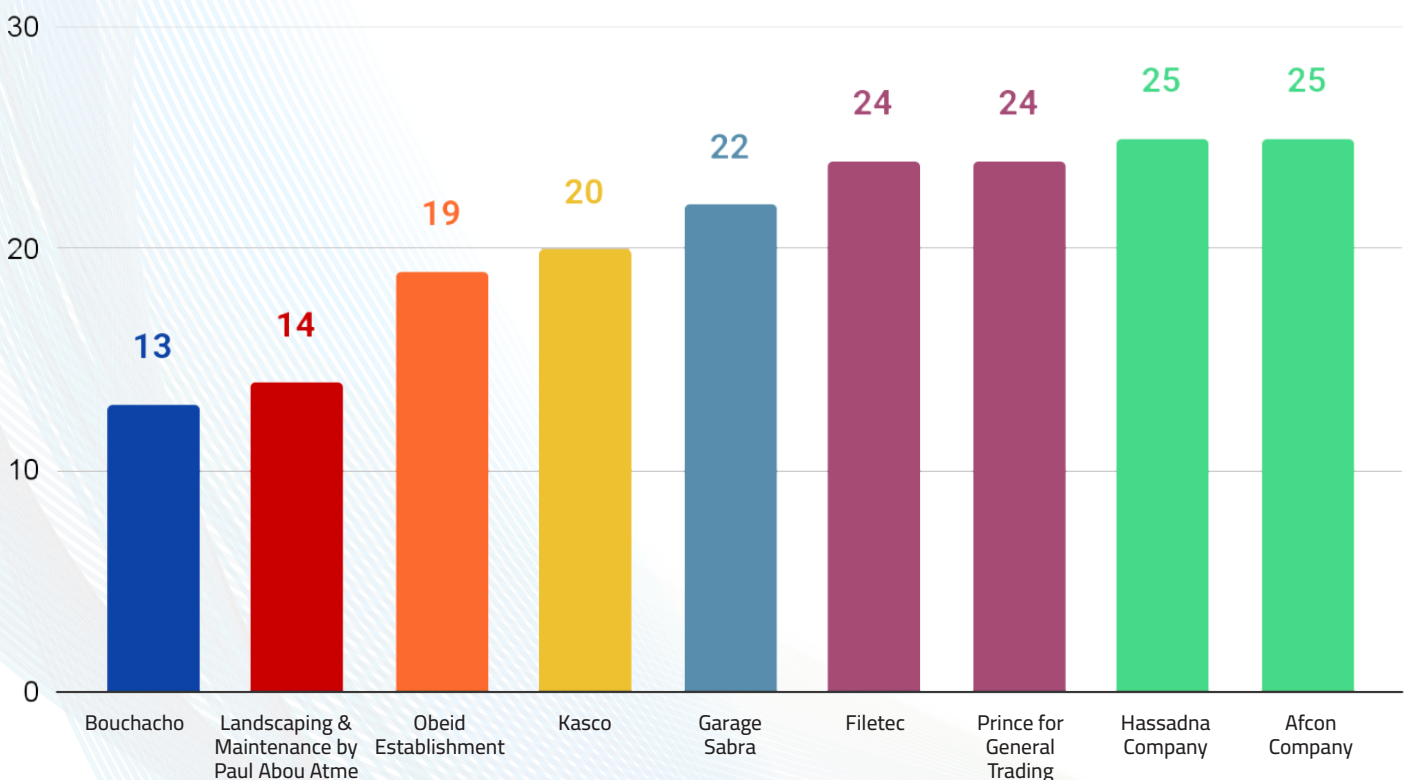
The table above highlights that 6 administrations exclusively relied on procurement by invoice to meet their needs: the Lebanese Army, the Institut des Finances Basil Fuleihan, the Municipality of Tripoli, the Municipality of Shweir-Ain Sindiyaneh, the National Anti-Corruption Authority, the Druze Unitarian Religious Council.

Suppliers Awarded Procurement by Invoice Contracts

When reviewing the names of the suppliers, we observed that there were no standardized criteria followed by the administrations in choosing these suppliers. Additionally, there was no indication of whether these suppliers were registered in the Commercial Registry or whether they possessed a registration number with the Ministry of Finance for the payment of applicable taxes.

On the other hand, some administrations adhered to the requirement of identifying at least 2 bidders, while others did not mention the names of the bidders or the financial proposals they submitted, instead only specified the subject of the invoice.

The following chart shows the suppliers who won more than 10 procurement by invoice contracts:

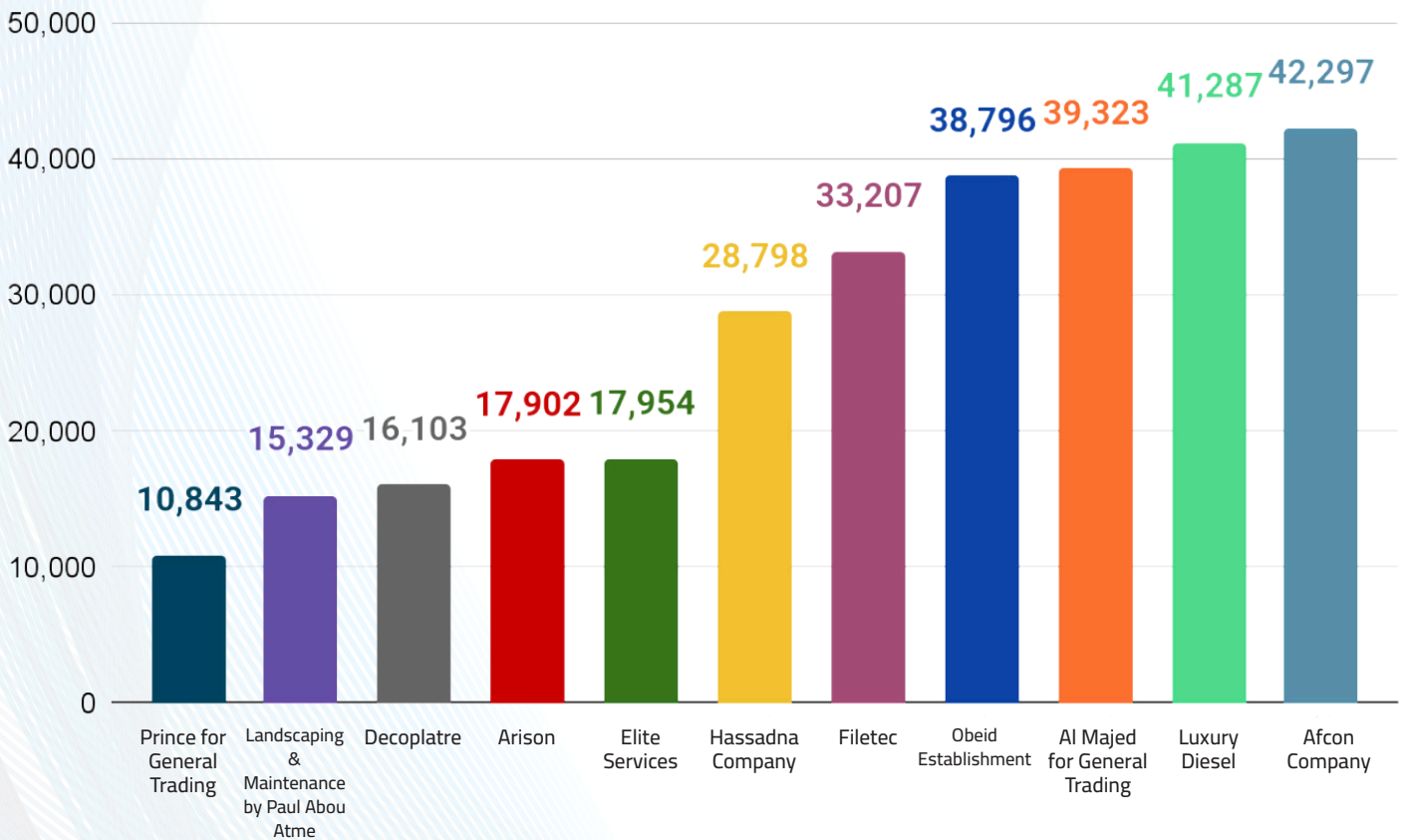


The top rank was held by both Afcon and Hasaduna, each of which won 25 procurements by invoice contracts. In the second place, File Tech and Prince for General Trading stood out, each winning 24 invoice contracts. Following them, Sabra Garage secured 22 contracts, and Casco Company ranked fourth with 20 invoices. In fifth place, Obaid for Pumps Est. won 19 procurements by invoice.

For the sixth rank, it was Paul Abou Atme for Agriculture & Maintenance of Landscaping, which won 14 procurements by invoice, followed by Bouchacho with 13.

Each of the other 288 suppliers won 10 or fewer procurements by invoice.

The following suppliers won the highest-value procurement by invoice contracts:



Afcon ranked first among suppliers who won the highest-value procurement by invoice contracts, with a total of approximately 42,000 USD. In second place, Luxury Diesel secured contracts worth 41,000 USD, followed by Al Majed Trading and Contracting Co. with purchases totaling 39,000 USD.

In fourth place was Obaid for Pumps Est. with a value of 38,000 USD, followed by File Tech in fifth place with contracts worth 33,000 USD.

Hasaduna ranked sixth with procurement by invoice contracts valued at 28,000 USD. Elite Services secured the seventh place with 17,954 USD in purchases, while Arison came in eighth with the same amount, 17,902 USD.

Decoplater ranked ninth with purchases exceeding 16,000 USD, and in tenth place came Paul Abou Atme for Agriculture & Maintenance of Landscaping, which secured contracts worth 15,000 USD. In eleventh place, Prince for General Trading Company won contracts valued at 10,800 USD.



Distribution of Bids by Type and Value

Contracts in Lebanese Pounds:

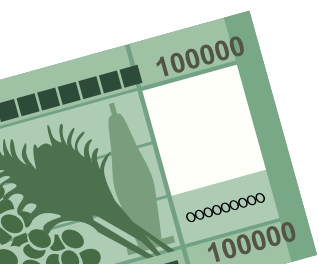
| Type of Bid | No. of Bids | Total Value of Bids/LBP |
|------------------------|-------------|---------------------------|
| Direct Contract | 92 | 10,651,503,067,129 |
| Public Tender | 108 | 3,652,806,115,660 |
| Request for Quotations | 33 | 84,491,635,840 |
| Public Auction | 35 | 45,261,000,000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

The data presented in the table above reveals that 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. The figures for the second year of the laws implementation show that an amount of 10.6 trillion LBP (73.8%) was spent on 92 direct contracts.

In second place, 101 public tenders were awarded with a value of 3.6 trillion LBP (25.3%). This was followed by 33 requests for quotations amounting to 84.5 billion LBP (0.6%) and 35 public auctions valued at 45.3 billion LBP (0.31%).

It is worth noting that compared to the first year, public administrations spent a total of 3,076,609,881,836 LBP on 139 contracts, indicating an increase by a factor of 4.7 in the second year.

Although the total value of contracts in Lebanese Pounds appears to be the highest, this amount remains lower than the total value of contracts in U.S. Dollars, due to the rising exchange rate of the Lebanese Pound against the U.S. Dollar and its actual depreciation.





Contracts in U.S. Dollars:

| 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 |

As for the contracts valued in U.S. Dollars, 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 (73.7%). Direct contracts ranked second, similarly to the first year, as 155 contracts amounted to 51.3 million USD (21.2%).

Noting that 203 requests for quotations were awarded with a total value of 6.4 million USD (2.6%), followed by 22 public auctions valued at 5.08 million USD (2.1%). In fifth place, 1 public tender followed by a framework agreement valued at 777.6 thousand USD (0.32%). Lastly, 1 framework agreement worth 53 USD.

In comparison to the first year of the law's implementation, when Gherbal Initiative identified 248 contracts valued at 292,635,710.6 USD, the value decreased by a factor of 1.21 in the second year.





Contracts 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 |

According to the data, public tenders ranked first among contracts awarded in Euros in terms of value for the second consecutive year, with 2 tenders valued at 4,324,303 € (49%).

Direct contracts ranked second, similar to the previous year, as 8 contracts amounted to 2,949,525.5 € (33.4%).

Next came the requests for proposals, valued at 229,300 € (2.6%). Finally, requests for quotations, totaling 1,327,328 € (15%).

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

Throughout our monitoring of procurement operations, it became clear that some public administrations were awarded direct contracts. In this context, these public administrations shifted from being procuring entities to winning bidders.

What is the legality of these contracts?

According to Article 3 of the law, public administrations have the right to participate in competitive tenders for projects announced by other administrations. It is worth noting that both the Ministry of Energy and Water – Directorate General of Oil and the Lebanese Army – Directorate of Geographical Affairs entered into direct contracts with other administrations, based on Circular No. 201997/ issued by the Presidency of the Council of Ministers, which instructs all public administrations, public institutions, and municipalities to rely on the Army's printing presses at the Directorate of Geographical Affairs to print all of their publications and printed materials.

For instance, the Cooperative Fund for Mayors contracted with the Directorate of Geographical Affairs to print the Mayor's stamp and to handle the printing of various documents. Similarly, the Directorate General of Personal Status entered into a direct contract with the aforementioned Directorate to provide individual and family extracts and their labels.

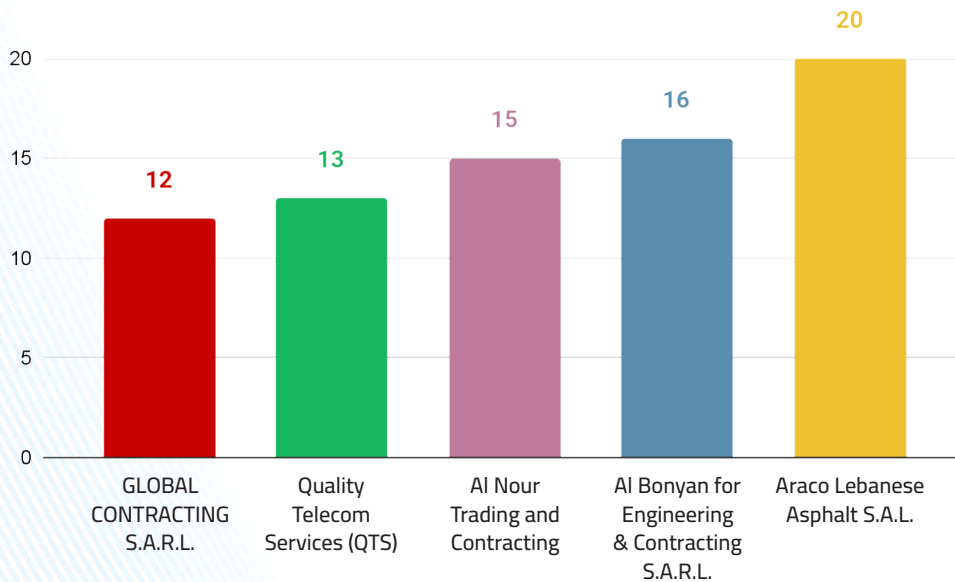
Further, the Ministry of Energy and Water – Directorate General of Oil provided the Directorate General of State Security with gasoline and diesel. The South Lebanon Water Establishment contracted with the Directorate General of Oil – Zahrani Oil Installations through a direct contract to secure green diesel for the operation of generators at the Establishment's stations, with an estimated value of 10 billion LBP.

In another context, Electricity of Lebanon entered into 2 direct contracts with Ogero Commission, through the Ministry of Telecommunications, to secure internet service subscriptions for the private stations of the institution, as well as telephone subscriptions.



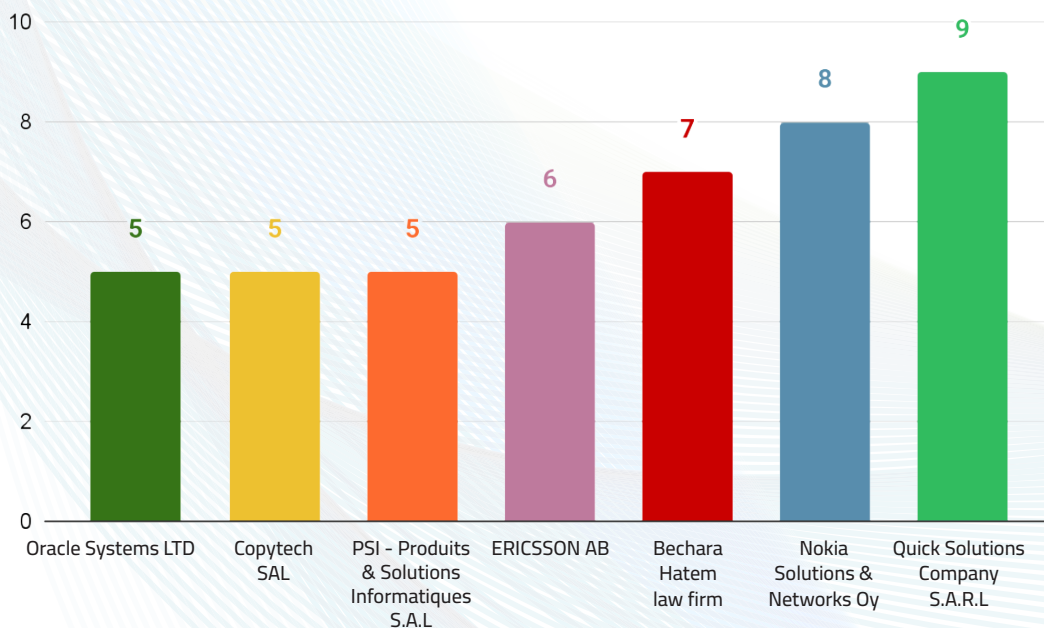
Top 5 Winning Bidders in Terms of the Number of Bids

The following chart indicates the top 5 winning bidders who were awarded the largest number of bids announced by public administrations within the second year of the law's implementation.



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

Upon reviewing the winning bidders of direct contracts, we noticed that the following bidders have signed the largest number of such contracts:



Therefore, bidders who have been awarded the largest number of bids vary according to bid type.

Bids awarded in Lebanese Pounds

We analyzed the awarded contracts in all currencies and here we present data related to contracts signed in Lebanese Pounds: the top 5 administrations that conducted the most contracts, the top 5 administrations that awarded the highest-value contracts in the national currency, as well as the contractors who won the highest number of contracts and those who won the highest-value contracts in Lebanese Pounds. Finally, we will review the highest-value contracts signed in this currency.

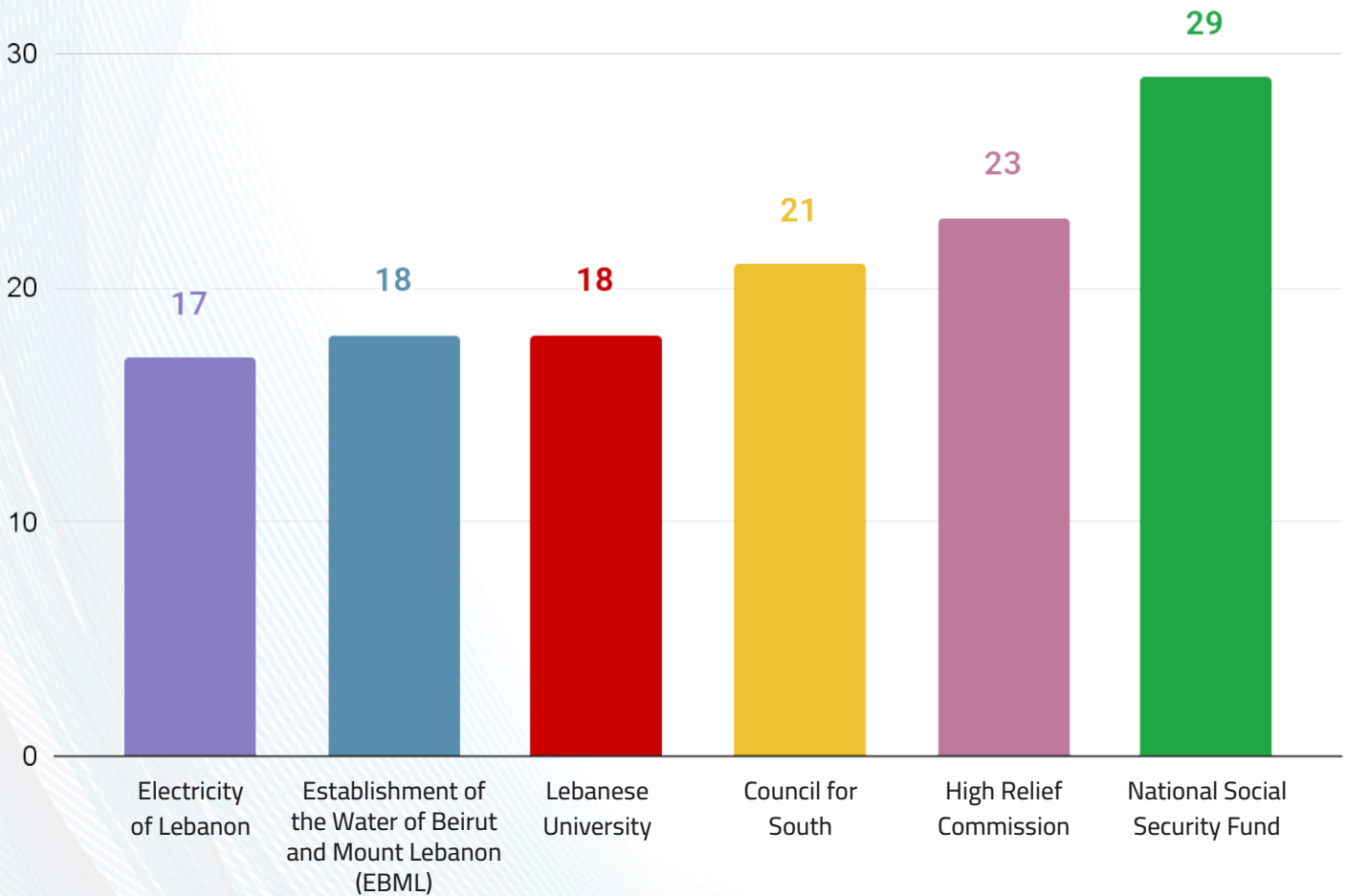
The Directorate General of the Ministry of Defense concluded the highest-value contract with several private hospitals and medical centers, amounting to 8,803,000,000 LBP (approximately 9.89 million USD). This bid was conducted through a direct contract to provide healthcare and treatment for eligible individuals under military healthcare for 2024.

On the other hand, the lowest-value contract was signed between the National Social Security Fund and a supplier through a direct contract to provide hospitality services at the director general's office, valued at 12,000,000 LBP (equivalent to approximately 135 USD).



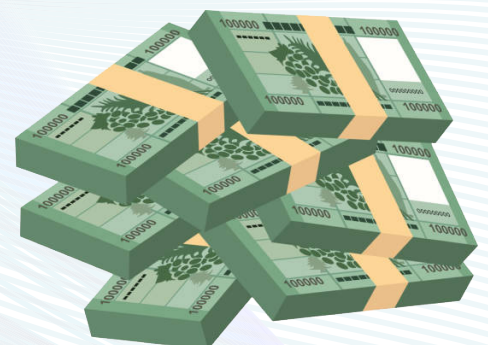
Top 5 Administrations in Terms of the Number of Bids in Lebanese Pounds

The below chart represents the number of bids conducted by the top 5 administrations in LBP:



The National Social Security Fund ranked first among the administrations that awarded the highest number of contracts in Lebanese Pounds, with a total of 29 bids.

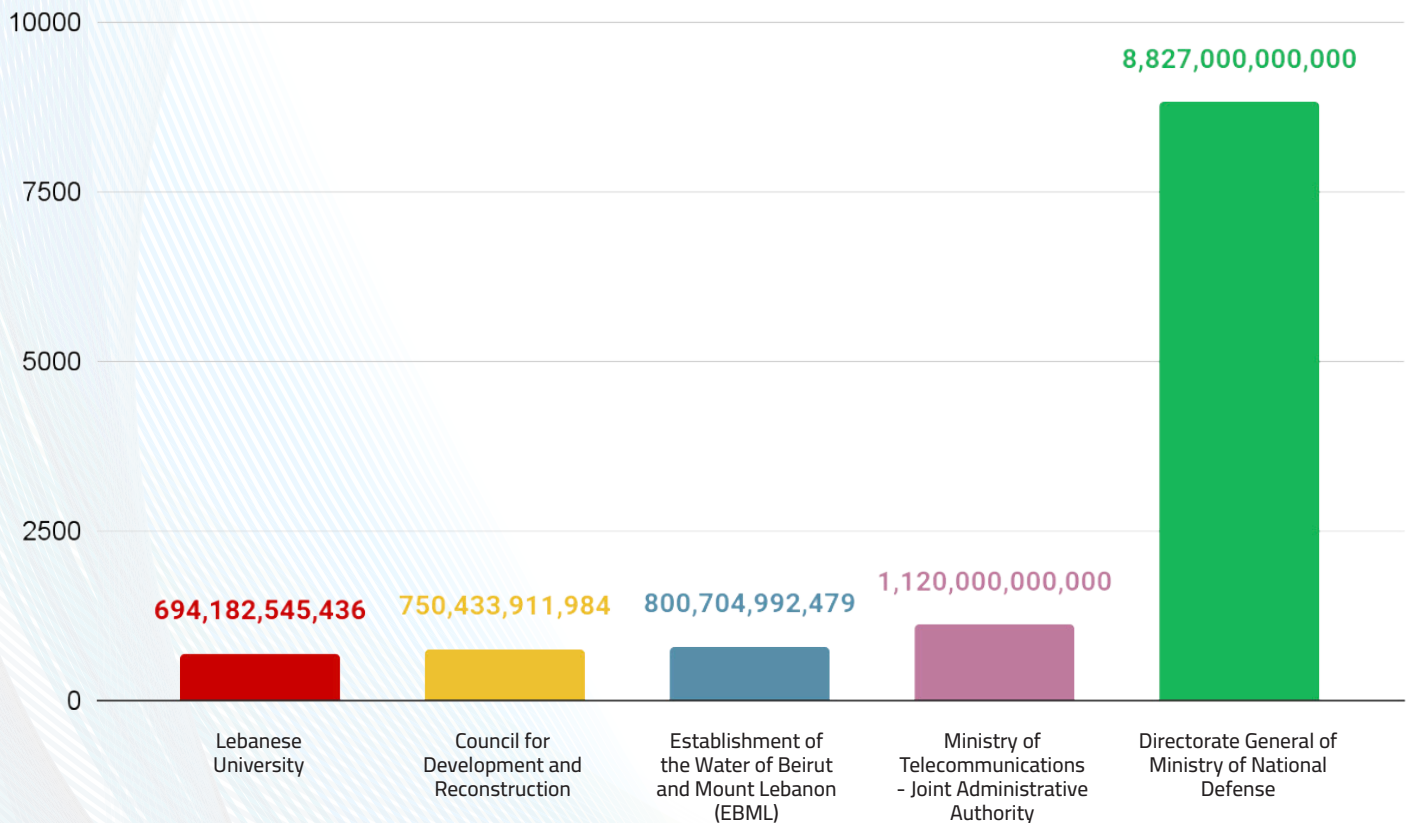
The Higher Relief Commission came in second, as it awarded 23 contracts in LBP. In third place, the South Lebanon Council awarded 21 contracts, followed by the Lebanese University and the Establishment of the Water of Beirut and Mount Lebanon, both of which awarded 18 contracts each. In fifth place, Electricity of Lebanon awarded 17 contracts in the national currency.





Top 5 Administrations in Terms of the Value of Bids in Lebanese Pounds

Upon analyzing the amounts paid in Lebanese Pounds, it became evident that the top 5 administrations are different from those who awarded the highest number of bids. The chart below illustrates the total value of awarded contracts by the top 5 administrations:

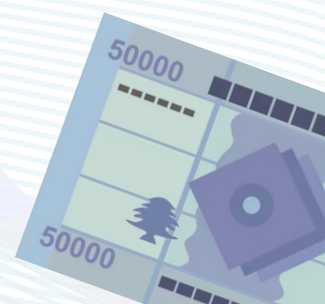


The Directorate General of the Ministry of National Defense ranked first in terms of the value of contracts awarded in Lebanese pounds, with the value of 5 contracts totaling 8,827,000,000,000 LBP.

In second place, the Ministry of Telecommunications - the Joint Administrative Authority awarded one contract worth 1,120,000,000,000 LBP.

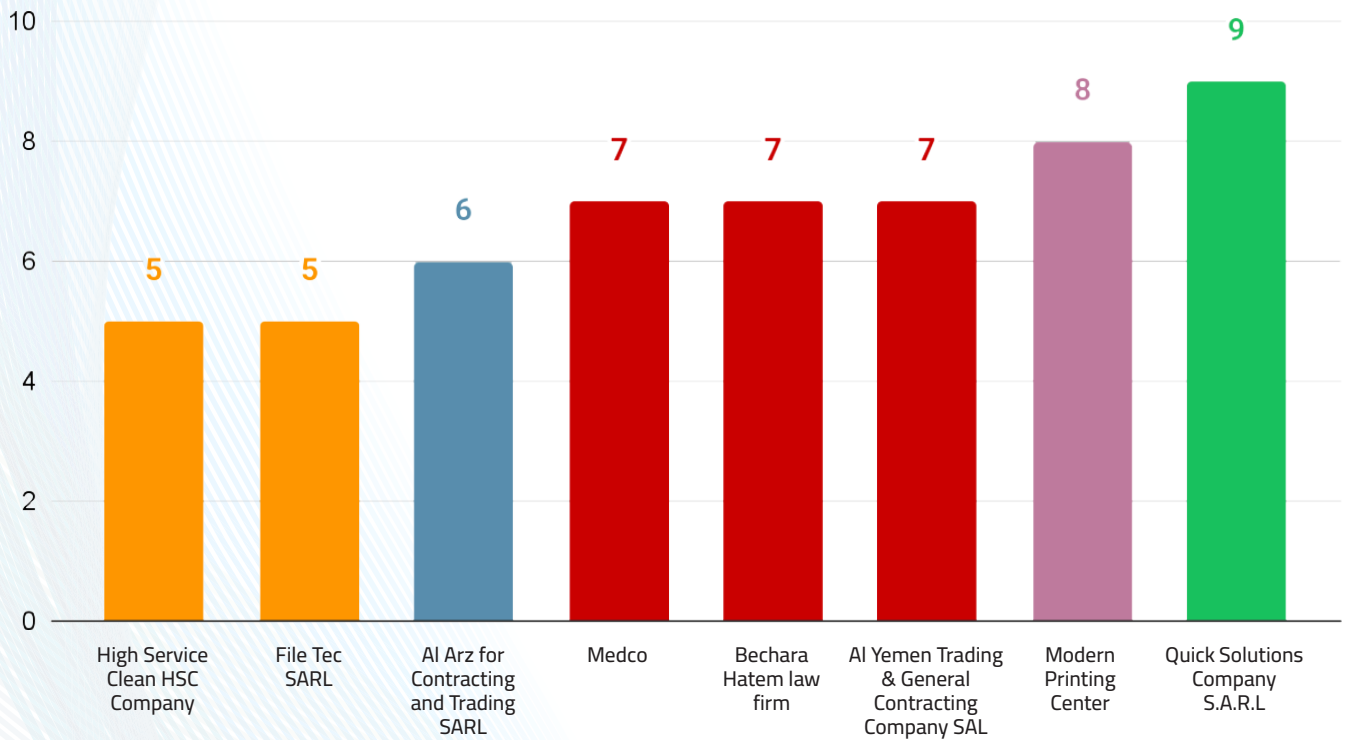
In third place, the Establishment of the Water of Beirut and Mount Lebanon awarded 18 contracts with a total value of 800,704,992,479 LBP.

This was followed by the Council for Development and Reconstruction, which awarded 7 contracts worth 750,433,911,984 LBP. In fifth place, the Lebanese University awarded 18 contracts with a total value of 694,182,545,436 LBP.



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

The below chart represents the number of bids awarded in LBP to the following top 5 contractors:



Quick Solutions Company SARL ranked first in terms of the number of contracts awarded in Lebanese pounds, with a total of 9 contracts.

In second place, Modern Printing Center won 8 contracts.

The third place was shared by the following companies: Bechara Hatem Law Firm, Al Yemen Trading & General Contracting Company SAL, and MEDCO with each signing 7 contracts.

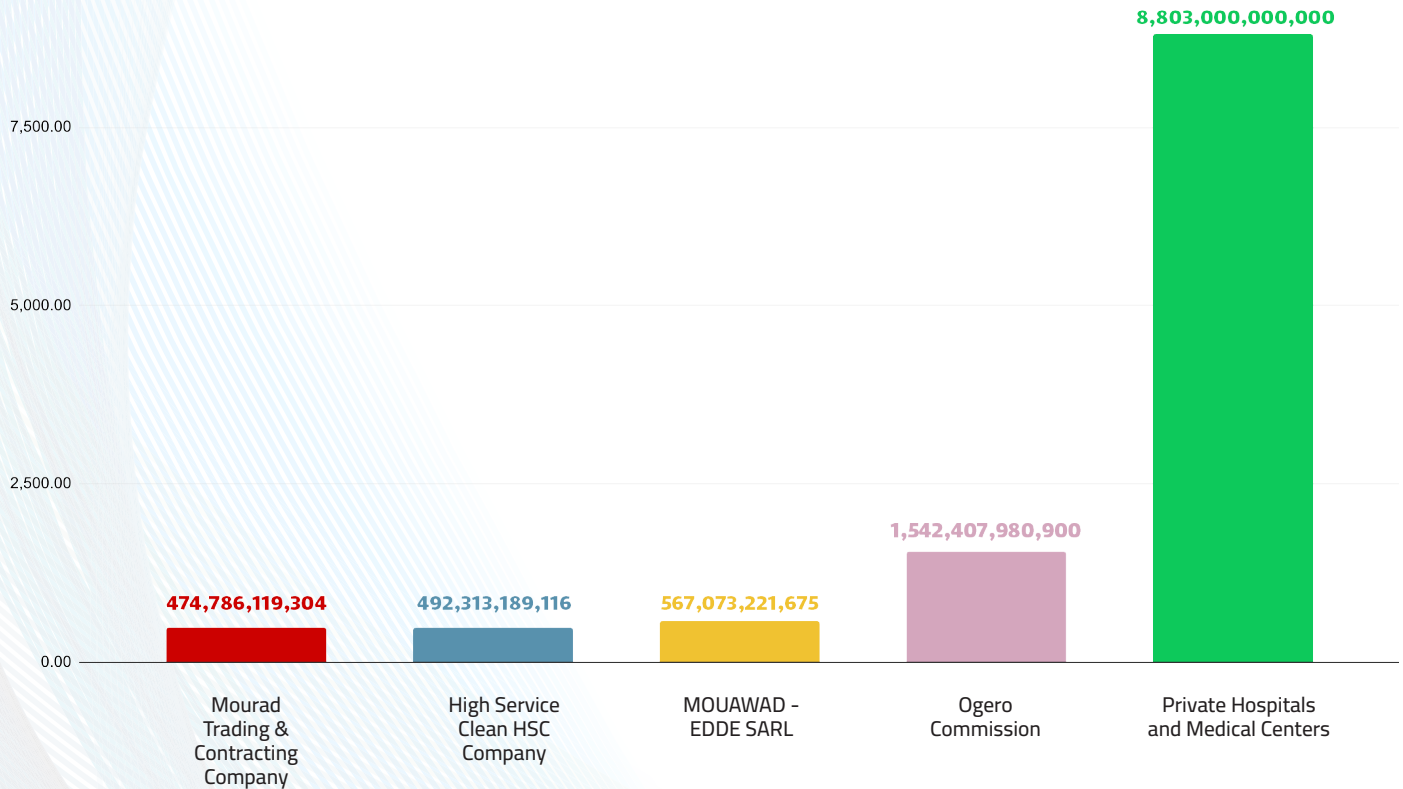
Al Arz for Contracting and Trading SARL ranked fourth after signing 6 contracts.

In fifth place, both High Service Clean (HSC) and File Tech SARL were awarded 5 contracts each.

Top 5 Contractors in Terms of the Value of Bids in Lebanese Pounds

Upon analyzing the amounts paid in Lebanese Pounds, it became evident that the top 5 companies are different from those who won the highest number of bids.

The following chart represents the total value of contracts awarded to the top 5 companies:



The top rank was held by several private hospitals and medical centers that won a single direct contract signed with the Ministry of National Defense, valued at 8,803,000,000,000 LBP.

In second place, Ogero Commission signed 4 contracts totaling 1,542,407,980,900 LBP.

Following them, Mouawad - Eedde SARL was awarded a single contract valued at 567,073,221,675 LBP.

In fourth place, High Service Clean (HSC) signed 5 contracts with a total value of 492,313,189,116 LBP.

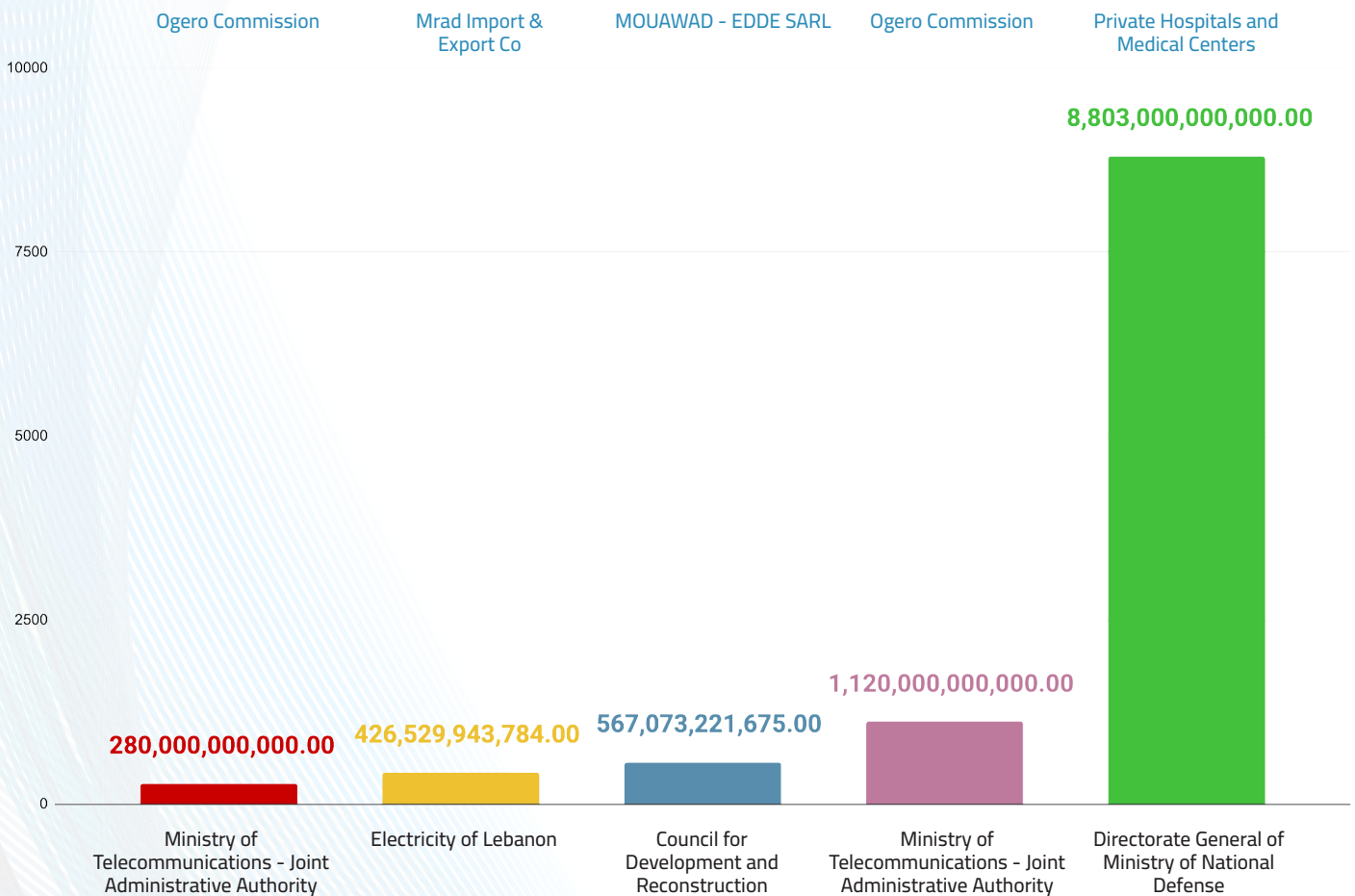
In fifth place, Mrad Import & Export Co. signed contracts valued at 474,786,119,304 LBP.





Top 5 Contracts in Terms of Value in Lebanese Pounds

According to the data, the following contracts are of the highest value in Lebanese Pounds:



The Directorate General of the Ministry of Defense concluded the highest-value contract with several private hospitals and medical centers, amounting to 8,803,000,000,000 LBP. This bid was conducted through a direct contract to provide healthcare and treatment for eligible individuals under military healthcare for 2024.

In second place, the Ministry of Telecommunications – the Joint Administrative Authority signed the second-largest contract with Ogero Commission, valued at 1,120,000,000,000 LBP, through a direct contract for the renovation and expansion of facilities, equipment, and the fixed network for 2024.

Mouawad - Edde SARL secured the third-highest value contract in Lebanese Pounds, awarded by the Council for Development and Reconstruction, valued at 567,073,221,675 LBP, through a public tender for the operation and maintenance of the Naameh landfill.

The fourth-highest value contract was signed by Mrad Import & Export Co., valued at 426,529,943,784 LBP with Electricity of Lebanon, through a public tender to provide the institution with supporting labors.

Finally, the fifth-highest value contract in Lebanese Pounds was awarded to Ogero Commission, valued at 280,000,000,000 LBP, through a direct contract for the renovation and expansion of facilities, equipment, and the fixed network for the Ministry of Telecommunications.



Bids Awarded in U.S. Dollars

We analyzed the contracts awarded in U.S. Dollars, and the data reveals a significant difference between the public administrations and companies winning these contracts compared to those awarded in Lebanese Pounds.

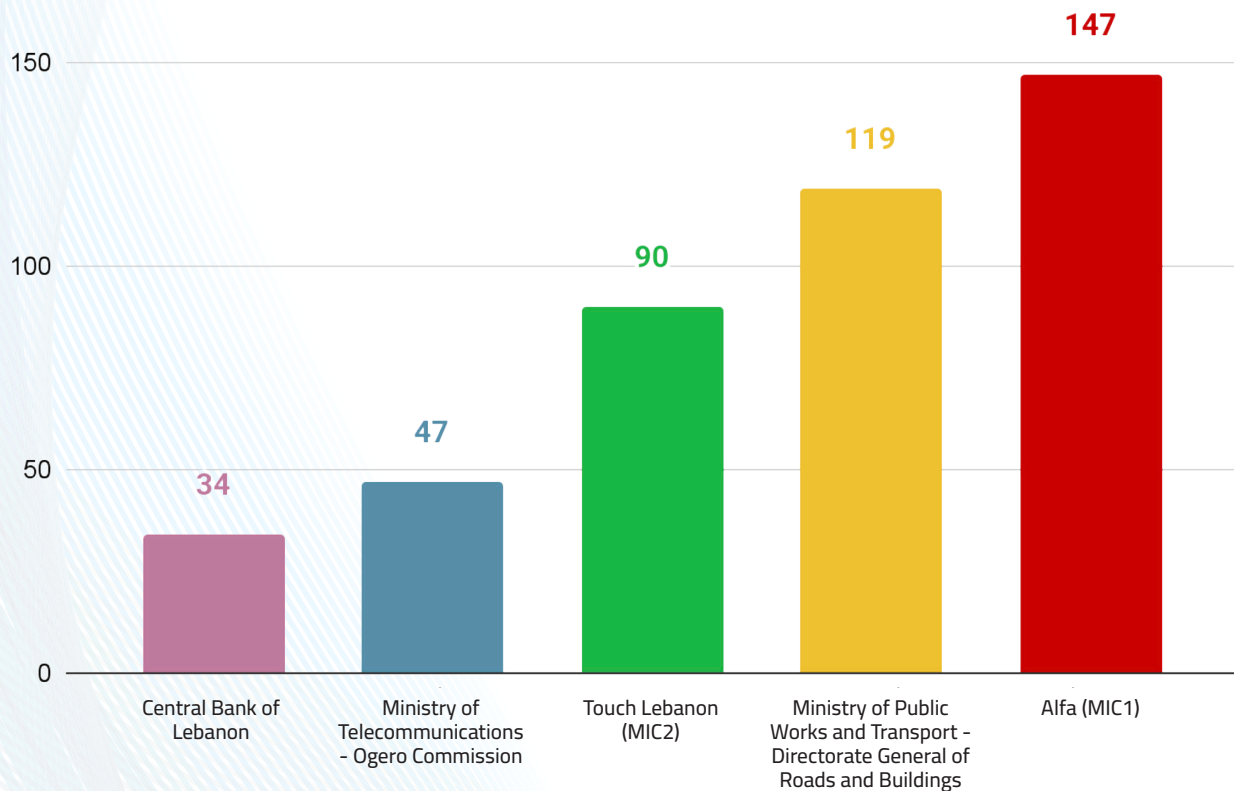
Below are the details related to these contracts: the 5 administrations that awarded the highest number of contracts, the top 5 administrations that awarded the highest-value contracts in U.S. Dollars, as well as the contractors who won the highest number of contracts, and those who won the highest-value contracts in U.S. Dollars. Finally, we will review the highest-value contracts signed in this currency.

The values of these contracts varied between a direct contract not exceeding 100 USD and a public tender held by the Directorate General of Oil, which exceeded 14.9 million USD.



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

The below chart indicates the number of contracts awarded by the top 5 administrations in U.S. Dollars:

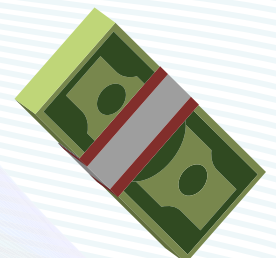


MIC1 ranked first among the administrations that awarded the highest number of contracts in U.S. Dollars, with a total of 147 contracts.

In second place, the Directorate General of Roads and Buildings awarded 119 contracts in U.S. Dollars. MIC2 ranked third with 90 awarded contracts, then Ogero Commission with 47 contracts in fourth place.

In fifth place, the Central Bank of Lebanon awarded 34 contracts in U.S. Dollars.

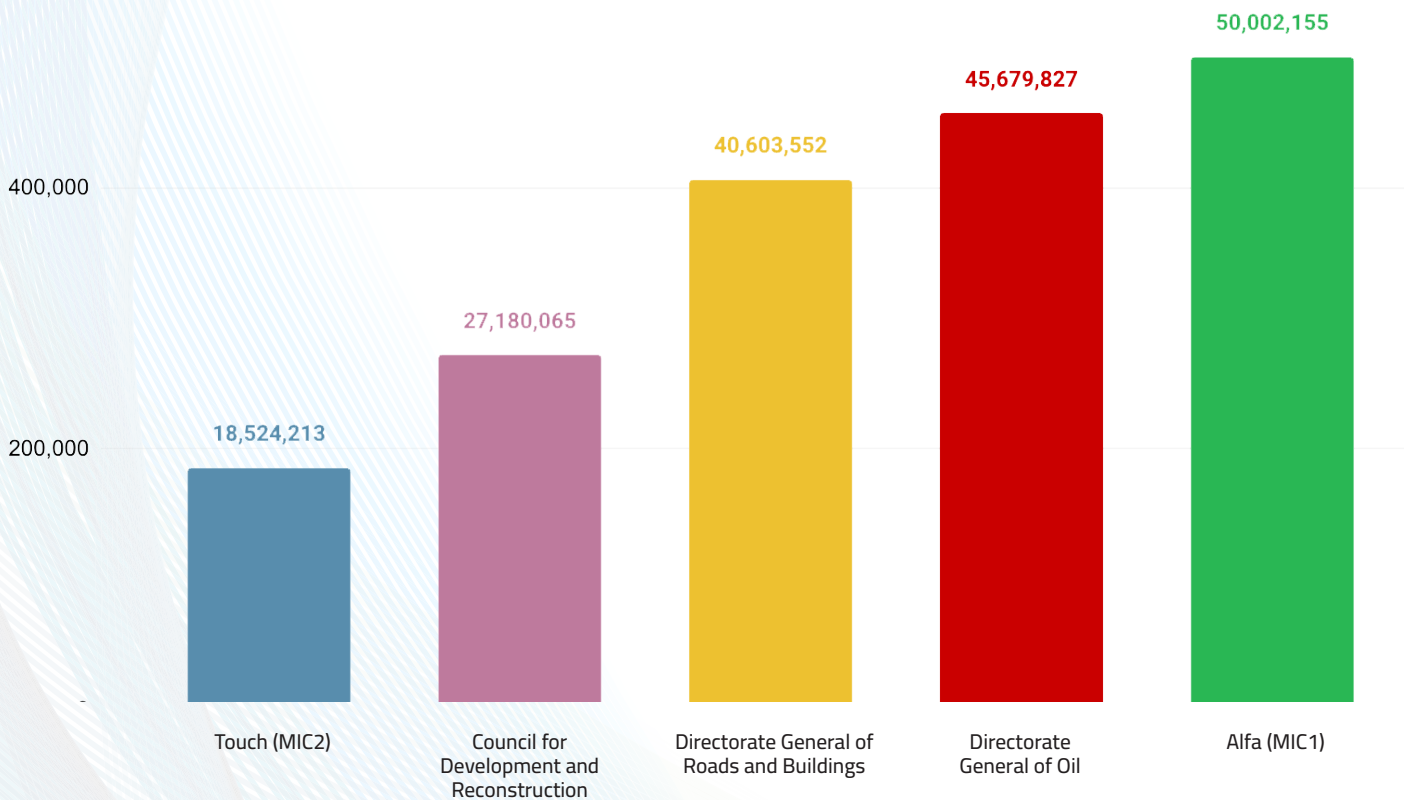
It is worth noting the significant difference in the number of contracts awarded by the above-mentioned administrations compared to other administrations, whose number of contracts awarded in U.S. Dollars ranges between just 1 and 20 contracts.



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

Upon analyzing the amounts paid in U.S. Dollars, it became evident that the top 5 companies are different from those who won the highest number of bids.

The following chart represents the total value of contracts awarded to the top 5 companies:



MIC1 ranked first in terms of the value of contracts awarded in U.S. Dollars, with 147 contracts totaling 50,002,155 USD.

In second place, the Directorate General of Oil awarded 20 contracts valued at 45,679,827 USD.

In third place, the Ministry of Public Works and Transport – Directorate General of Roads and Buildings awarded 119 contracts valued at 40,603,552 USD.

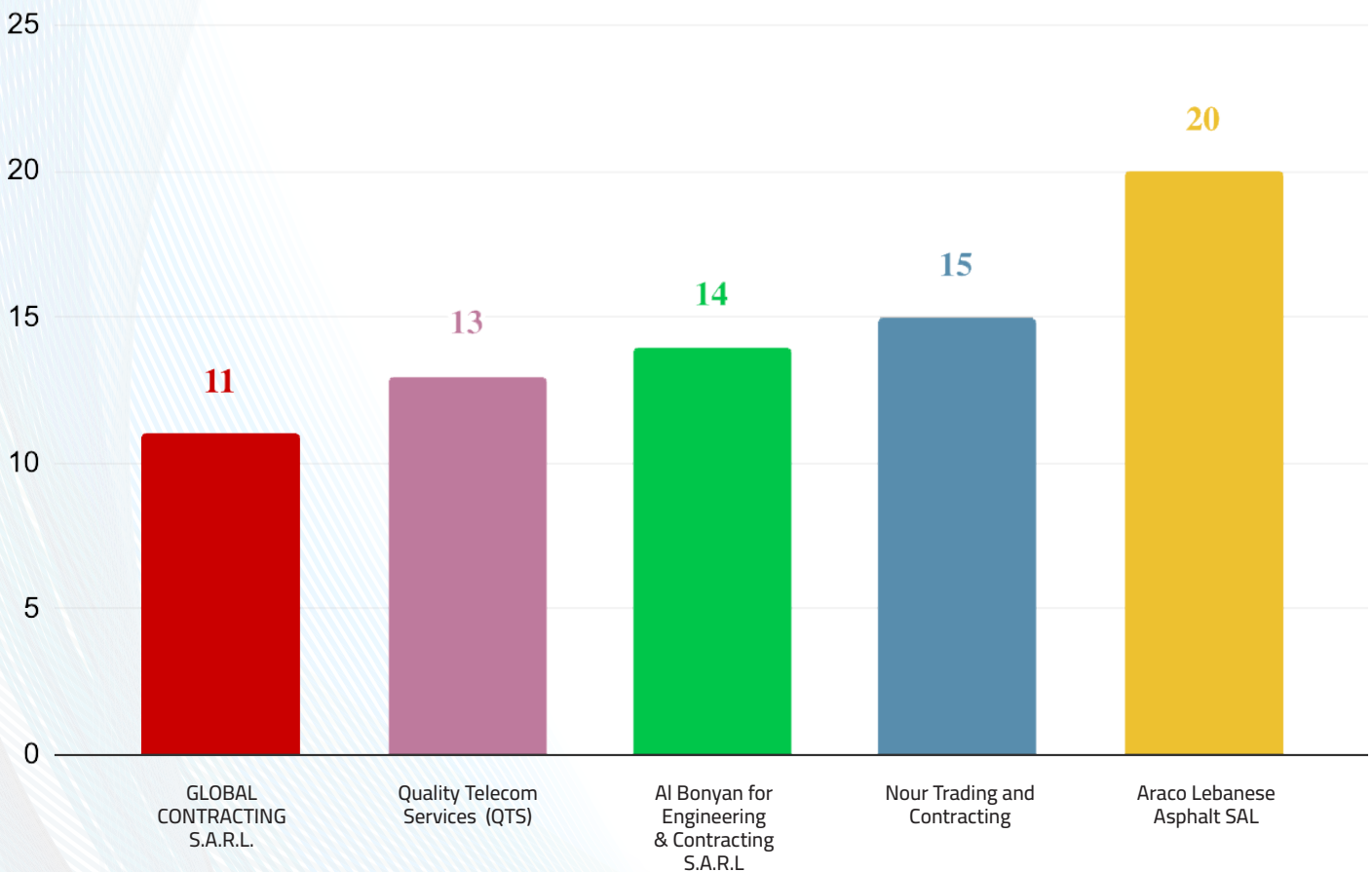
Following them, the Council for Development and Reconstruction awarded 33 contracts valued at 30,739,826.89 USD.

Finally, MIC2 awarded 90 contracts totaling 18,524,213 USD.



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

The below chart represents the number of bids awarded in USD to the following top 5 contractors:



Araco Lebanese Asphalt SAL ranked first in terms of the number of contracts awarded in U.S. Dollars, with a total of 20 contracts.

In second place, Nour Trading and Contracting won 15 contracts, followed by Al Bonyan for Engineering & Contracting SARL with 14 contracts.

Then came Quality Telecom Services (QTS) with 13 contracts.

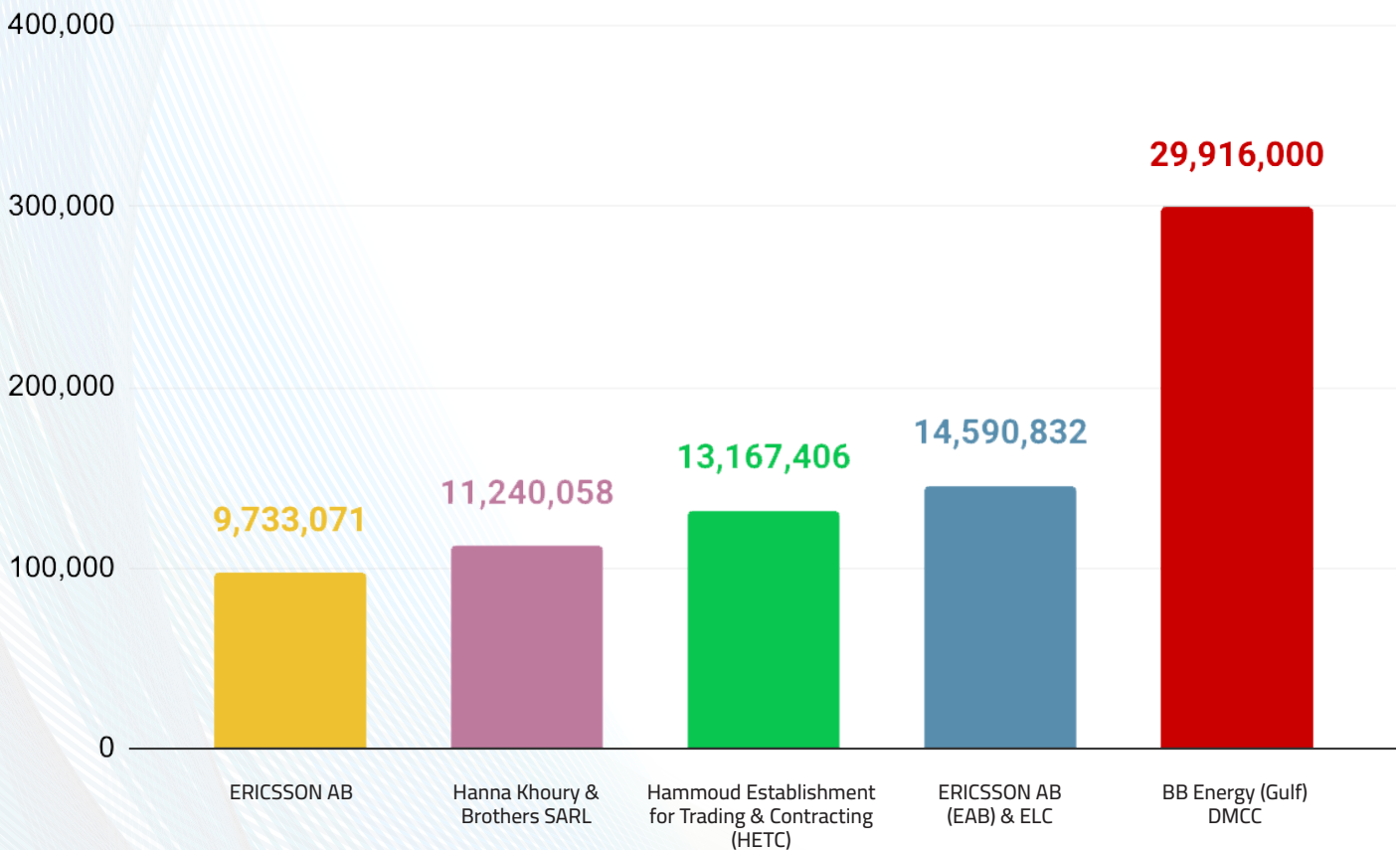
In fifth place, Global Contracting Company stood out, signing 11 contracts.



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

Upon analyzing the amounts paid in U.S. Dollars, it became evident that the top 5 companies are different from those who won the highest number of bids.

The following chart represents the total value of contracts awarded to the top 5 companies:



BB Energy (Gulf) DMCC ranked first in terms of value, as it signed 3 bids worth 29,916,000 USD.

Ericsson AB (EAB) & ELC ranked second with 3 contracts amounting to 14,590,8320 USD, followed by Hammoud Establishment for Trading & Contracting (HETC) which signed 5 bids valued at 13,167,406 USD.

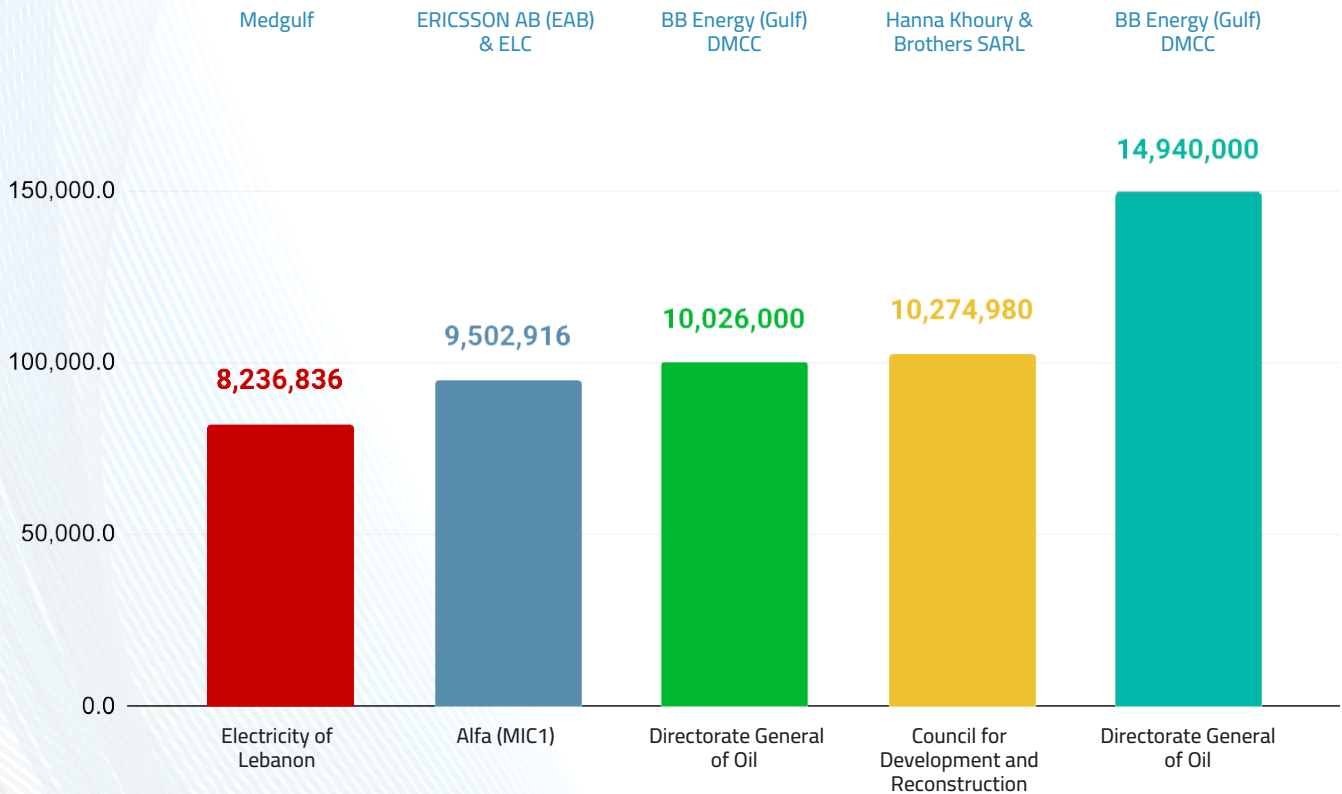
In third place, Hanna Khoury & Brothers SARL won 2 bids worth 11,240,058 USD. and in the last rank, Ericsson AB concluded 6 contracts at a value of 9,733,071 USD.





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

According to the data, the following contracts are of the highest value in U.S. Dollars:



The Directorate General of Oil awarded the highest-value contract in U.S. Dollars to BB Energy (Gulf), valued at 14,940,000 USD, through a public tender for the purchase of gas oil during February and March 2024 to meet the needs of the Electricity of Lebanon. The Council for Development and Reconstruction signed the second highest-value contract with Hanna Khoury & Brothers SAL for 10,274,980 USD, resulting from a public tender for the remaining works on the sewage network expansion project in Zahle and its suburbs.

The third-largest contract in U.S. Dollars also went to BB Energy (Gulf), awarded by the Directorate General of Oil for 10,026,000 USD, through a public tender for the purchase of gas oil and diesel fuel with a maximum sulfur content of 10.00 during December 2023, meeting the needs of the Electricity of Lebanon and the Ministry of Telecommunications.

The fourth-largest contract, valued at 9,502,916 USD, was awarded to Ericsson AB and ELC by MIC1, through a direct contract for support and SSPS services. Lastly, the fifth-largest contract, valued at 8,236,836 USD, was signed between Electricity of Lebanon and Medgulf Insurance and Reinsurance SAL, through a public tender aimed to provide healthcare coverage for the institution's workers, wage-earners and contractual employees, their families, in addition to previous workers affiliated with the special system for additional social services and their families.

Bids Awarded in Euros

We analyzed contracts awarded in Euros, which highlighted significant differences in the public administrations and companies involved compared to those engaged in contracts awarded in Lebanese Pounds and U.S. Dollars.

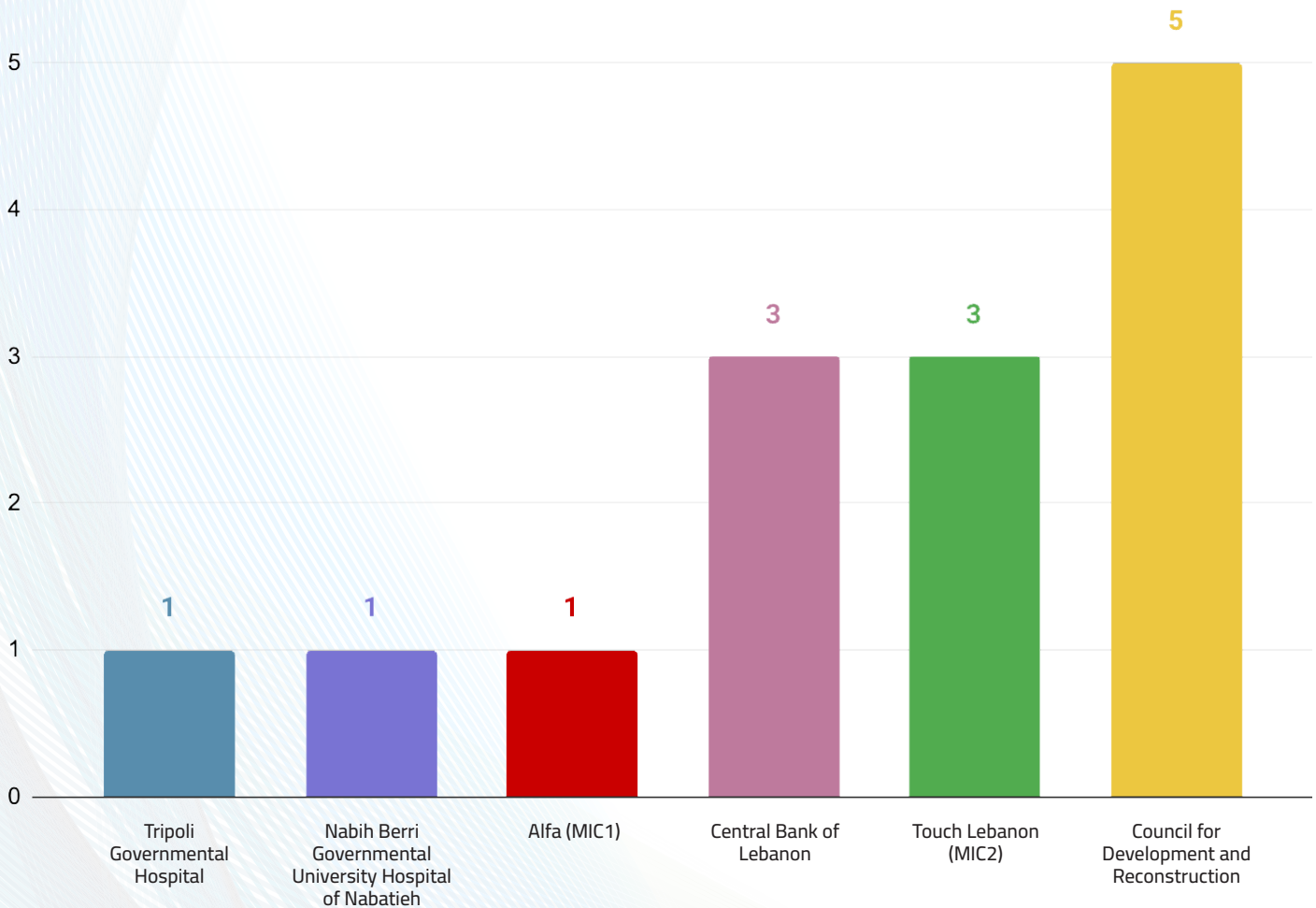
The data reveals the top 5 public administrations that awarded the highest number of contracts in Euros, as well as those that awarded the highest-value contracts in this currency.

Additionally, the analysis identifies the contractors who signed the largest number of contracts and those who won the highest-value contracts in Euros. Finally, the review includes details about the contracts with the highest values in this currency.



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

The below chart represents the number of bids conducted by the top 5 administrations in Euros:

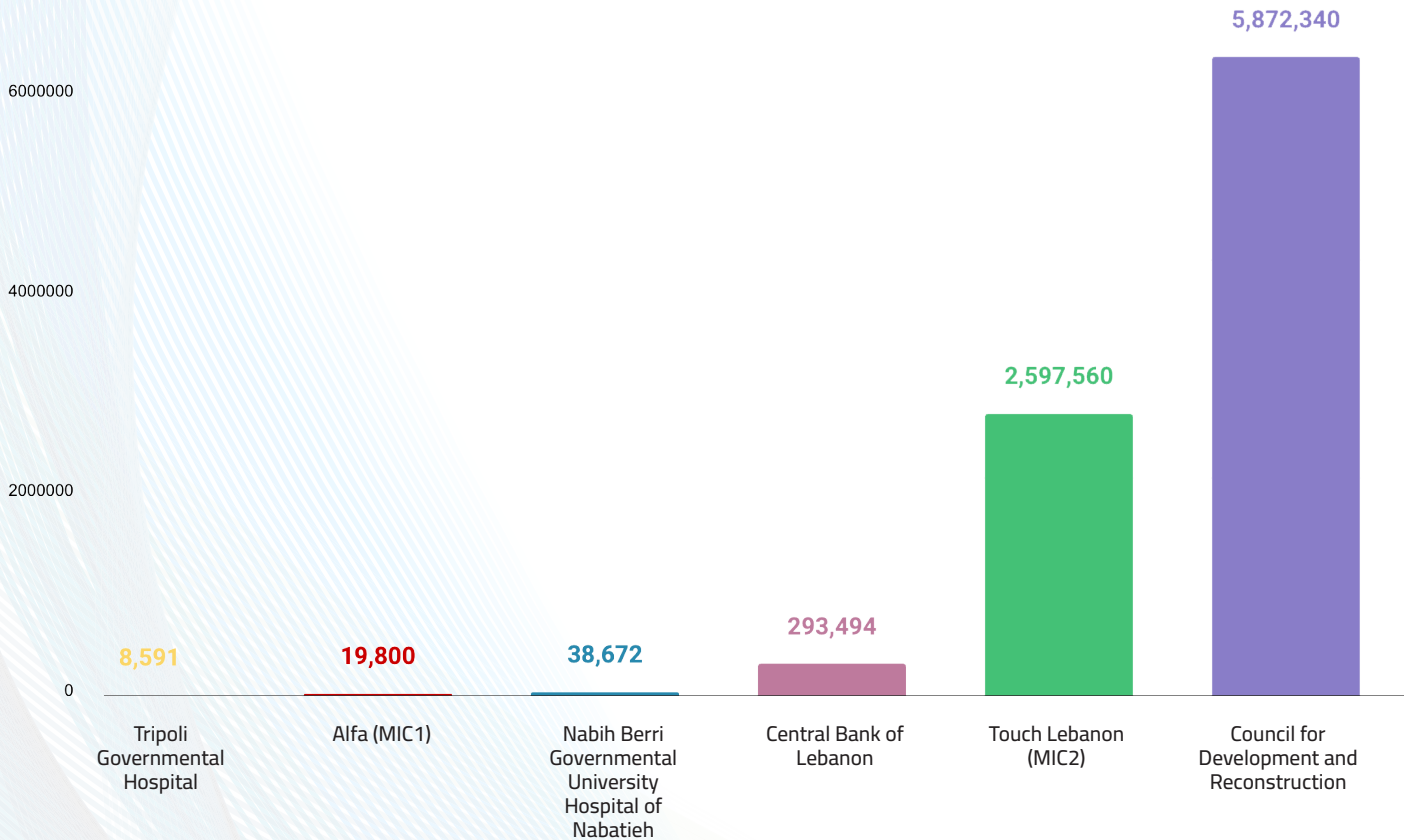


The Council for Development and Reconstruction secured the first rank among administrations awarding contracts in Euros, with a total of 5 contracts. MIC2 and the Central Bank of Lebanon shared the second rank, each awarding 3 contracts in Euros. In third place, MIC1, Nabih Berri Governmental University Hospital in Nabatieh, and Tripoli Governmental Hospital each awarded 1 contract in Euros.



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

Given that the number of contracts awarded in Euros did not exceed 13, the analysis of the data based on the amounts paid revealed the following values:



The Council for Development and Reconstruction ranked first among administrations in terms of the value of contracts awarded in Euros, with 5 contracts amounting to 5,872,340 €.

In second place was MIC2, which awarded 3 contracts valued at 2,597,559.5 €.

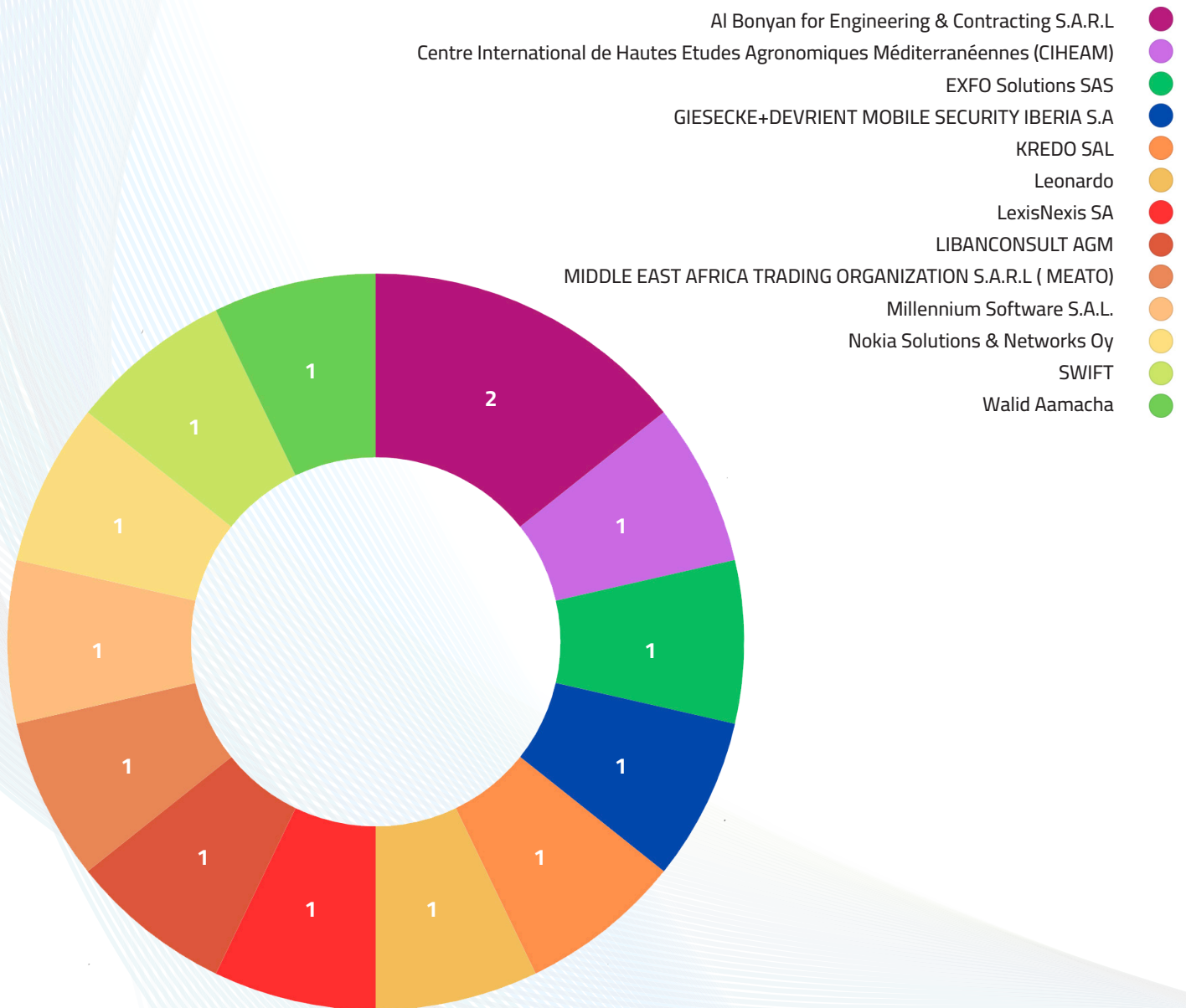
The Central Bank of Lebanon followed in third place, awarding 3 contracts worth 293,494 €. Nabih Berri Governmental Hospital in Nabatieh ranked fourth with a single contract valued at 38,672 €, while MIC1 ranked fifth with a single contract worth 19,800 €.

Finally, Tripoli Governmental Hospital concluded the list, awarding one contract valued at 8,591 €.



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

The below chart represents the number of bids awarded in Euros to the following top 5 contractors:

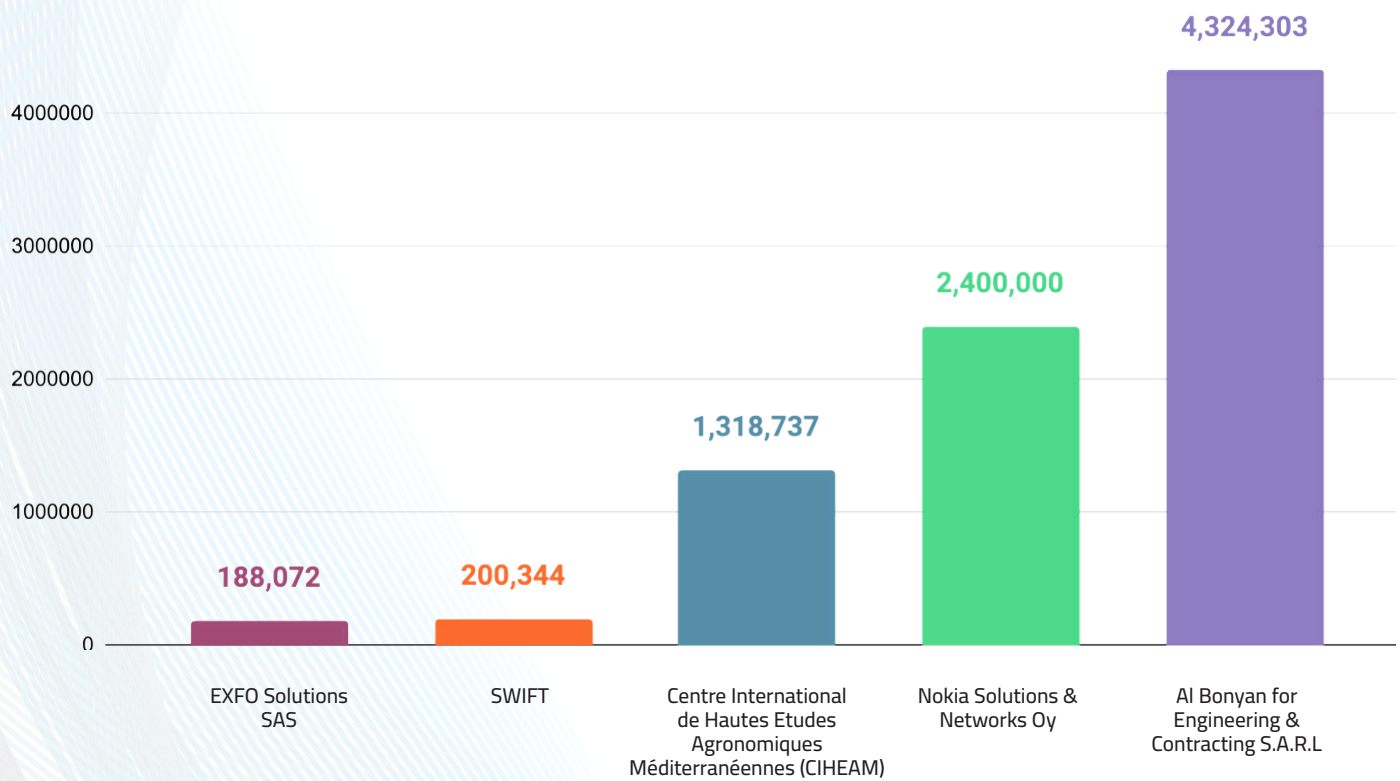


Al Bonyan for Engineering & Contracting SARL ranked first in terms of the number of contracts, signing 2 contracts in Euros. Meanwhile, each of the remaining 12 companies secured a single contract in this currency.



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

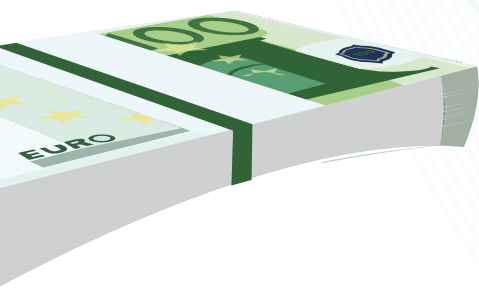
The below chart indicates the value of contracts awarded in Euros to the following contractors:

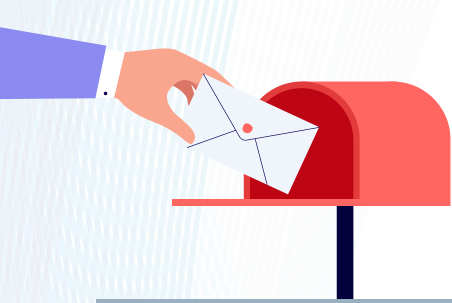


Al Bonyan for Engineering & Contracting SARL ranked first in terms of the value of the contracts, with a total value of 4,324,303 € for 2 contracts. In second place, Nokia Solutions and Networks won a single contract valued at 2,400,000 €.

This was followed by the Centre International de Hautes Etudes Agronomiques Méditerranéennes (CIHEAM), which concluded a single contract valued at 1,318,737 €. Next, Swift ranked fourth, winning a contract worth 200,344€.

Finally, Exfo Solutions SAS ranked fifth, securing a single bid valued at 188,072 €.





Requests for Information Submitted to Public Administrations, and their Responses

The approach for submitting requests for information involves monitoring and tracking the outcomes of contracts through the Public Procurement Authority's platform for 2 weeks from the bid-opening date. This applies when contracts are publicly disclosed on the Authority's platform. If results are not published, Gherbal Initiative sends official requests to the relevant administrations, seeking details on the number and names of bidders, the winning bidder, and the contract value. Through these requests, Gherbal Initiative has successfully encouraged administrations to disclose contract results, either by updating information on the Public Procurement Authority's platform or providing written responses directly to the Initiative, thereby reinforcing adherence to the law.

Gherbal Initiative submitted 596 requests for information within a year (more than 2 requests a day) to 139 public administrations and institutions, and private companies managing public utilities, including 4 municipal unions and 67 municipalities, in order to collect data on bidders, the winning bidder and the contracts value.

Note that 73 administrations responded to these requests, although several administrations replied to some of the requests but did not respond to others. In total, the Initiative received 364 responses, 5 of which were from the South Lebanon Water Authority, which voluntarily provided the Initiative with the results of 5 contracts without sending a request.



The Number of Requests Submitted Each Month

The chart below represents the number of requests submitted by Gherbal Initiative each month to public administrations, to obtain clarifications regarding the contracts whose results were not published on the websites of the Public Procurement Authority or the competent administration.

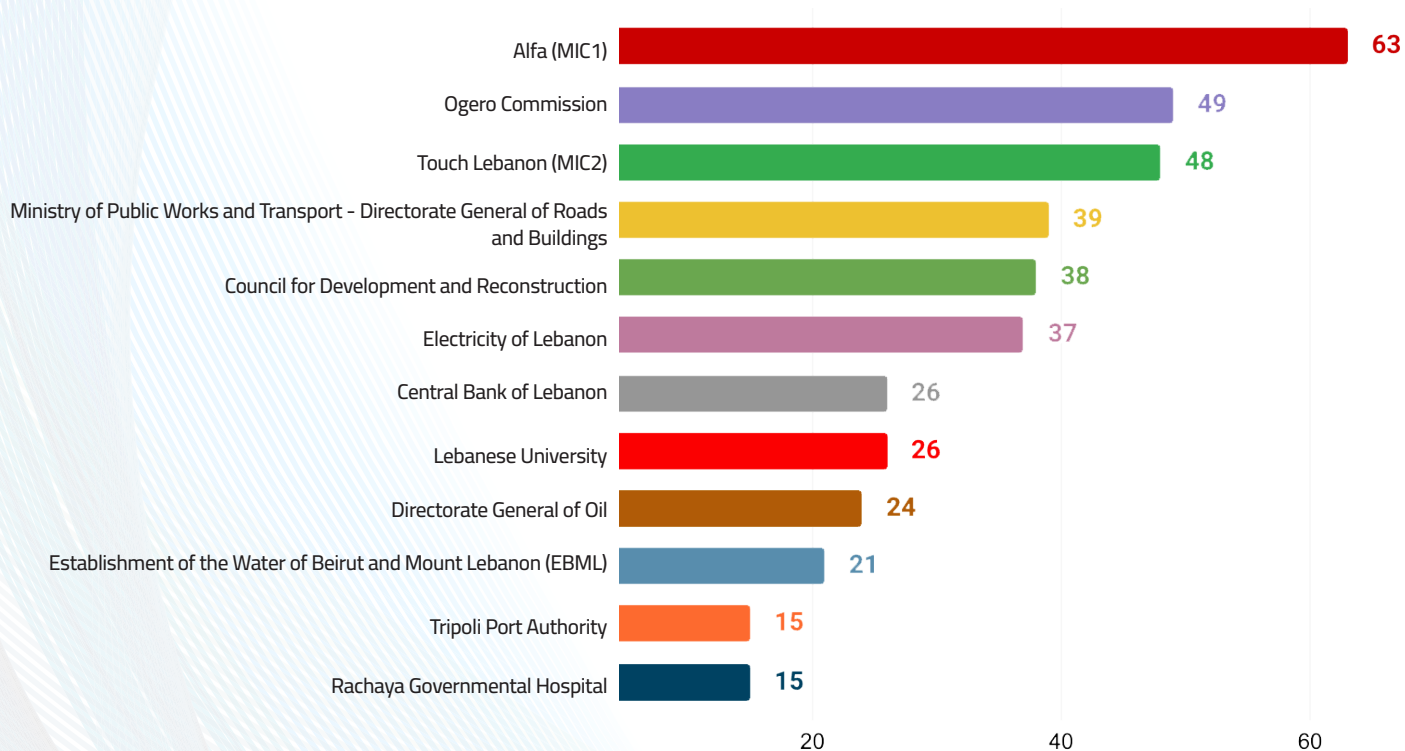


*The requests submitted during August and September 2024 pertain to contracts for which proposals were set to be submitted before these months or these dates were subsequently extended.

This is because certain administrations requested the Initiative to send the requests for information approximately one month after the bid-opening date, to allow sufficient time for completing all procurement procedures.

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

The below chart shows the number of requests submitted to the top 10 administrations in this regard:

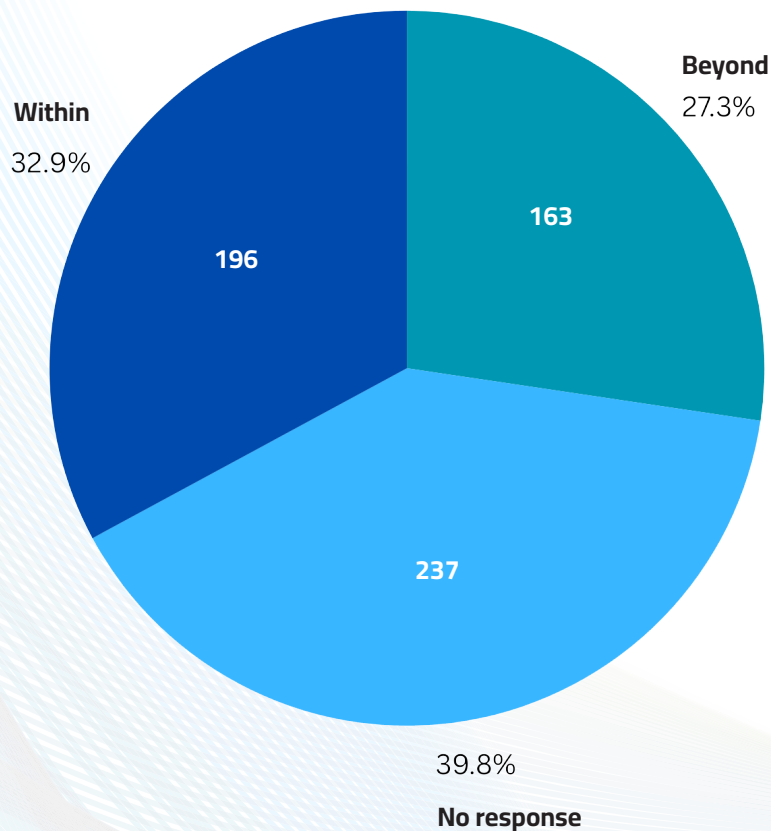


Responses to Request for Information

Compliance with the Legal Time Limit

Of the 359 requests submitted by Gherbal Initiative, 196 responses were provided within the 15-working-day legal time limit stipulated by the Public Procurement Law. This is a positive indicator of the compliance of some administrations with this law.

Conversely, 163 responses were received beyond the legal time limit, while 237 requests remained unanswered as of this report's preparation date.





Number of Requests Vs. Number of Responses

The table below indicates the number of responses provided by administrations to requests for information compared to the total number of requests submitted to each administration:

| Administration | No. of Requests | No. of Responses | % |
|--|-----------------|------------------|---------|
| South Lebanon Water Establishment | 13 | 17 | 130.77* |
| Central Fund for the Displaced | 5 | 5 | 100 |
| Cooperative of Government Employees | 1 | 1 | 100 |
| Council for South | 2 | 2 | 100 |
| Directorate General of Presidency of Council of Ministers | 2 | 2 | 100 |
| High Relief Commission | 1 | 1 | 100 |
| Ministry of Agriculture - Directorate of Agricultural Wealth | 2 | 2 | 100 |
| Ministry of Agriculture - Lebanese Agricultural Research Institute | 5 | 5 | 100 |
| Ministry of Energy & Water - Directorate General of Water and Electrical Resources | 1 | 1 | 100 |
| Litani River Authority (LRA) | 1 | 1 | 100 |
| Ministry of Environment - Directorate General of Environment | 3 | 3 | 100 |
| Higher Council of Customs | 5 | 5 | 100 |
| Ministry of Foreign Affairs and Emigrants - General Secretariat | 2 | 2 | 100 |
| Tripoli Port Authority | 15 | 15 | 100 |
| Municipal Union of Baalbek | 1 | 1 | 100 |
| Municipal Union of Jbeil | 1 | 1 | 100 |
| Municipality of Aghmid | 1 | 1 | 100 |
| Municipality of Aaramta | 1 | 1 | 100 |
| Municipality of Ain Dara | 2 | 2 | 100 |
| Municipality of Bmohray | 1 | 1 | 100 |
| Municipality of Chekka | 2 | 2 | 100 |
| Municipality of Chwaya | 1 | 1 | 100 |
| Municipality of Dmit | 1 | 1 | 100 |
| Municipality of Ebel El Saqi | 1 | 1 | 100 |
| Municipality of El Mina | 1 | 1 | 100 |
| Municipality of El Monsef | 1 | 1 | 100 |
| Municipality of Falougha - Khalwat Falougha | 2 | 2 | 100 |
| Municipality of Fardis | 1 | 1 | 100 |
| Municipality of Fih | 1 | 1 | 100 |
| Municipality of Haitoura | 1 | 1 | 100 |
| Municipality of Hebbarieh | 1 | 1 | 100 |
| Municipality of Houla | 1 | 1 | 100 |
| Municipality of Jbaa | 1 | 1 | 100 |
| Municipality of KfarSelwan | 1 | 1 | 100 |
| Municipality of Kfarhim | 1 | 1 | 100 |

| | | | |
|--|----|----|-------|
| Municipality of Kfeir | 1 | 1 | 100 |
| Municipality of Khalwat | 1 | 1 | 100 |
| Municipality of Maaser El Chouf | 1 | 1 | 100 |
| Municipality of Majdelyoun | 1 | 1 | 100 |
| Municipality of Mimes | 1 | 1 | 100 |
| Municipality of Qaitouli | 1 | 1 | 100 |
| Municipality of Qornayel | 1 | 1 | 100 |
| Municipality of Rachaya Al Foukhar | 1 | 1 | 100 |
| Municipality of Raiit | 2 | 2 | 100 |
| Municipality of Roum | 1 | 1 | 100 |
| Municipality of Sabbah | 1 | 1 | 100 |
| Municipality of Saida | 3 | 3 | 100 |
| Municipality of Terbol | 1 | 1 | 100 |
| Municipality of Zahle - Maalaka - Taanayel | 2 | 2 | 100 |
| Rachid Karami International Fair - Tripoli | 1 | 1 | 100 |
| Turkish Trauma and Emergency Hospital | 1 | 1 | 100 |
| Lebanese University | 26 | 25 | 96.15 |
| Touch Lebanon (MIC2) | 48 | 46 | 95.83 |
| Directorate General of Oil | 24 | 21 | 87.5 |
| North Lebanon Electricity Company- Qadisha | 10 | 8 | 80 |
| Alfa (MIC1) | 63 | 49 | 77.78 |
| Ogero Commission | 49 | 33 | 67.35 |
| Beirut Port Investment and Management | 6 | 4 | 66.67 |
| Municipality of Kfar Hamam | 3 | 2 | 66.67 |
| Ministry of Agriculture - Directorate General of Agriculture | 12 | 7 | 58.33 |
| Electricity of Lebanon | 37 | 21 | 56.76 |
| Central Bank of Lebanon | 26 | 14 | 53.85 |
| Center for Educational Research and Development | 6 | 3 | 50 |
| Ministry of Public Works and Transport - Railway and Public Transportation Authority | 2 | 1 | 50 |
| Municipality of Hasbaya | 2 | 1 | 50 |
| Ministry of Finance - Directorate of Public Finance | 10 | 4 | 40 |
| Directorate General for Customs | 8 | 3 | 37.5 |
| Ministry of National Defense - Directorate General of Ministry of National Defense | 3 | 1 | 33.33 |
| National Social Security Fund | 6 | 2 | 33.33 |
| Rachaya Governmental Hospital | 15 | 5 | 33.33 |

| | | | |
|--|------------|------------|--------------|
| Ministry of Education and Higher Education - Directorate General of Education and Higher Education | 4 | 1 | 25 |
| Ministry of Public Works and Transport - Directorate General of Roads and Buildings | 39 | 5 | 12.82 |
| Establishment of the Water of Beirut and Mount Lebanon (EBML) | 21 | 2 | 9.52 |
| Council for Development and Reconstruction | 38 | 0 | 0 |
| General Directorate of Ministry of Public Health | 4 | 0 | 0 |
| Lebanese Petroleum Administration | 1 | 0 | 0 |
| Ministry of Information - Directorate General of Ministry of Information | 3 | 0 | 0 |
| Radio Lebanon | 1 | 0 | 0 |
| Directorate General of General Security | 1 | 0 | 0 |
| Traffic, Trucks, and Vehicles Management Authority | 1 | 0 | 0 |
| Municipal Union of Saïda - Zahrani | 1 | 0 | 0 |
| Municipality of Ablah | 1 | 0 | 0 |
| Municipality of Arabsalim | 1 | 0 | 0 |
| Municipality of Bkassine | 1 | 0 | 0 |
| Municipality of Jdeïdeh-Bauchrieh-Sed | 1 | 0 | 0 |
| Municipality of Marj | 1 | 0 | 0 |
| Municipality of Mayfadoun | 1 | 0 | 0 |
| Municipality of Zalka Amaret Chalhoub | 2 | 0 | 0 |
| Rafic Hariri University Hospital | 2 | 0 | 0 |
| Tebnine Governmental Hospital | 13 | 0 | 0 |
| Tele Liban | 1 | 0 | 0 |
| Total | 596 | 364 | 63.12 |

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



In contrast, the 5 lowest percentages of responses to the requests for information submitted by Gherbal were as follows:

Council for Development and Reconstruction: 0 responses to 38 requests

Tebnine Governmental Hospital: 0 responses to 13 requests

Ministry of Public Health - Directorate General of Public Health: 0 responses to 4 requests

Ministry of Information - Directorate General of the Ministry of Information: 0 responses to 3 requests

Rafic Hariri University Hospital: 0 responses to 2 requests

Municipality of Zalka-Amaret Chalhoub: 0 responses to 2 requests



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

When comparing the 5 administrations to which Gherbal Initiative submitted the highest number of requests for information, the response rates differed as follows:

MIC1: 31 responses to 63 responses (49.2%)

Ogero Commission: 22 responses to 49 requests (44.9%)

MIC2: 36 responses to 48 (75%)

Ministry of Public Works and Transport - Directorate General of Roads and Buildings: 2 responses to 39 requests (5.1%)

Council for Development and Reconstruction: 0 responses to 38 requests (0%)



Average Response Duration

We calculated the average response duration for all the requests answered by the public administrations. It was found that, among the 73 administrations that responded to our requests, the response duration varied considerably. Certain administrations responded within a few days, while others took up to nearly 6 months before responding.

Below, we present the key average response durations (the number of days taken by the administrations to respond to each request divided by the total number of submitted requests):

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



Legal Violations

Gherbal Initiative seeks to highlight various legal violations observed between 2022 and 2024. These breaches were identified during the Initiative's routine work, which focuses on monitoring procurement processes from the announcement phase to the awarding stage.

The Initiative focused on monitoring the following aspects:

1. **The number of bidders responding to requests for quotations.**
2. **The legally stipulated timeframe granted to bidders to submit their proposals from the date of the bid announcement.**
3. **The legally stipulated timeframe granted to bidders to submit their proposals from the date of the request for quotations announcement.**
4. **Public auctions, specifically in terms of setting the opening price and awarding contracts at a higher price.**

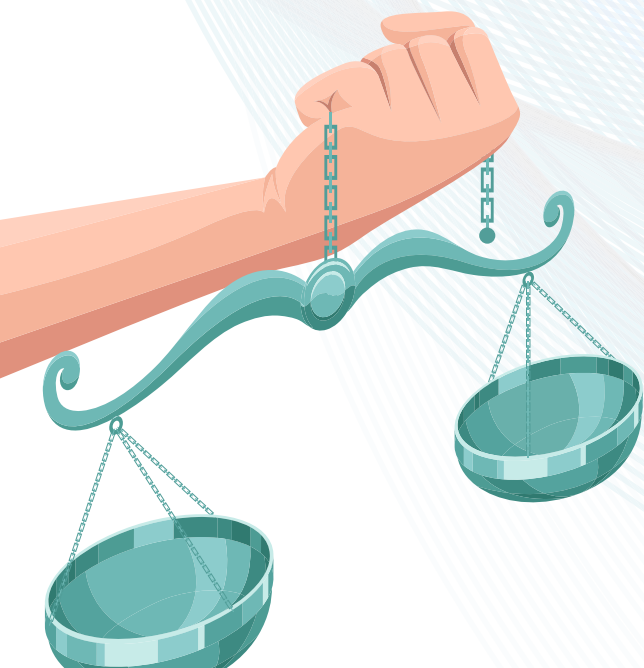
Through this monitoring, the Initiative seeks to promote transparency and accountability in the implementation of the Public Procurement Law, contributing to combating corruption and improving public financial management.

1.1 Number of Bidders for 2022-2023:

Article 58 of the Public Procurement Law outlines the procedures for requesting quotations, stating in paragraph 3 that the number of invited bidders must not be fewer than 3.

Similarly, Article 60 of the said law specifies that the procuring entity must request quotations for procurement by invoice from as many suppliers or contractors as practically possible, provided that **at least 2 proposals are submitted**. If it is not possible to present an invoice, a signed statement from the rightful parties detailing the services, supplies, or works will suffice.

Additionally, in cases where obtaining 2 proposals is not feasible, reliance on a single invoice is permissible.



Article 25 of the same law stipulates that the procuring entity must cancel the procurement and/or any of its procedures **if only one proposal is accepted**, regardless of the procurement type. However, the entity may decide, with justification, to contract with the sole acceptable bidder if all the following conditions are met:

A - The principles and provisions of this law are applied, and the sole proposal is not the result of exclusive conditions included in the procurement project’s specific terms of reference.

B - The need is essential and urgent, and the proposed price aligns with the estimated value.

C - The decision by the procuring entity to accept the winning bid (temporary awarding) explicitly states that this was the only submitted proposal and that there is an intention to contract with the sole bidder.

The table below highlights the 7 administrations that violated the Public Procurement Law by failing to adhere to the required number of bidders:

| Administration | Type of Bid | Violation |
|--|---------------------------|--------------------------------|
| Central Fund for the Displaced | 1 Request for Quotations | Sole bidder - No justification |
| | 1 Request for Quotations | Sole bidder - No justification |
| Directorate General of the Presidency of the Lebanese Republic | 1 Request for Quotations | 2 instead of 3 bidders |
| MIC1 | 2 Public Tenders | Sole bidder - No justification |
| | 1 Request for Quotations | Sole bidder - No justification |
| | 2 Requests for Quotations | 2 instead of 3 bidders |
| Council for Development and Reconstruction | 2 Requests for Quotations | 2 instead of 3 bidders |
| Ogero Commission | 2 Procurements by Invoice | Sole bidder - No justification |
| | 6 Requests for Quotations | Sole bidder - No justification |
| | 5 Public Tenders | Sole bidder - No justification |
| Tripoli Port Authority | 3 Public Tenders | Sole bidder - No justification |
| Directorate General of Oil | 1 Public Tender | Sole bidder - No justification |
| | 1 Request for Quotations | Sole bidder - No justification |

The above table illustrates the Initiative’s observations between 2022 and 2023 regarding:

- 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.

1.2 Number of Bidders for 2023-2024:

The table below highlights the 17 administrations that violated the Public Procurement Law by failing to adhere to the required number of bidders. Noting that these administrations did not provide any justification for accepting the limited number of bidders.

| Administration | Type of Bid | Violation |
|---|---------------------------|--------------------------------|
| South Lebanon Water Establishment | 3 Public Tenders | Sole bidder - No justification |
| | 1 Request for Quotations | 2 instead of 3 bidders |
| Municipal Union of Jbeil | 1 Public Tender | Sole bidder - No justification |
| Turkish Trauma and Emergency Hospital | 1 Public Tender | Sole bidder - No justification |
| Municipality of Aramta | 1 Public Auction | Sole bidder - No justification |
| Municipality of Qaitouli | 1 Public Auction | Sole bidder - No justification |
| MIC1 | 1 Public Tender | Sole bidder - No justification |
| | 3 Requests for Quotations | 2 instead of 3 bidders |
| MIC2 | 5 Requests for Quotations | 2 instead of 3 bidders |
| North Lebanon Electricity Company- Qadicha | 2 Public Tenders | Sole bidder - No justification |
| Council for Development and Reconstruction | 1 Request for Quotations | Sole bidder - No justification |
| | 2 Requests for Quotations | Sole bidder - No justification |
| Central Bank of Lebanon | 3 Requests for Quotations | 2 instead of 3 bidders |
| Ogero Commission | 2 Public Tenders | Sole bidder - No justification |
| | 2 Requests for Quotations | Sole bidder - No justification |
| | 3 Requests for Quotations | 2 instead of 3 bidders |
| Beirut Port Investment and Management | 1 Public Tender | Sole bidder - No justification |
| | 1 Request for Quotations | 2 instead of 3 bidders |
| Ministry of Public Works and Transport - Directorate General of Roads and Buildings | 1 Public Tender | Sole bidder - No justification |
| Tripoli Port Authority | 1 Public Tender | Sole bidder - No justification |
| Lebanese University | 1 Public Tender | Sole bidder - No justification |
| Ministry of Agriculture - Lebanese Agricultural Research Institute | 1 Request for Quotations | Sole bidder - No justification |
| Directorate General of Oil | 1 Request for Quotations | Sole bidder - No justification |
| | 1 Request for Quotations | 2 instead of 3 bidders |

The table above reflects the Initiative's observations between 2022 and 2023 regarding:

- 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.

2.1 The Legal Timeframe Granted to Bidders to Submit Their Proposals Starting from the Date of Tender Announcement for 2022-2023

Article 12 of the Public Procurement Law specifies the procedures for announcing procurement operations, particularly in paragraph 2, which states that the announcement period must be determined based on the importance and complexity of the procurement project. However, **this period must not be less than 21 days from the final legal time limit for submitting proposals.**

The announcement period may be reduced to **15 days in exceptional circumstances**, where it is practically impossible to follow the general rule. In such cases, the procuring entity must issue a reasoned decision outlining the nature of these circumstances, which must be documented in the procurement procedures register.

Gherbal Initiative monitored the administrations that violated the legal announcement period for public tenders during the first year of the law's implementation. The results can be classified as follows:

| Administrations that Announced Public Tenders | Timeframe between the tender announcement and the proposal submission deadline | No. of Violating Tenders |
|---|--|--------------------------|
| Lebanese University | 18 days | 1 |
| Directorate General of the Presidency of the Council of Ministers | 20 days | 1 |
| MIC1 | 14 days | 1 |
| | 15 days No justification | 6 |
| | 16 days | 1 |
| | 18 days | 2 |
| | 19 days | 1 |
| MIC2 | 8 days | 1 |
| | 14 days | 2 |

| | | |
|--|--------------------------|---|
| Establishment of the Water of Beirut and Mount Lebanon | 19 days | 1 |
| South Lebanon Water Establishment | 16 days | 1 |
| | 18 days | 2 |
| Beirut Port Investment and Management | 13 days | 1 |
| | 15 days No justification | 1 |
| Ogero Commission | 14 days | 1 |
| | 16 days | 1 |
| Ministry of Agriculture - Directorate General of the Ministry of Agriculture | 20 days | 2 |
| Ministry of Finance - Directorate of Public Finance | 19 days | 1 |
| Ministry of Energy and Water - Directorate General of Oil | 6 days | 1 |
| | 7 days | 1 |
| | 10 days | 1 |
| | 13 days | 1 |
| | 15 days No justification | 7 |
| | 16 days | 2 |
| | 17 days | 1 |
| Total: 41 Public Tenders violated the announcement period | | |

The table above indicates the administrations that 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 purpose of the announcement is to inform bidders about the timing of the procurement, enabling them to prepare and participate in the process while promoting fair competition and equal opportunities to ensure the best value for money. Therefore, the announcement period must be sufficient to allow bidders to prepare their proposals in accordance with the nature and complexity of the procurement.

It is worth noting that the legal minimum announcement period is 21 days; however, some procurements may require longer periods to allow for proper proposal preparation. Additionally, reducing the announcement period to 15 days is an exceptional measure permitted only in cases of necessity, requiring justification, and should not be adopted as a standard practice.

2.2 The Legal Timeframe Granted to Bidders to Submit Their Proposals Starting from the Date of Tender Announcement for 2023-2024

Gherbal Initiative monitored the administrations that violated the legal announcement period for public tenders during the second year of the law's implementation. These violations can be classified as follows:

| Administrations that Announced Public Tenders | Timeframe between the tender announcement and the proposal submission deadline | No. of Violating Tenders |
|---|--|--------------------------|
| Center for Educational Research and Development | 20 days | 1 |
| Directorate General of Oil | 5 days | 1 |
| | 15 days No justification | 2 |
| | 17 days | 1 |
| | 20 days | 2 |
| High Relief Commission | 20 days | 2 |
| MIC1 | 14 days | 5 |
| | 15 days No justification | 2 |
| | 16 days | 1 |
| | 17 days | 1 |
| | 19 days | 1 |
| | 20 days | 1 |
| MIC2 | 19 days | 1 |
| Establishment of the Water of Beirut and Mount Lebanon | 15 days No justification | 1 |
| | 16 days | 1 |
| Rachaya Governmental Hospital | 14 days | 1 |
| | 15 days No justification | 1 |
| Ministry of Public Works and Transport - Directorate General of Roads and Buildings | 7 days | 1 |
| | 15 days No justification | 1 |
| | 20 days | 10 |
| Ministry of Information | 20 days | 1 |
| Total: 38 Public Tenders violated the announcement period | | |

The table above indicates the administrations that 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.

Comparison Between 2022-2023 and 2023-2024

The following observations were made regarding violations of the legal announcement period for public tenders:

- The number of violations by the Directorate General of Oil decreased from 14 to 4, a reduction by a factor of 3.5.
- MIC1 recorded the same number of violations, totaling 11.
- The number of violations by MIC2 decreased from 3 to 1, a reduction by a factor of 3.
- The number of violations by the Establishment of the Water of Beirut and Mount Lebanon increased from 1 to 2, doubling in number.
- In contrast, the following entities committed no violations during the second year of the law's implementation concerning the announcement period and setting the deadline for submitting proposals: South Lebanon Water Establishment, Beirut Port Investment and Management, Ogero Commission, Ministry of Agriculture – Directorate General of the Ministry of Agriculture, Lebanese University, Presidency of the Council of Ministers – Directorate General of the Presidency of the Council of Ministers, and Ministry of Finance – Directorate of Public Finance.
- However, the following entities violated the legal requirements during the second year: Ministry of Public Works and Transport – Directorate General of Roads and Buildings, High Relief Commission, Center for Educational Research and Development, and Ministry of Information.



3.1 The Legal Timeframe Granted to Bidders to Submit Their Proposals Starting from the Date of Request for Quotations Announcement for 2022-2023

The legislator has allowed procuring entities to use less competitive methods than public tenders when contracting with third parties, due to considerations related either to the nature of the procurement or the estimated financial ceiling of the project. Since requesting quotations is one of these methods, it is considered an exception to the public tender process. To safeguard the public interest, the legislator has established a set of rules and regulations to govern this process.

According to the Public Procurement Law, Article 58, and more precisely paragraph 4, the announcement period for requests for quotations must be sufficiently long to allow bidders to prepare their proposals in accordance with the importance and complexity of the procurement. This period must not be less than **10 days** from the final deadline for submitting proposals. The announcement period may be reduced to **5 days with a reasoned decision** in cases of justified urgency, with the justification recorded in the procurement procedures register.

Gherbal Initiative monitored the administrations that violated the legal announcement period for requests for quotations during the first year of the Public Procurement Law's implementation. The violations can be classified as follows:

| Administrations that Announced Request for Quotations | Timeframe between the request for quotations announcement and the proposal submission deadline | No. of Violating Request for Quotations |
|---|--|---|
| Directorate General of the Presidency of the Lebanese Republic | 9 days | 1 |
| Directorate General of Oil | 8 days | 1 |
| Litani River Authority | 6 days | 1 |
| | 7 days | 1 |
| Municipality of El Mina | 4 days | 1 |
| MIC2 | 7 days | 2 |
| Rachaya Governmental Hospital | 9 days | 1 |
| Ogero Commission | 6 days | 1 |
| MIC1 | 5 days | 1 |
| | 6 days | 2 |
| | 7 days | 3 |
| | 8 days | 2 |
| Total: 17 Requests for Quotations violated the announcement period | | |

The table above indicates the administrations that 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

3.2 The Legal Timeframe Granted to Bidders to Submit Their Proposals Starting from the Date of Request for Quotations Announcement for 2023-2024

Gherbal Initiative monitored the administrations that violated the legal announcement period for requests for quotations during the second year of the law's implementation. These violations can be classified as follows:

| Administrations that Announced Request for Quotations | Timeframe between the request for quotations announcement and the proposal submission deadline | No. of Violating Request for Quotations |
|---|--|---|
| MIC1 | 2 days | 1 |
| | 5 days | 2 |
| | 7 days | 1 |
| | 9 days | 1 |
| MIC2 | 6 days | 1 |
| | 7 days | 3 |
| | 8 days | 4 |
| | 9 days | 4 |
| Municipality of El Mina | 4 days | 1 |
| High Relief Commission | 3 days | 1 |
| Litani River Authority | 7 days | 1 |
| Tripoli Governmental Hospital | 7 days | 3 |
| Rachaya Governmental Hospital | 7 days | 1 |
| | 8 days | 1 |
| | 9 days | 1 |
| Ministry of Public Works and Transport - Directorate General of Roads and Buildings | 2 days | 10 |
| | 3 days | 9 |
| | 6 days | 38 |
| Total: 83 Requests for Quotations violated the announcement period | | |

The table above indicates the administrations that 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

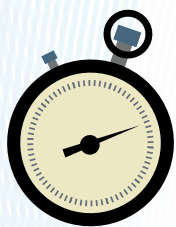
Litani River Authority, Higher Relief Commission, and Municipality of El Mina: 1 violation each.

Comparison Between 2022-2023 and 2023-2024

The following observations were made regarding violations of the legal announcement period for requests for quotations:

- The number of violations by MIC1 decreased from 8 to 5, a reduction by a factor of 1.6
- The number of violations by the Litani River Authority decreased from 2 to 1
- The Municipality of El Mina recorded only 1 violation, similar to the previous year
- The number of violations by MIC2 increased from 2 to 12, an increase by a factor of 6.
- The number of violations by Rachaya Governmental Hospital increased from 1 to 3, an increase by a factor of 3.
- In contrast, the following entities committed no violations during the second year of the laws implementation concerning the announcement period and setting the deadline for submitting proposals: Directorate General of the Presidency of the Lebanese Republic, Directorate General of Oil, and Ogero Commission.





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

Gherbal Initiative has monitored public procurement operations that violated the provisions of the Public Procurement Law, including public auctions. However, it is noteworthy that the Public Procurement Law does not explicitly address auctions or their procedures. This gap prompted the Public Procurement Authority to issue Memorandum No. 7/PPA/2022, clarifying the applicability of the law to direct contracts, requests for proposals, and public auctions.

The memorandum concluded that all procurement operations conducted through direct contracts, requests for proposals, and public auctions are subject to the provisions of the Public Procurement Law. Therefore, the procuring entity must specify the opening price in the bidding documents and invite bidders to submit proposals exceeding the stipulated value. Failure to determine an opening price constitutes a legal violation and undermines the principles of transparency, publicity, and equal opportunity.

| Administration | No. of Violations | Violations |
|---|-------------------|---|
| Lebanese University | 2 | Auction was awarded below the opening price |
| Municipality of Rayfoun | 1 | Opening price was declared confidential |
| Municipality of Ain Dara | 1 | Opening price not indicated |
| Municipality of Falougha-Khalwet Falougha | 1 | Opening price not indicated |
| Municipality of Qornayel | 1 | Opening price not indicated |
| Municipality of Qaitouli | 1 | Auction was awarded below the opening price |
| MIC1 | 2 | Opening price not indicated |
| Municipality of Kfarhim | 1 | Opening price not indicated |
| Municipality of KfarSelwan | 1 | Opening price not indicated |
| Municipality of Maaser El Chouf | 1 | Opening price not indicated |
| MIC2 | 1 | Opening price not indicated |
| South Lebanon Water Establishment | 1 | Opening price not indicated |
| Tyre Port Authority | 1 | Opening price not indicated |

The figures represented in the table above show that 12 public auctions were announced without specifying an opening price. Additionally, 3 auctions were awarded at prices below the specified opening price.

4.2 The Legal Timeframe Granted to Bidders to Submit Their Proposals Starting from the Date of Public Auction Announcement for 2022-2023

Public auctions are subject to the same procedures applied to public tenders, requiring an announcement period of 21 days, which may be reduced to 15 days if the reduction is explicitly declared and justified. Gherbal Initiative monitored the entities that violated the legal announcement period for public auctions during the first year of implementing the Public Procurement Law. The violations can be classified as follows:

| Administrations that Announced Public Auctions | Timeframe between the public auction announcement and the proposal submission deadline | No. of Violating Auctions |
|--|--|---------------------------|
| Litani River Authority | 18 days | 1 |
| Municipality of Arkey - Saida District | 14 days | 1 |
| Municipality of Mansoura | 16 days | 1 |
| Municipality of Bkassine | 18 days | 1 |
| Municipality of Jeb Jannine | 18 days | 1 |
| Municipality of Rayfoun | 9 days | 1 |
| Municipality of Falougha-Khalwet Falougha | 7 days | 1 |
| Ministry of Agriculture - Directorate General of the Ministry of Agriculture | 19 days | 1 |
| Total: 8 Public Auctions violated the announcement period | | |

The table above indicates that 8 entities violated the procedures for public auctions concerning the announcement period.



4.3 The Legal Timeframe Granted to Bidders to Submit Their Proposals Starting from the Date of Public Auction Announcement for 2023-2024

Gherbal Initiative monitored the administrations that violated the legal announcement period for public auctions during the second year of the law's implementation. These violations can be classified as follows:

| Administrations that Announced Public Auctions | Timeframe between the public auction announcement and the proposal submission deadline | No. of Violating Auctions |
|---|--|---------------------------|
| Municipal Union of Baalbek | 11 days | 1 |
| Municipality of Marj | 19 days | 1 |
| Municipality of Barsa | 20 days | 1 |
| Municipality of Sabbah | 20 days | 1 |
| Municipality of Ain Dara | 1 day | 1 |
| | 17 days | 1 |
| Municipality of Qaitouli | 15 days | 1 |
| Municipality of Kfarhim | 18 days | 1 |
| Municipality of KfarSelwan | 18 days | 1 |
| Municipality of Maaser El Chouf | 15 days | 1 |
| Municipality of Mayfadoun | 15 days | 1 |
| MIC1 | 17 days | 1 |
| Rachaya Governmental Hospital | 19 days | 1 |
| Total: 13 Public Auctions violated the announcement period | | |

The table above indicates that 13 entities violated the procedures for public auctions concerning the announcement period.

Workshops Organized by Gherbal:

In collaboration with MEPI and Institut des Finances Basil Fuleihan (IOF), Gherbal conducted a series of 20 workshops across Lebanon. These workshops aim to raise awareness and cultivate both citizens and public sector employees about the new Public Procurement Law. The workshops were held in all Lebanese governorates.

Gherbal was supposed to organize 2 workshops in each governorate: one for public employees to enhance their understanding of the new law and promote compliance, and another for residents (citizens, CSOs, and SMEs) to encourage their participation in public affairs, thus fostering accountability. However, the months-long strike by public employees prevented the Initiative from inviting them to attend 3 workshops designated for them. These workshops were dedicated instead to citizens.

As for towns, the state of war and Israeli aggression posed a significant obstacle, preventing the Initiative from organizing the designated workshops in Jezzine, Marjeioun, Hasbaya, and Tyre. Consequently, these workshops were exceptionally relocated to Beirut.



In total, Gherbal Initiative organized 8 workshops for public employees and 12 workshops for citizens.

Between November 2022 and August 2024, the Initiative held 20 workshops across various towns, with a total of 515 participants.

- Tripoli (27 participants)
- Saida (17 participants)
- Beirut 1 (21 participants)
- Bekaa (35 participants)
- Baalbek (35 participants)
- Jbeil (31 participants)
- Beirut 2 (31 participants)
- Zahle (36 participants)
- Zgharta (38 participants)
- Tripoli 2 (41 participants)
- Nabatieh (31 participants)
- Metn (20 participants)
- Akkar (37 participants)
- Keserwan (18 participants)
- Chouf 2 (32 participants)
- Beirut 3 (11 participants)
- Beirut 4 (14 participants)
- Beirut 5 (19 participants)
- Beirut 6 (12 participants)



Out of the total 515 participants, 510 completed the pre- and post-workshop evaluation tests. This enabled Gherbal Initiative to assess the effectiveness of the workshops in enhancing participants' knowledge and equipping them with valuable information and insights.

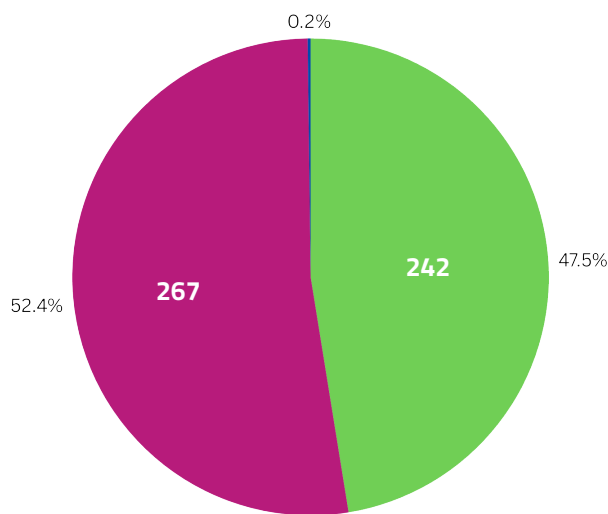


Note: All data collected and analyzed in the following sections of the report are based on the information provided by participants in the aforementioned tests.

Distribution of the 20 Workshops Attendees According to their Gender, Age, and Background

1. Breakdown by Gender

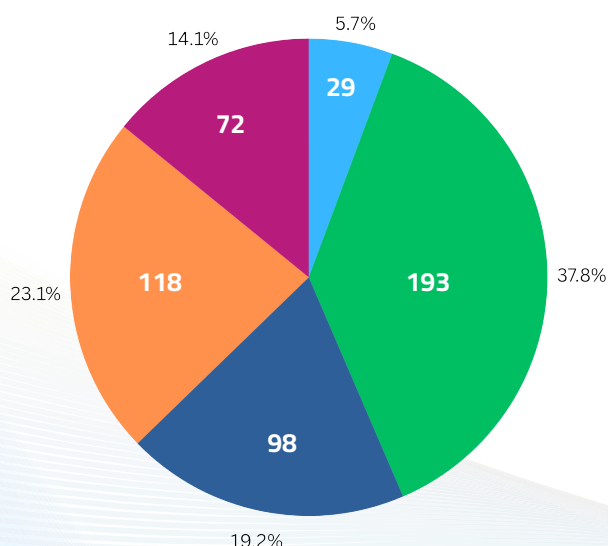
- Female
- Male
- Prefer not to specify (1)



A total of 267 females, 242 males, and one person who preferred not to specify their gender participated in these workshops. Despite a slight difference in the number of males and females, the female participation rate exceeded 50% of the number of attendees, indicating women’s interest and desire to engage in public affairs.

2. Breakdown by Age

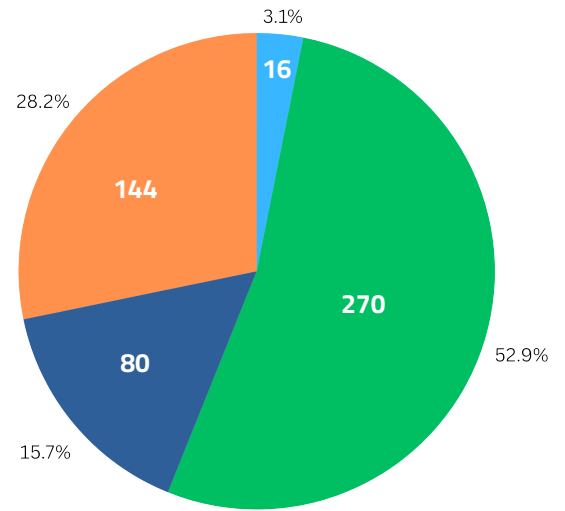
- 18-20
- 21-30
- 31-40
- 41-50
- 51-64



This chart reflects the ages of the workshop’s attendees. It shows that the most represented age group was 21-30 years, amounting to 37.8% of the participants. This figure indicates the enthusiasm of young Lebanese people for effective monitoring and accountability through participation in workshops that allow them to understand reform laws and their implementation mechanism, and equip them with the tools needed to perform their oversight duties to achieve necessary reforms and promote integrity and accountability in public financial management.

The chart also shows that the second most represented age group was 41-50 years, comprising 23.1% of the total attendees. This age group includes many public sector employees who have extensive experience in managing bids and public accounting.

3. Breakdown by Background



We note that the 20 workshops were divided between 8 workshops for the public sector and 12 others for citizens, civil society organizations and small and medium-sized enterprises.

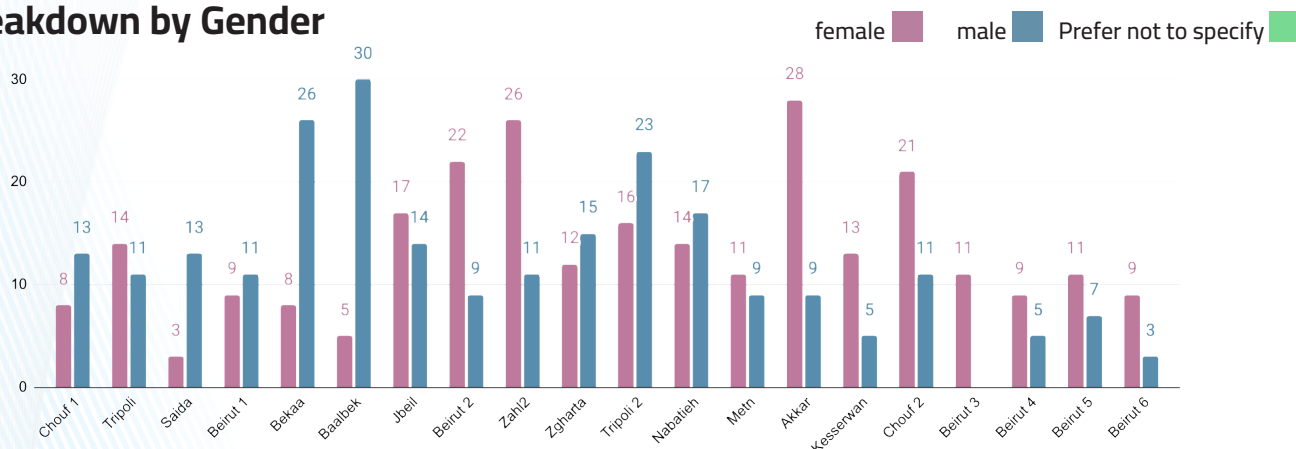
The majority of attendees were public sector employees, who represented more than half of the total participants, accounting for 53% of the total. As for the "Other" category, it mostly included university students who wish to expand their knowledge of the new Public Procurement Law.

Civil society organizations ranked third with 80 participants, or 15.7% of the total, which is due to their focus on involving youth in such discussions, thus developing their ability to contribute to necessary reforms and preparing them for future responsibilities in this field.

Regarding small and medium-sized enterprises, the law encourages their involvement and provides incentives to boost local production. The Public Procurement Law is an important step in strengthening these businesses in the Lebanese economy, which requires efforts to ensure its success.

Distribution of Each Workshops Attendees According to their Gender, Age, and Background

1. Breakdown by Gender

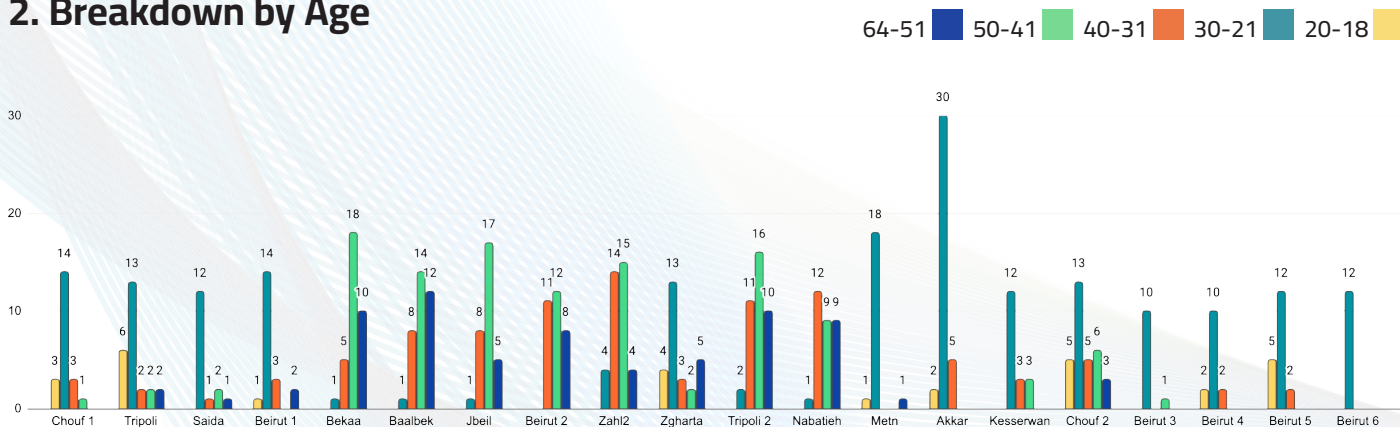


The chart above shows the distribution of attendees by gender, highlighting clear differences between regions. In both Bekaa and Baalbek, 35 people participated; however, only 9 females attended in Bekaa, constituting 25% of the total, and 6 females attended in Baalbek, accounting for 17%. These gender gaps are not only due to the differences in the Lebanese citizens' interests but are also influenced by the gender distribution of employees in the public sector, where older male employees hold the majority of positions. As a result, the gender disparity is more obvious in these regions.

On the other hand, female attendees dominated the workshops held in Beirut, Zahle, and Akkar. In the second workshop organized in Beirut, 22 females participated out of 31 attendees, accounting for 80% of the participants. Similarly, 26 females participated in Zahle out of 37 attendees, which is 70% of the total. Additionally, in Akkar, 28 females attended out of 37, which constitutes 75%.

Notably, 11 female participants attended the third workshop in Beirut, which constituted 100% of participants.

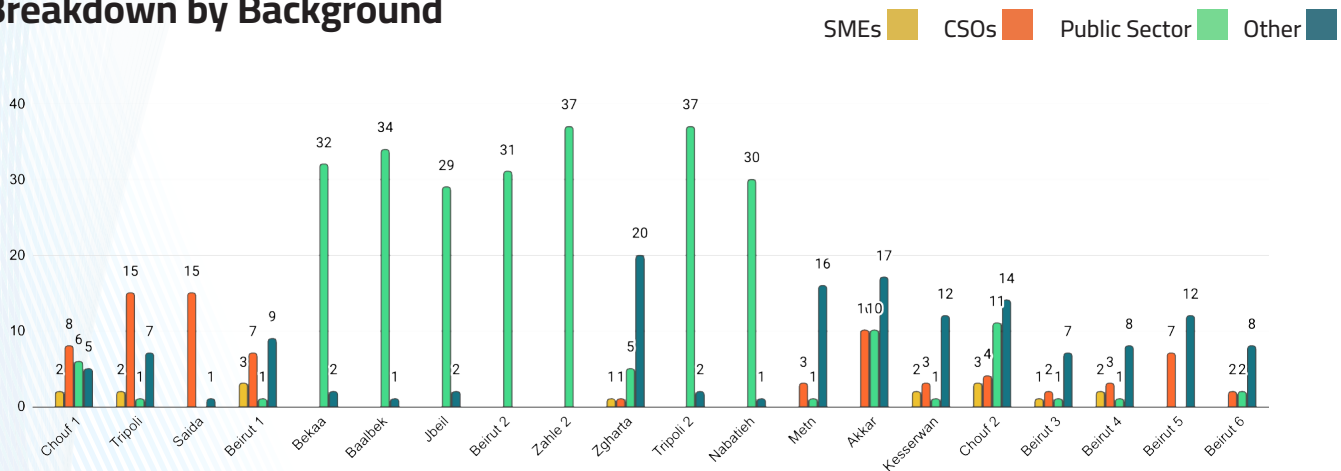
2. Breakdown by Age



The data shows that the workshops attracted a diverse group of participants, with a notable focus on middle-aged groups.

In terms of age distribution, the 21-30 age group was the most represented overall in most regions where workshops were organized for citizens, civil society, and small and medium-sized businesses. On the other hand, the 31-40 and 41-50 age groups were the most represented in most regions where the workshops were targeted at public sector employees.

3. Breakdown by Background



According to the data, Beirut (second workshop), Baabda, and Zahle recorded the highest participation rates from public sector employees. This indicates the interest of administrations, municipalities, and public entities in these areas in attending workshops related to the new Public Procurement Law. This interest seems to be linked to the administrative centralization in these regions.

In contrast, remote areas like Akkar, Tripoli, and Saïda showed greater diversity in participant categories. Civil society organizations (CSOs) and the "Other" category, which mainly includes university students, made up a significant portion of the participants in these areas. This reflects the growing activity of civil society in these regions, where these organizations play a vital role in developing local communities.

Participation from small and medium-sized enterprises (SMEs) was relatively low in most regions, indicating that private sector involvement in the workshops remains limited compared to other groups, particularly public sector employees and civil society organizations.

It is also worth noting that the last 4 workshops were held in Beirut between late March and late August 2024. This coincided with the onset of the Israeli aggression on the country, which explains the decrease in participation, as attending workshops was no longer a priority during this period.

We can draw the following conclusions from the above charts:

- Public Sector Participation:** There is a clear trend of higher participation from the public sector in regions with centralized administrative aspects. Meanwhile, rural areas rely more heavily on civil society organizations and other diverse groups. Small and medium-sized enterprises (SMEs) remain underrepresented in the workshops, highlighting the need to encourage their involvement in the future.
- Average Age in the Public Sector:** The average age of public sector employees in areas such as Bekaa, Baalbek, Tripoli, and Nabatieh tends to be higher than in other regions. In contrast, younger generations have started joining public administrations in Beirut and Zahle.
- Gender Disparities:** Gender disparities favor males more prominently in regions like Bekaa and Baalbek, whereas participation tends to favor females in Beirut, Zahle, and Akkar.
- In terms of age groups,** the youngest age group is the most represented in workshops dedicated to citizens and civil society organizations, while the older age group accounts for the highest percentage in workshops targeting the public sector.

To assess the impact of the workshops on attendees, Gherbal Initiative created pre and post-tests to evaluate the gained knowledge. The evaluation consists of 16 questions related to the new Public Procurement Law. These questions covered various aspects of the law, including the principles of public procurement, procurement procedures, announcements and deadlines, clarification requests, awarding and acceptance methods, and other relevant information.

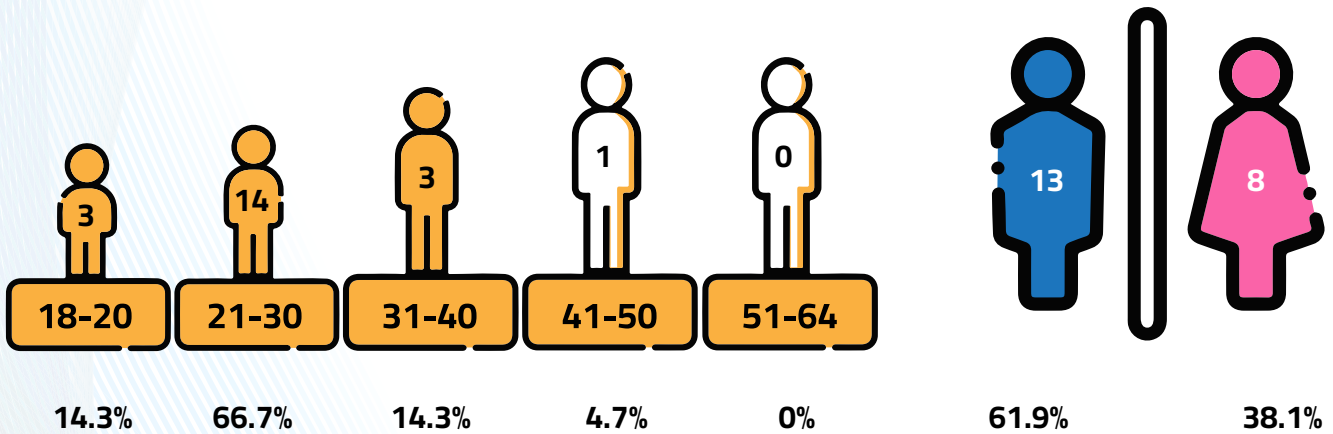
Attendees Answers According to Evaluation Tests

1. Chouf Workshop (1)

Target audience: citizens, civil society organizations, and small and medium-sized enterprises.

Date and time: Saturday, November 5, 2022, from 9:30 AM to 4:30 PM.

Location: Chehim Hall - Chouf.



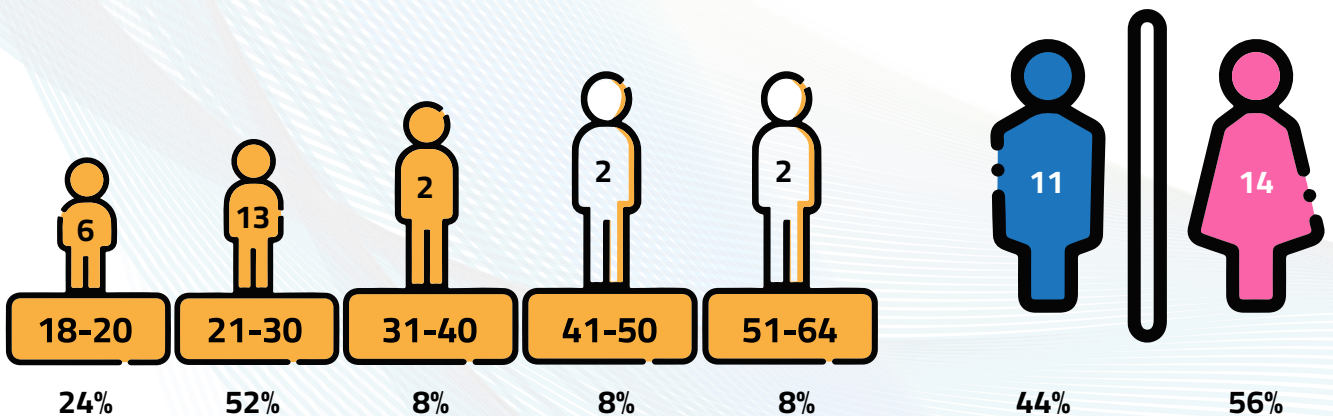
By analyzing the answers on the pre- and post-tests we can conclude that the average percentage of correct answers for the 16 questions has improved by 20%.

2. Tripoli Workshop (1)

Target audience: citizens, civil society organizations, and small and medium-sized enterprises.

Date and time: Saturday, December 10, 2022, from 9:30 AM to 4:30 PM.

Location: Dar El Qamar Restaurant - Tripoli



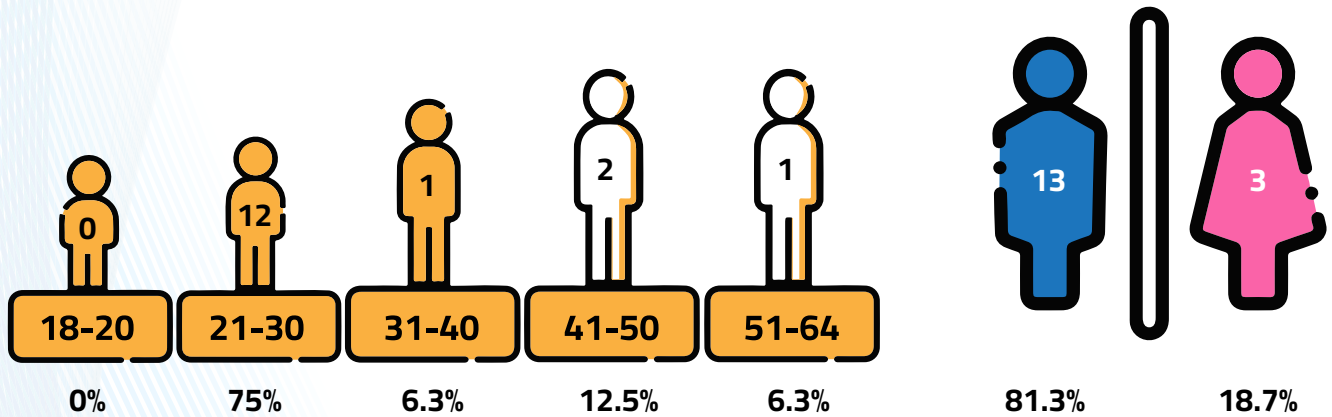
By analyzing the answers on the pre- and post-tests we can conclude that the average percentage of correct answers for the 16 questions has improved by 42%.

3. Saida Workshop

Target audience: citizens, civil society organizations, and small and medium-sized enterprises.

Date and time: Saturday, January 21, 2023, from 9:30 AM to 4:30 PM.

Location: Al Moltaqa - Saida



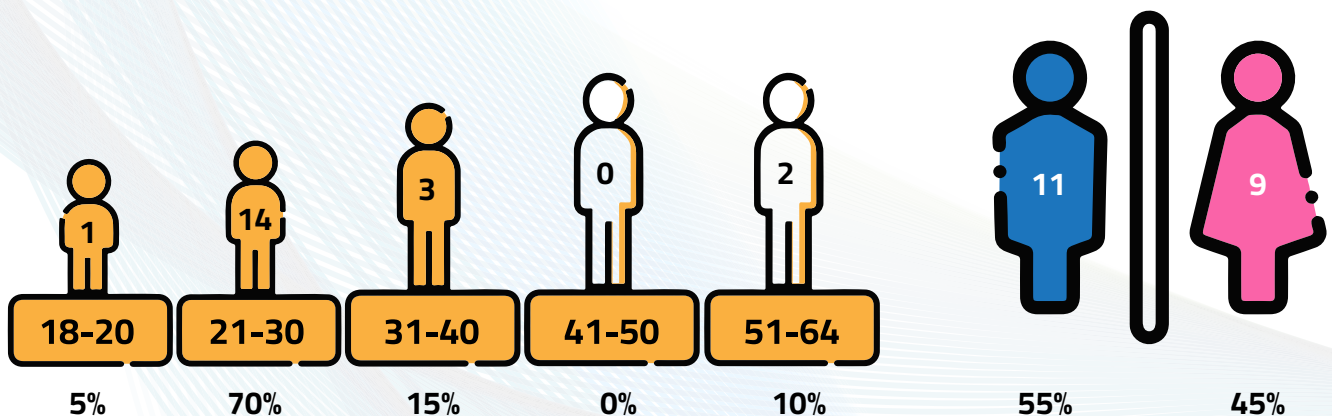
By analyzing the answers on the pre- and post-tests we can conclude that the average percentage of correct answers for the 16 questions has improved by 22.2%.

4. Beirut Workshop (1)

Target audience: citizens, civil society organizations, and small and medium-sized enterprises.

Date and time: Saturday, February 11, 2023, from 9:30 AM to 4:30 PM.

Location: Nahnoo - Furn El Chebbak



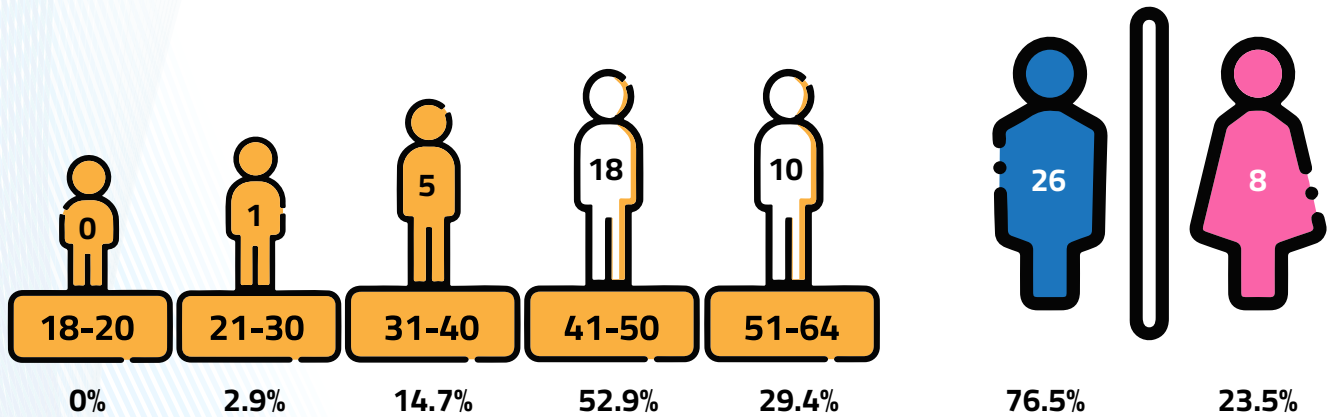
By analyzing the answers on the pre- and post-tests we can conclude that the average percentage of correct answers for the 16 questions has improved by 53.3%.

5. Bekaa Workshop

Target audience: public employees.

Date and time: Saturday, February 25, 2023, from 9:30 AM to 4:30 PM.

Location: Domaine De Chouchène - Qab Elias



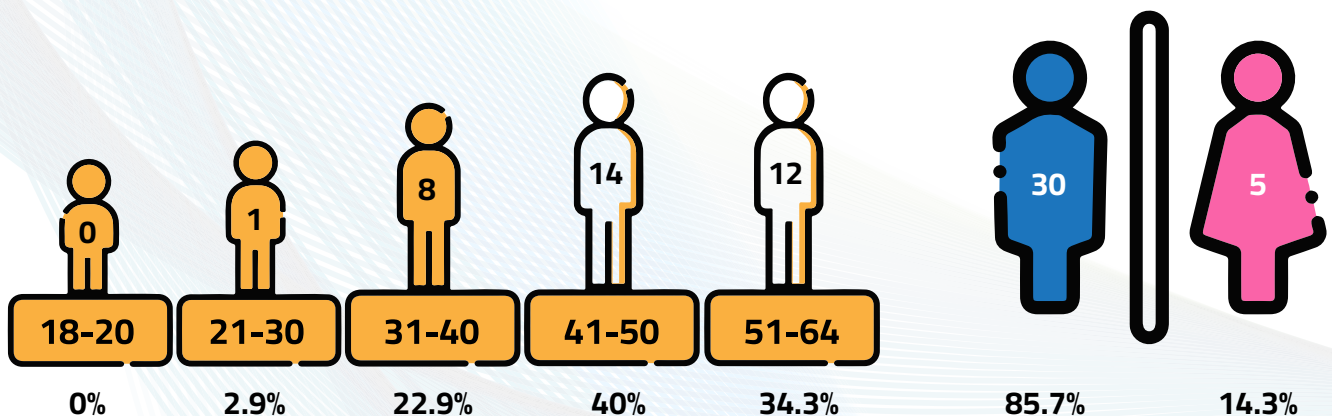
By analyzing the answers on the pre- and post-tests we can conclude that the average percentage of correct answers for the 16 questions has improved by 28.2%.

6. Baalbek Workshop

Target audience: public employees.

Date and time: Saturday, March 18, 2023, from 9:30 AM to 4:30 PM.

Location: Kanaan Group Hotel - Ras El Ain - Baalbek



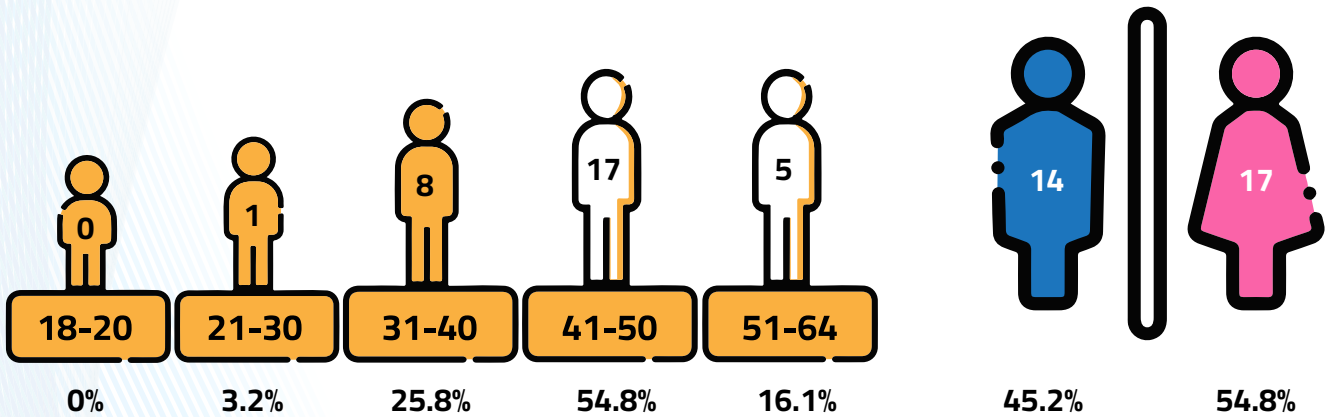
By analyzing the answers on the pre- and post-tests we can conclude that the average percentage of correct answers for the 16 questions has improved by 28.5%.

7. Jbeil Workshop

Target audience: public employees.

Date and time: Wednesday, March 29, 2023, from 9:30 AM to 4:30 PM.

Location: Maximus Hotel - Jbeil



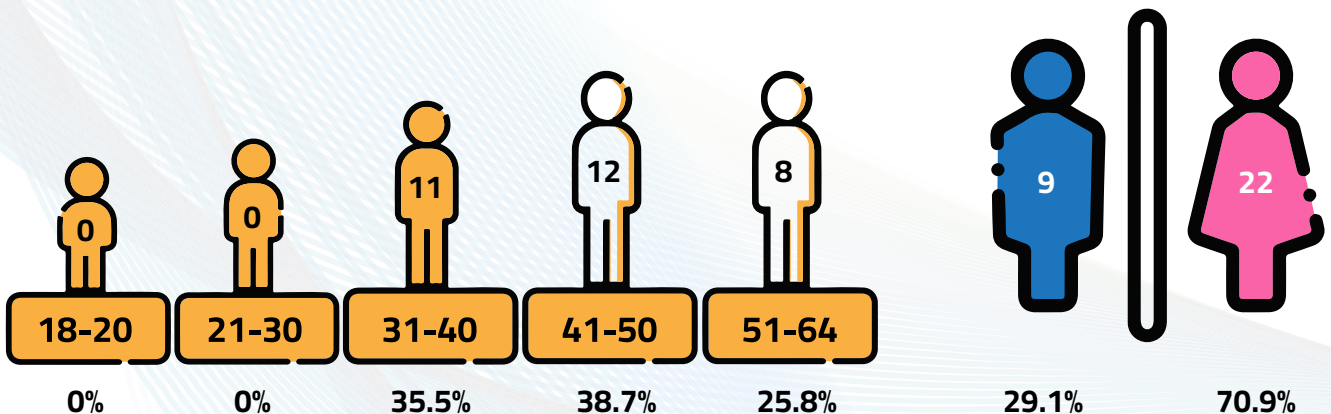
By analyzing the answers on the pre- and post-tests we can conclude that the average percentage of correct answers for the 16 questions has improved by 35.6%.

8. Beirut Workshop (2)

Target audience: public employees.

Date and time: Thursday, April 13, 2023, from 9:30 AM to 4:30 PM.

Location: Fabrika - Achrafieh - Beirut



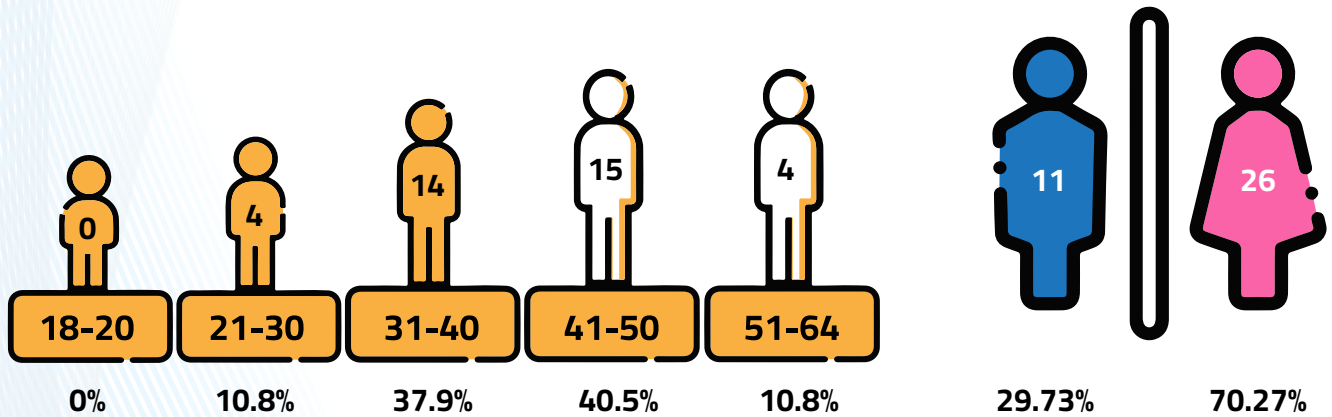
By analyzing the answers on the pre- and post-tests we can conclude that the average percentage of correct answers for the 16 questions has improved by 19%.

9. Zahle Workshop

Target audience: public employees.

Date and time: Thursday, April 20, 2023, from 9:30 AM to 4:30 PM.

Location: Grand Kadri - Zahle



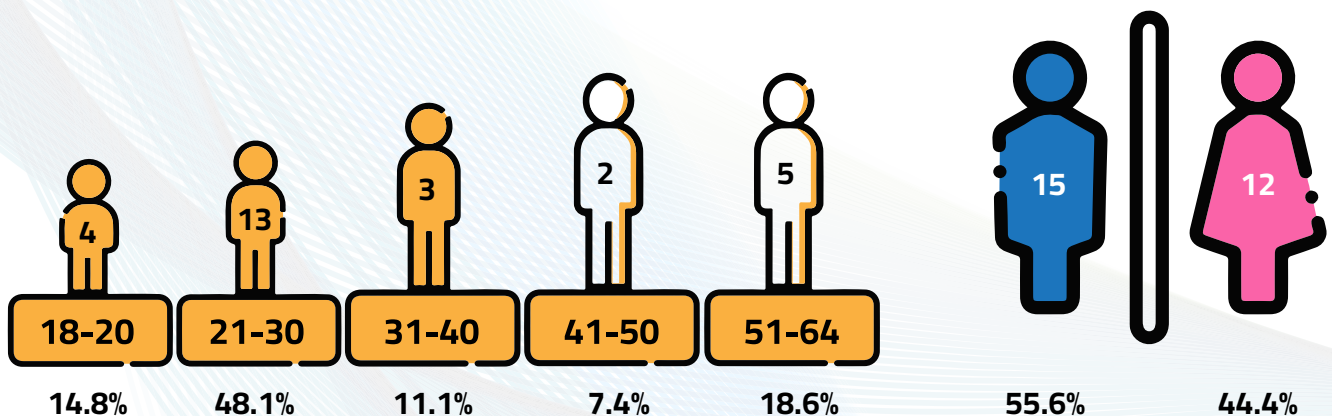
By analyzing the answers on the pre- and post-tests we can conclude that the average percentage of correct answers for the 16 questions has improved by 37.67%.

10. Zgharta Workshop

Target audience: citizens, civil society organizations, and small and medium-sized enterprises.

Date and time: Monday, June 3, 2023, from 9:30 AM to 4:30 PM.

Location: Osos - Zgharta



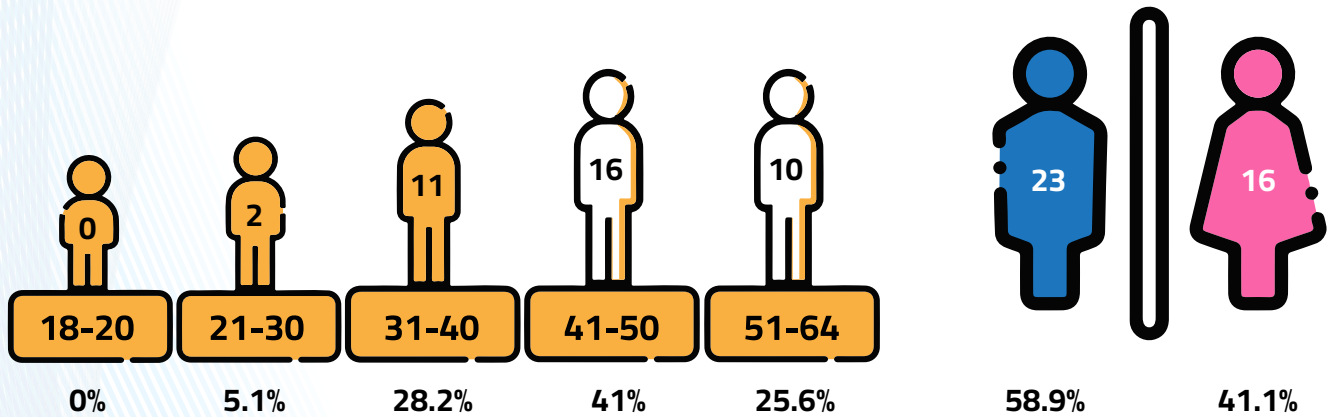
By analyzing the answers on the pre- and post-tests we can conclude that the average percentage of correct answers for the 16 questions has improved by 27.6%.

11. Tripoli Workshop (2)

Target audience: public employees.

Date and time: Monday, June 19, 2023, from 9:30 AM to 4:30 PM.

Location: Dar El Qamar Restaurant - Tripoli



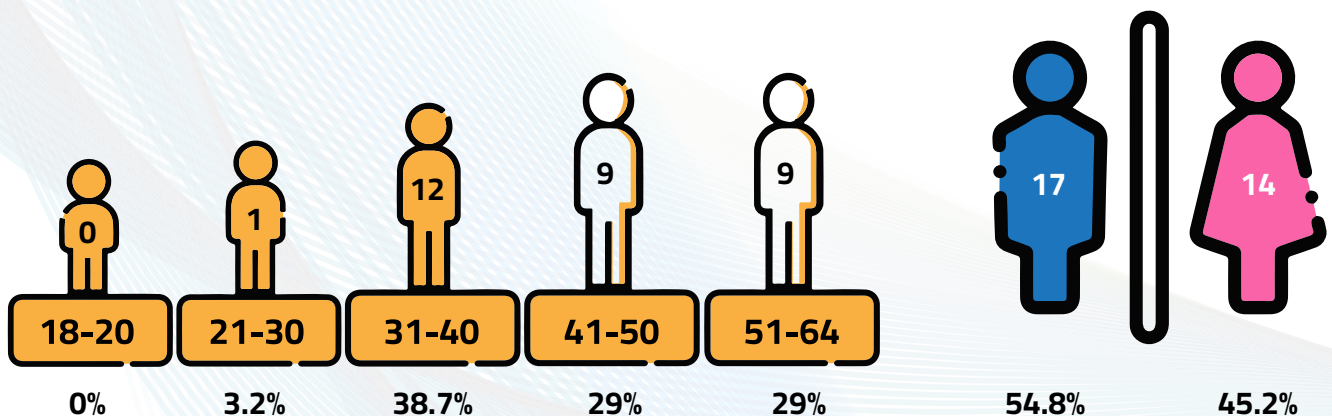
By analyzing the answers on the pre- and post-tests we can conclude that the average percentage of correct answers for the 16 questions has improved by 20%.

12. Nabatieh Workshop

Target audience: public employees.

Date and time: Tuesday, July 25, 2023, from 9:30 AM to 4:30 PM.

Location: Lendario Hotel - Nabatieh



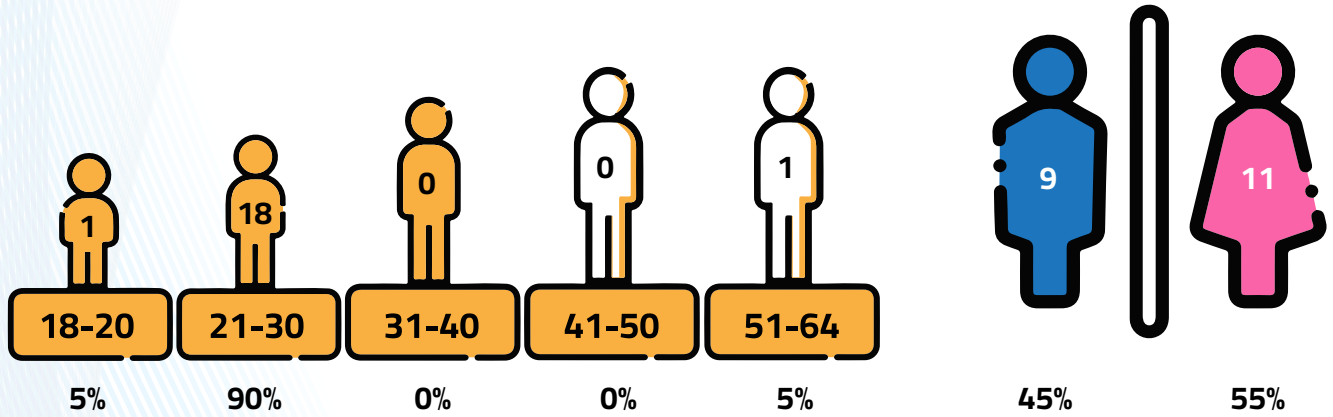
By analyzing the answers on the pre- and post-tests we can conclude that the average percentage of correct answers for the 16 questions has improved by 23%.

13. Metn Workshop

Target audience: citizens, civil society organizations, and small and medium-sized enterprises.

Date and time: Saturday, August 19, 2023, from 9:30 AM to 4:30 PM.

Location: Le Crayon Hotel - Broummana



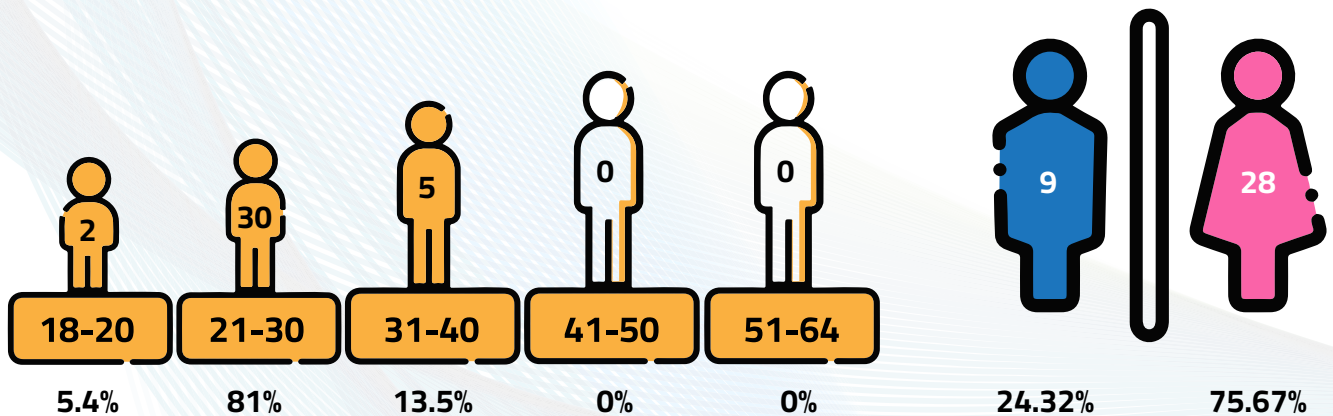
By analyzing the answers on the pre- and post-tests we can conclude that the average percentage of correct answers for the 16 questions has improved by 29.38%.

14. Akkar Workshop

Target audience: citizens, civil society organizations, and small and medium-sized enterprises.

Date and time: Saturday, August 26, 2023, from 9:30 AM to 4:30 PM.

Location: Sarnay Restaurant - Akkar



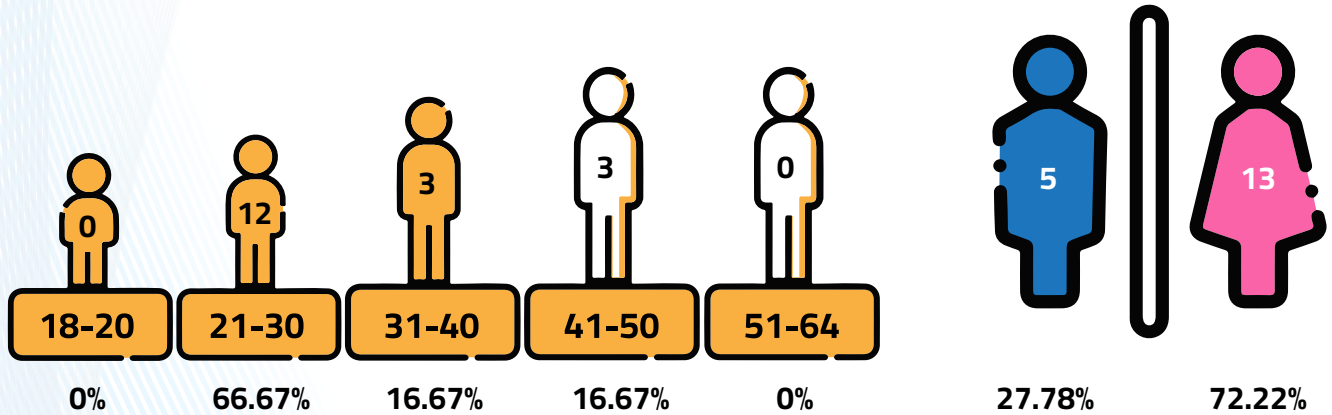
By analyzing the answers on the pre- and post-tests we can conclude that the average percentage of correct answers for the 16 questions has improved by 41.39%.

15. Kesserwan Workshop

Target audience: citizens, civil society organizations, and small and medium-sized enterprises.

Date and time: Saturday, September 16, 2023, from 9:30 AM to 4:30 PM.

Location: Madisson Hotel - Jounieh



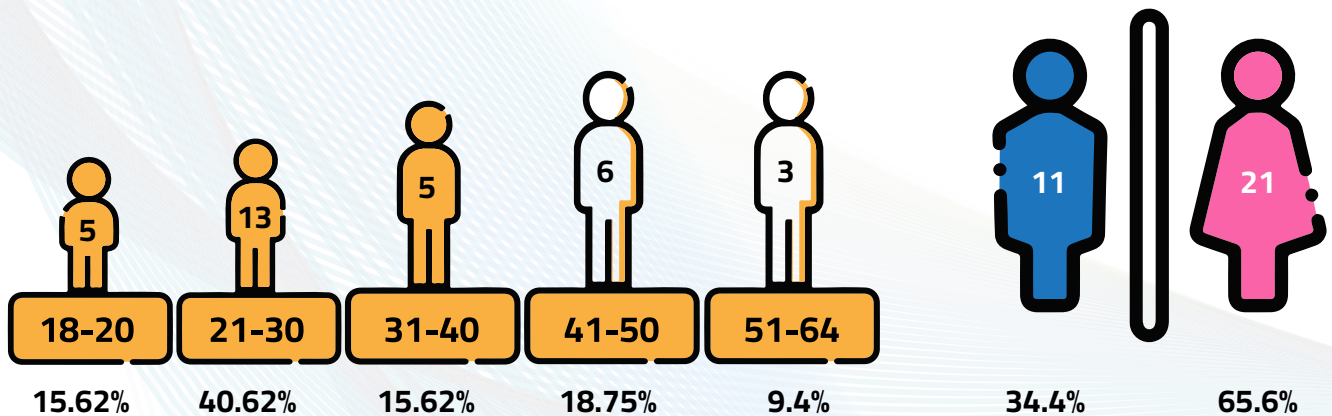
By analyzing the answers on the pre- and post-tests we can conclude that the average percentage of correct answers for the 16 questions has improved by 36.46%.

16. Chouf Workshop (2)

Target audience: citizens, civil society organizations, and small and medium-sized enterprises.

Date and time: Saturday, October 28, 2023, from 9:30 AM to 4:30 PM.

Location: Park Innovation - Chouf



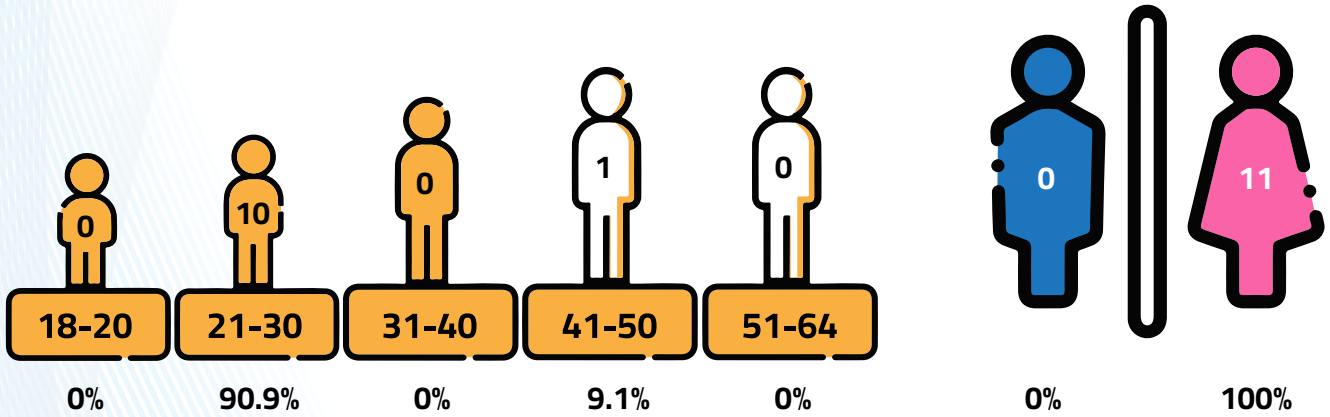
By analyzing the answers on the pre- and post-tests we can conclude that the average percentage of correct answers for the 16 questions has improved by 44.14%.

17. Beirut Workshop (3)

Target audience: citizens, civil society organizations, and small and medium-sized enterprises.

Date and time: Saturday, March 16, 2024, from 9:30 AM to 4:30 PM.

Location: Gherbal initiative - Badaro - Beirut



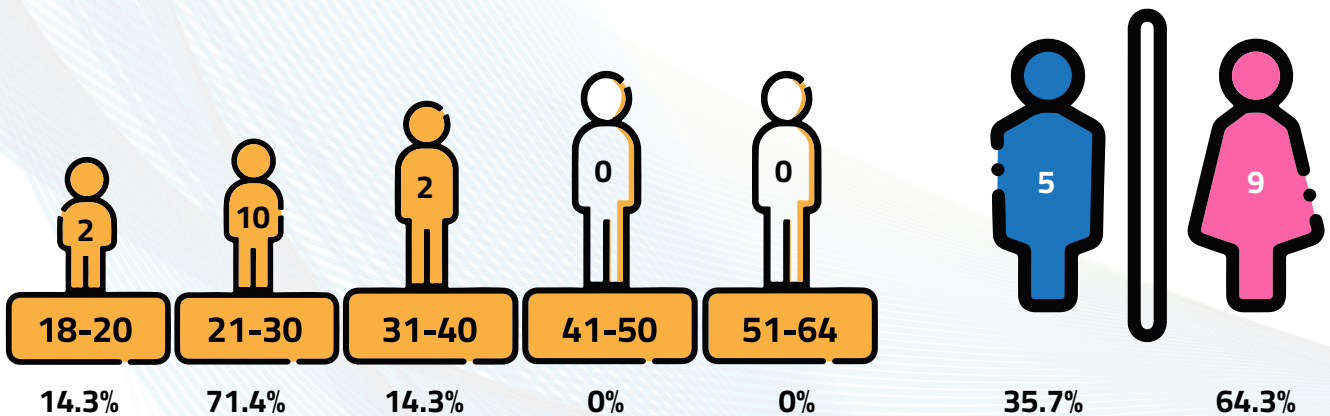
By analyzing the answers on the pre- and post-tests we can conclude that the average percentage of correct answers for the 16 questions has improved by 27.84%.

18. Beirut Workshop (4)

Target audience: citizens, civil society organizations, and small and medium-sized enterprises.

Date and time: Saturday, May 18, 2024, from 9:30 AM to 4:30 PM.

Location: Royal Tulip Hotel - Achrafieh



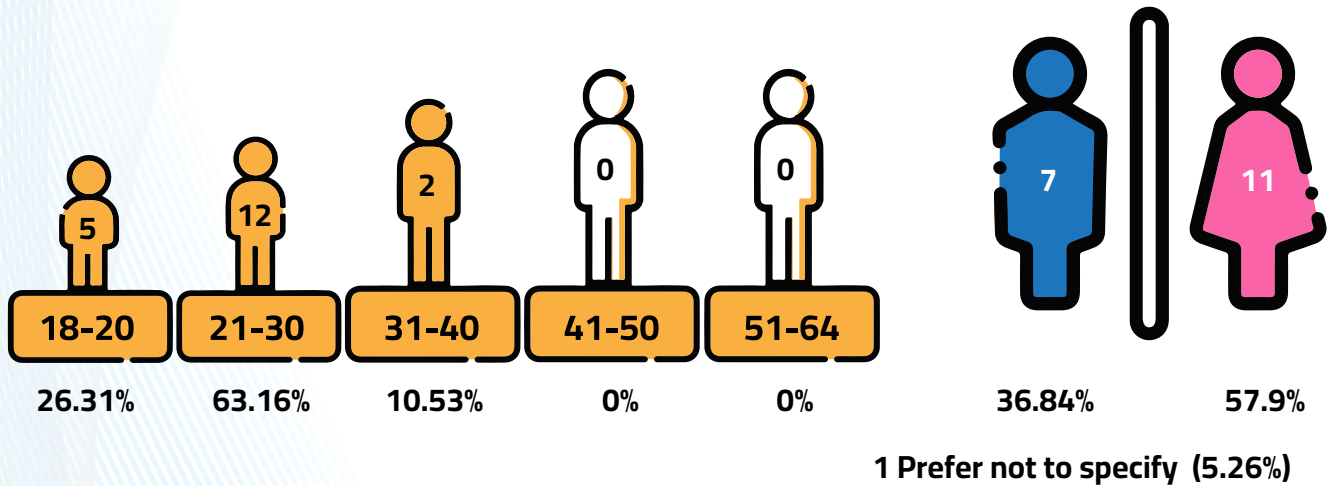
By analyzing the answers on the pre- and post-tests we can conclude that the average percentage of correct answers for the 16 questions has improved by 32.14%.

19. Beirut Workshop (5)

Target audience: citizens, civil society organizations, and small and medium-sized enterprises.

Date and time: Saturday, August 3, 2024, from 9:30 AM to 4:30 PM.

Location: Royal Tulip Hotel - Achrafieh



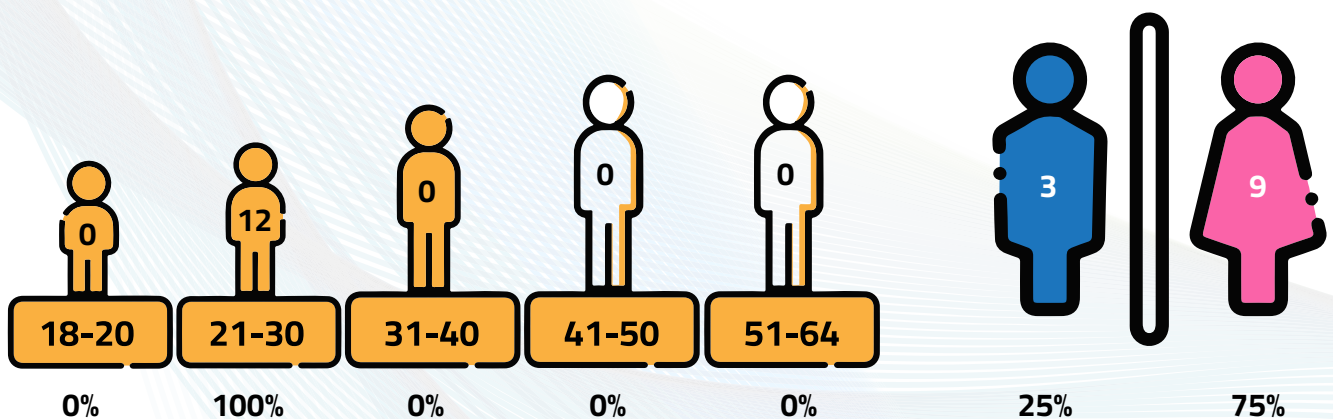
By analyzing the answers on the pre- and post-tests we can conclude that the average percentage of correct answers for the 16 questions has improved by 29.61%.

20. Beirut Workshop (6)

Target audience: citizens, civil society organizations, and small and medium-sized enterprises.

Date and time: Saturday, August 31, 2023, from 9:30 AM to 4:30 PM.

Location: Royal Tulip Hotel - Achrafieh



By analyzing the answers on the pre- and post-tests we can conclude that the average percentage of correct answers for the 16 questions has improved by 21.35%.

