

Reforming Public Procurement in Lebanese Local Authorities: Challenges and Ways Forward*

Executive Summary

Public procurement – the purchase of works, goods, and services with government funds – is a crucial economic activity for public authorities worldwide, particularly at the local and regional levels. Properly implemented, public procurement offers Lebanese local authorities the potential to optimise their funds, improve the lives of their residents and stimulate local economic development.

Currently, Lebanon's public procurement is governed by an outdated and fragmented set of laws and decrees that enables corruption and clientelism. It is one of the main structural challenges to local authorities' institutional resilience which is preventing them from providing high-quality services in a cost-efficient and accountable manner.

Public Procurement: A Tool for Strategic Planning

To overcome this, Lebanon's central government should formulate a unified body of legislation addressing the circumstances of local authorities. This new legal framework should be comprehensive and based on accepted principles and standards to limit mismanagement, corruption, and collusion in Lebanese

administrations, including local authorities. The law should emphasise freedom of access, proper documentation, environmental sustainability, accountability, competitiveness, equal treatment, and transparency.

The central government should enable local authorities to prioritise public procurement as a strategic, developmental tool, and to manage the procurement cycle in an accountable manner. Because of the unpredictability and lack of transparency of the fiscal equalisation transfers from central government to local authorities, municipal officials do not view public procurement as part of their strategic goals. This is reinforced by the lack of proper guidance and oversight. As a result, local authorities neither plan their spending nor draw up follow-up financial reports.

Proper planning is key for any successful procurement processes; it is integral for the success or failure of entire procurement operations. The central government should ensure timeliness and transparency in managing the fiscal equalisation system to allow local authorities to better prioritise and plan their development goals before planning their procurement needs.

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Also, to facilitate effective planning, Lebanon's Civil Service Council needs to create an official procurement position in all local authorities instead of leaving procurement-related functions with assorted administrative and financial officials. These specialised public procurers should apply and mainstream the strategic aims of public procurement in the work of local authorities and ensure transparency and accountability in the process.

Creating an Enabling Environment for Competition

Ensuring fair competition is a cornerstone for achieving best practices in public procurement and avoiding waste of funds. So far, local authorities in Lebanon have been susceptible to non-competitive procurement processes.

While Lebanon's regulatory framework mandates the purchase of goods, service and works through public tenders, local authorities commonly circumvent the obligation of tender requests by turning to vendor bills, which undermines competition. Vendor-billing is a procurement method mainly used for small, low-cost transactions. Municipal officials commonly partition large contracts into segments and procure most goods and services by avoiding public tenders, prior approvals, and proper documentation.

Local authorities should also abandon the use of vague clauses or requisition requests tailored for a favoured bidder. Tender documents must include clear information for bidders to submit their bid. All interested and qualified bidders must have the right to do business with local authorities under equal conditions.

As such, the adoption of Standard Bidding Documents (SBDs) is an important part of facilitating fair competition. These documents, which follow set templates that can be modified on a case-by-case basis, ensure that all bidders have access to the same detailed and precise information. Bidders can use this data to set their prices more accurately.

Ensuring Oversight and Accountability

At present, only 7 percent of local authorities are subject to the oversight of the Audit Court, which handles financial jurisdiction, and 5.7 percent are subject to the General Controller, who is responsible for monitoring and auditing the work of local authorities on behalf of the Ministry of Interior and Municipalities (MoIM).

To ensure proper oversight of municipal procurement, oversight mechanisms of local authorities' procurement efforts must be unified and applied to all local authorities, as gaps in the current system have hindered accountability. This poses enormous staffing and training challenges for the MoIM and the Audit Court, which are already understaffed. This would also entail a national programme to enhance the institutional capacities of governorate and district administrations.

As a complementary measure, proper reporting on procurement activities and their results preserves local authorities' institutional memory and reinforces transparency. It also helps informing stakeholders such as municipal staff, audit and supervisory authorities, the private sector, civil society, and other community partners. This ultimately contributes to the proper implementation of the 2017 Access to Information Law, which calls for the compulsory publication of all financial and procurement-related information.

In a further step toward accountability, local authorities may allow external observers to monitor the procurement cycle by attending the bid opening session and monitoring the receipt of goods and services.

1. Opportunities Missed: The Importance of Reforming Public Procurement

Commonly accepted best practices for administrative reform include government integrity, accountability, and citizen-oriented administration as well as modernising legal frameworks governing public procurement. Lebanon's central government and local authorities have not prioritised these practices. When properly implemented, public procurement offers the potential to improve citizens' lives by more efficiently delivering the services they need.

Achieving Cost Efficiency Amid Resource Scarcity

Public procurement, which is commonly defined as the use of public funds to purchase works, services, and goods, also encompasses hiring, leasing or any other contractual modality with suppliers. Public procurement is a crucial economic activity for public authorities worldwide.

The World Trade Organisation (WTO) estimates that public procurement makes up between 10 to 15 percent of an economy on average,¹ while a 2013 study by the Organisation for Economic Co-operation and Development (OECD) says that the share in Middle East and North African (MENA) countries, including Lebanon, is around 18 percent.²

With transparency and good management, Lebanon's resource-poor local authorities could use public procurement to optimise funds, stimulate competition and boost investment when several challenges are overcome, from modernising legal frameworks to building capacities.

Despite the potential of public procurement, local authorities in Lebanon have overlooked it as a strategic financial tool. Municipal officials view public procurement as a matter of ordinary spending separate from short- and long-term goals. As such, local authorities do not properly plan to achieve cost efficiency in spending public funds.

A Boost for Local Economic Development

The benefits of public procurement reform go beyond efficient use of government funds. Reforms can boost local economic development by encouraging entrepreneurship and innovation to solve economic, social, and environmental problems, including at the local level.

Through its procurement policies, the public sector can affect the structure of the market and the incentives of firms. This can be done by selecting procurement methods that encourage the participation of small and medium-sized enterprises (SMEs), e. g. through procuring based on lots where bidders can bid on all or some of them; or by allowing SMEs to establish a consortium and compete with large firms. Procurement policies, therefore, contribute to shaping more inclusive economic growth and can stimulate development by facilitating long-term support for SMEs and disadvantaged segments of society.

In view of Lebanese public sector's share of the economy, with government spending making up 13.67 percent of the GDP in 2018,³ each procurement transaction is an opportunity to guide markets.

Prescriptions for achieving reform objectives call for suitable legislation that seeks to control expenditures in accordance with the principles of government integrity, transparency, fairness, equality, efficiency, effectiveness, and accountability.

Lebanon's central government and local authorities should both enact these principles. The country would benefit from a comprehensive public procurement reform programme that includes not only a national procurement strategy but also effective anti-corruption laws, a reinforced judiciary, strengthened public audit and professional training on procurement issues.

1 "WTO and Government Procurement". Available at: https://www.wto.org/english/tratop_e/gproc_e/gproc_e.htm. Viewed 08-04-2020.

2 OECD. (2013). OECD E-Government Studies: Egypt 2013. Paris: OECD Publishing. <http://dx.doi.org/10.1787/9789264178786-en>. Viewed 08-04-2020.

3 The world average in 2018 based on 152 countries is 16.60 percent. Based on the most recent World Bank data (https://www.theglobaleconomy.com/Lebanon/Government_size/). Viewed 14-04-2020.

2. Tied Up in Knots: Lebanon's Fragmented Legal Procurement Framework

Public procurement in Lebanon is governed by an outdated and fragmented set of laws and decrees. Local authorities cannot succeed in their procurement efforts until a new, unified, body of legislation, that is tailor-made for their circumstances, is formulated.

Unifying Public Procurement for Local Authorities

Some of Lebanon's laws governing public procurement directly relate to the operations of local authorities, while others indirectly govern municipal procurement.

The Public Accounting Law of 1963 serves as the principal framework for public procurement in Lebanon, setting regulations for executing public budgets, submitting final accounts each financial year, managing funds, authorising expenditures, and issuing payment orders. However, the Public Accounting Law is tailored for central government bodies and does not directly apply to municipal operations. For example, the law refers to the powers of the minister of finance or the relevant minister in procurement, which causes confusion on the municipal level over who can fill this role. To fill these gaps, municipal officials resort to legal analogies, either by seeking official legal advice from the Audit Court or by calling for the services of legal experts.

The Organisation of the Audit Court Decree of 1983 also impacts the spending of all public authorities that follow the Public Accounting Law. The decree grants the Audit Court oversight powers over public procurement. In practice, most local authorities fall outside the purview of the Audit Court.

The Accounting Principles in Municipalities and Unions of Municipalities Decree of 1982 lays out specific regulations pertaining to local authorities, establishing rules for the preparation, execution, and management of public spending in local government. An article of this decree stipulates that the cabinet can decide to place a local authority under the oversight of the Audit Court, thus subjecting it to another procurement legislation, the Public Accounting Law. This is the case of 7 percent of Lebanon's local authorities, e. g. Beirut, Tripoli, Al-Mina, Bourj Hammoud, Saida and Zahlé.

Reform of public procurement in Lebanon therefore requires a unified and comprehensive law based on internationally accepted management and procurement principles to limit mismanagement, corruption, and collusion in Lebanese administrations, including local authorities. Any new legislation should thoroughly regulate the different stages of the process as the existing laws do not enable local authorities to follow best practices on public procurement.

Ensuring Freedom of Access and Equal Treatment

Three core principles form the benchmark for proper public procurement: freedom of access, equal treatment, and transparency.



For freedom of access to be secured, all prospective bidders must be informed of the buyer's purchasing needs. This principle can be guaranteed by having the buyers making public advertisements outlining their specifications. Also, buyers should transparently answer candidates when they request supplementary information.



Purchasers should ensure equal treatment and not arbitrarily discriminate between potential bidders at any point of the process. Purchasing specifications must be drafted objectively, and not in a way that unfairly guides the final choice of bidder. All tenders arriving within the requested time limit must be examined, regardless of the location of the applicant.



Transparency enables the application of the other two core principles of procurement. It allows bidders to know whether tenderers have successfully implemented equal treatment and freedom of access. Also, losing bidders should be informed why their bids were rejected.

Toward the Procurement of the Future

Effective procurement and public spending should encourage innovation and sustainability by adopting positive new procurement concepts, such as green and sustainable procurement. Green procurement is the process of acquiring environmentally friendly goods and services, which can significantly contribute to sustainable development.

Sustainable procurement also aims to achieve value-for-money by not only benefiting the purchaser, but also society and economy. This procurement process also calls for minimising environmental damage.⁴ E-procurement, for its part, streamlines processes by connecting buyers and sellers via the Internet.

Finally, considering that Lebanese women represent only 25% of the labour force,⁵ local economies will benefit from the integration of gender-sensitive procurement into the work of municipalities and unions. Gender-sensitive procurement is the selection of services, goods and works that favour women-owned businesses or empower providers where women are specifically supported or present.

4 Chartered Institute of Procurement & Supply. (2008). Knowledge Summary – Sustainable Development. https://www.cips.org/documents/KS_Sustainable_Procurement.pdf. Viewed 08-04-2020.

5 International Labour Organisation (ILO). (2017). Labour Market Information: Review and Analysis. Beirut: ILO. P. 22.

3. Institutionalising Public Procurement as a Strategic Tool

Despite the potential benefits of public procurement, central and local government authorities in Lebanon do not prioritise it as a strategic tool. As such, they are missing out on a powerful resource for local development.

Proper public procurement processes enable the delivery of cost-effective services. By doing so, savings in public procurement can be redirected for development purposes and have an impact beyond saving costs.

Strategic Planning and Procurement Planning

Like most government bodies, however, local authorities in Lebanon view public procurement merely as an issue of ordinary spending separate from strategic goals. Local authorities do not plan their spending, failing to draw up follow-up reports on procurement processes and their impact on developmental goals. The weak financial planning at the local level is largely caused by the central government's delays in transferring the local authorities' share of the Independent Municipal Fund (Lebanon's fiscal equalisation system) and the lack of transparency in announcing an official calendar for their distribution.⁶

Proper planning is key for any successful procurement process and integral for the success or failure of entire procurement operations. As such, the central government should ensure timeliness and transparency in managing the Independent Municipal Fund to allow local authorities to better prioritise and plan their development goals before planning their procurement needs.

Assessing Procurement Needs

Proper procurement cannot be accomplished on an ad-hoc basis. The planning stages of procurement must be pursued as part of a broader strategic vision and in line with budgetary allocations.

Procurement processes are started with a purchase indent, an internal document authorising requisitions prior to a purchase order. These include requisitions in cases of goods, procurement proposals for services, or detailed project reports for works. Before an indent can be made, however, a public body (the procurer) must undertake a needs assessment to ensure proper technical requirements and timeliness.

Records of these needs assessments should be preserved to ensure transparency and accountability.

Needs assessments cover evaluations of different alternatives, compatibility with existing infrastructure, estimates of costs, availability of funds, time-schedules, and legal requirements for environmental concerns, among other technical measures.

After assessing procurement needs, the procurer will embark on developing functional specifications. This stage has the greatest impact on ensuring value for money during a procurement process. Functional specifications should aim to meet essential needs, be objective, functional, and measurable, set out technical, qualitative and performance characteristics, and follow national or international standards.

Creating a Public Procurer Post

Lebanon's civil service does not have an official procurement position. Instead, it leaves procurement-related functions with financial and administrative unit heads. Lack of competency and training among civil servants attempting to fulfil this role, as well as high turnover rates, have negatively impacted procurement practices.

Lebanon's Civil Service Council⁷ needs to incorporate public procurers as a separate job function and provide these employees with the necessary training. These specialised public procurers should apply and mainstream the strategic aims of public procurement in the work of local authorities as opposed to the mere execution of bureaucratic procedures.

The creation of this new job function within the central government's bureaucracy would require a decree by the Council of Ministers. Local authorities can create the public procurer position by a decision of the municipal council which must be approved by the MoIM. If the municipality is subject to the oversight of the Civil Service Council, the creation of the public procurer position requires the approval of that Council before the MoIM's approval.

Public procurement practitioners should be licensed, which will give them recognition as trusted professionals in their field. These licenses could be granted by universities or institutes that include procurement in their curriculum.⁸

6 DRI. (2017). Reforming Decentralisation in Lebanon: The State of Play. Beirut: DRI. April 2017. P. 6.

7 The Civil Service Council is a state institution that has purview over all aspects of personnel administration in every ministry and autonomous agency, and a mandate to protect and modernise the civil services. In Lebanon, the municipalities of districts' administrative capitals are subject to the supervision of this Council.

8 Specialised institutions include the UK-based Chartered Institute of Purchasing and Supply and international organisations such as the World Bank and OECD.

4. The Need for Competition

Successful public procurement needs free and fair competition among bidders and avoids waste of funds. So far, local authorities in Lebanon have been challenged by their susceptibility to non-competitive procurement processes.

The OECD has emphasised the importance of competition, warning that collusion and corruption not only waste public funds but negatively impact the quality of infrastructure and public services.⁹ Moreover, competition promotes suppliers offering the best value for money and prevents authorities from using scarce public funds on artificially raised prices. The distortion of public procurement with non-competitive practices can curtail economic development and undermine trust in public governance.

The Exceptions Become the Rule

The weak regulatory framework for public procurement in Lebanon leaves local authorities susceptible to non-competitive practices. The Public Accounting Law of 1963 and the Accounting Principles in Municipalities and Unions of Municipalities Decree of 1982 enable procurement methods that limit competition. While both stipulate that most public procurement should be conducted via open tenders (which, if properly implemented, facilitate competition), they give public authorities large discretion to resort to exceptions, such as restricted tenders, direct awards (or agreements) and vendor bills. These methods stifle competition and encourage procurement processes with a single bidder.

Understaffed and financially distressed local authorities view procurement procedures as a burden causing unnecessary delays and failing to achieve desired outcomes. As such, they resort to working with contractors they already have previous work relations with instead of announcing a tender in accordance with applicable laws.¹⁰ Such practices circumvent core principles of public procurement, such as fairness, equality and competition.

Driving Factors Behind Vendor-Billing

While Lebanon's legal framework mandates the purchase of goods, services and works through public tenders, local authorities commonly circumvent the obligation of tender requests by systematically turning to vendor bills, also known as "shopping", which undermines proper public procurement. Vendor-billing is a procurement method used for low-cost transactions. Best practices foresee vendor bills for small purchases to facilitate the prompt acquisition of needed goods, services and works. However, Lebanese local authorities usually resort to bills to acquire goods, services and works which should require a public tender.

Local authorities may use bills when the transaction value is under 3 million LBP, which requires only the mayor's approval, or under 20 million LBP, which requires the – often "pro forma" – approval of the municipal council. Despite caps on the size of vendor bills, local authorities take advantage of a legal loophole to partition large contracts into segments, valued under 3 million or under 20 million LBP, depending on need. As such, municipal officials mostly procure goods and services by avoiding public tenders, prior approvals, and proper documentation.

There are three main reasons why municipal officials resort to "shopping". The first one is bureaucratic red tape and long delays for receiving approval of the administrative control authorities, located at the level of district and governorate administrations, for contracts valued above 20 million LBP. These approvals typically take between 6 months and 2 years, defeating the purpose of procurement planning and timely delivery. Red tape can be reduced by introducing e-government, but a comprehensive reform requires enhancing the capacity and agility of administrative oversight authorities, which are often understaffed and struggling with backlog.¹¹

The second reason is the mayors' desire to accommodate local providers rather than large businesses, even if those might be more competitive. Local suppliers are often informal, unregistered actors, unable to issue an official invoice, but they play an important role in the local economy. In many cases, small suppliers depend on local authorities to survive. Local providers are more likely to share political, sectarian or kinship ties which leads clientelism or nepotism, the third reason, and the desire to channel benefits to an individual or organisation.

9 OECD. (2011). *Competition and Procurement: Key findings*. Paris: OECD Publishing. P. 16. Available at: <http://www.oecd.org/daf/competition/sectors/48315205.pdf>. Viewed 14-04-2020.

10 Judge Elie Maalouf. (2015). "Municipal Procurement: Opportunities for the Growth of Local Enterprises" (in Arabic). *Assadissa*. Issue No. 6. Beirut: Institute of Finance. December 2015. Pp. 54–63.

11 DRI. (2017). *Reforming Decentralisation in Lebanon: The State of Play*. Beirut: DRI. April 2017. P. 7.

With the rampant depreciation of the Lebanese currency, partitioning large contracts into smaller ones will prove increasingly difficult. Since the uprisings of October 2019 and the crisis affecting Lebanon's political, economic, and financial systems,¹² the Lebanese pound has been in free fall. This will make it more difficult for local authorities to avoid tenders.

A short-term mitigation measure would entail a legal amendment to raise the caps on the size of bills considering inflation. A more sustainable reform should boost the efficiency of oversight authorities, making them more responsive to the needs of local authorities. The caps on the size of bills should be determined by decrees rather than through legislation, which can more easily be adapted.

Mainstreaming the “Five Rights” of Public Procurement

Local authorities should abandon the use of vague clauses or requisition requests tailored to a favoured bidder. Tender documents must include clearly stated information useful for bidders to submit their bid. All interested and qualified bidders must have the right to do business with local authorities under equal conditions.

Encouraging a large pool of bidders stimulates competition, which yields monetary savings and higher quality standards. To facilitate competition, local authorities should allow foreign and domestic firms to bid through open tenders, except in special cases stipulated by law where other procurement methods can be followed. This must be clearly justified and approved by the oversight bodies (the Audit Court and the General Controller).

Fair competition will enable local authorities to optimise their scarce budgetary resources and ensure the best value for money through a set of criteria known as the “Five Rights” of Procurement, namely:

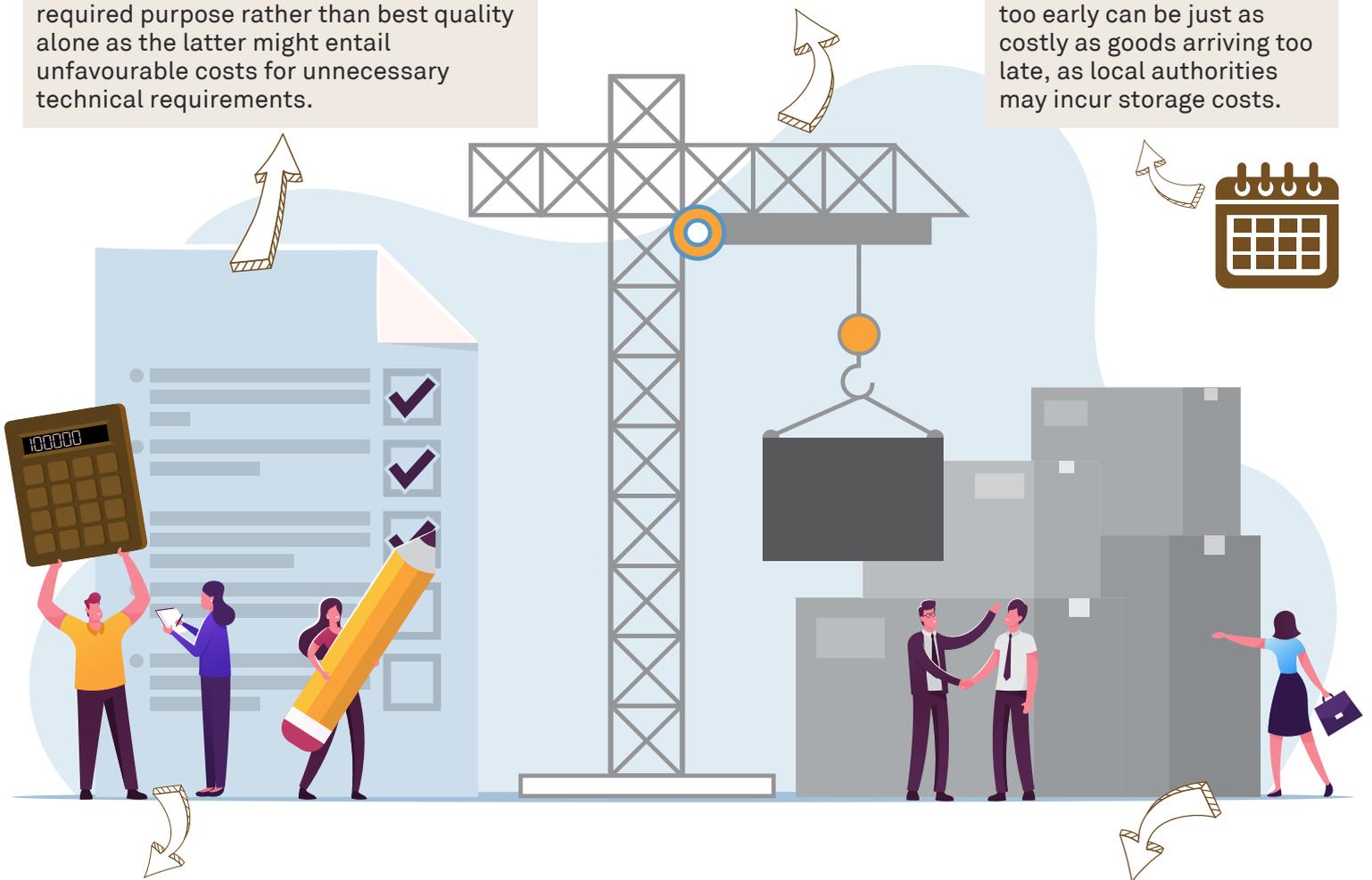
12 DRI. (2019). A Moment for Change: The Lebanese Uprisings of 2019. Beirut: DRI. December 2019.

The “Five Rights” of Procurement

Right Quality: Proper procurement calls for securing the best quality for the required purpose rather than best quality alone as the latter might entail unfavourable costs for unnecessary technical requirements.

Right Place: Local authorities should secure the most efficient supply to the final location while taking supply chains into consideration. A nearby supplier might seem ideal, but transportation costs should be factored in with other issues such as packaging and storage.

Right Time: Timing is important. Goods delivered too early can be just as costly as goods arriving too late, as local authorities may incur storage costs.



Right Price: Local authorities should not look only for the least expensive goods and services. The price should be just right for the needed quality, quantity, and other factors, such as eco-friendliness, the provision of a warranty, adequacy of place and timeliness. Local authorities should not just consider the initial price but also the cost of ongoing maintenance, operations, and costs.

Right Quantity: Purchasing large quantities irrespective of the present needs is as wrong as buying just the immediately required quantity. There are extra costs and systemic problems involved with buying an item repeatedly in small quantities, or with buying large quantities and then storing them for prolonged time. Purchasing the right quantity balances extra costs associated with larger and smaller quantities.

5. Ensuring Proper Oversight and Accountability

Proper oversight over municipal procurement is essential for ensuring effective outcomes. Such oversight mechanisms must be unified and applied to all local authorities. Local authorities should foster internal oversight and accountability in public procurement. This can be achieved through transparent information-sharing based on Lebanon's 2017 Access to Information Law (ATI).

Subjecting All Local Authorities to Specialised Oversight

Only 7 percent of local authorities are subject to the oversight of the Audit Court, while the MoIM-appointed General Controller, who is responsible for monitoring and auditing the work of local authorities, oversees only 64 of them (5.7 percent).¹³

The local authorities that fall under the purview of the Audit Court and the General Controller are required to submit the full documentation related to their tenders before they can contract winning bidders.

These documents commonly include mistakes and irregularities. The Audit Court often sends back procurement documents from the local authorities it oversees for additional – and often extensive – modifications and corrections. These typically include lowering the tender amount or re-tendering the whole contract, particularly in large municipalities such as Beirut and Tripoli. Lowering the tendering amount means that the contract was initially over-valued.

Oversight therefore should encompass all local authorities. This is especially important since many local authorities outside the control of the Audit Court and General Controller have higher revenues than those under their purview. Given that there are more than 1,100 municipalities and unions in Lebanon, this poses enormous staffing and training challenges for the MoIM's Directorate General for Local Administrations and Councils and for the Audit Court, which are already understaffed. This would also entail a national programme to enhance the institutional capacities of governorate and district administrations.

Filing and Reporting Standards

To facilitate audits of local authorities' public spending, all procurement documents should be systematically and safely filed. Files should be accessible in a quick and economical manner, whatever their format.

A staff member or team, depending on the local authority's size, should develop and coordinate the new filing and record-keeping system. Local authorities should then inventory their files, after which these documents should be analysed.

Well-designed reporting on procurement activities and their results can help preserve local authorities' institutional memory and reinforce transparency. Proper reporting can help inform stakeholders such as municipal staff, audit and supervisory authorities, the private sector, civil society, and other community partners. This contributes to the proper implementation of the 2017 Access to Information Law.

Transparency and Accountability

To improve accountability, local authorities should implement the ATI Law, which requires the publication of all financial and procurement-related documents in all public administrations, including budgets, final accounts (annual financial statements), and contracts awarded for the provision of goods, works and services. The ATI Law does not require sharing information on expenditures under 5 million LBP. However, the Municipal Act (Art. 76) does.

Finally, local authorities may allow external observers to attend the bid-opening session and monitor the receipt of goods or services at the end of the procurement cycle. Observers could be allowed to participate in ad hoc committees for inspecting the delivered goods, comparing them to the purchase order, updating the quantity and posting the delivery receipt.

¹³ Hadi K. El-Dick. (2017). *Lebanon's Municipalities Between Oversight and Guidance* (in Arabic). Beirut: Printing Group. Pp. 245–246.

Summary of Recommendations

Unifying Public Procurement for Local Authorities

- Public procurement reform in Lebanese municipalities and unions of municipalities requires a unified and comprehensive law based on internationally accepted management and procurement principles to limit mismanagement, corruption, and collusion.
- Green and sustainable, as well as gender-sensitive procurement policies should be adopted to align public spending with good governance principles.

Strategic Procurement Planning

- The central government should ensure timeliness and transparency in managing the fiscal equalisation system (Independent Municipal Fund) to enable local authorities to prioritise and plan their development goals before planning their procurement needs.
- Lebanon's Civil Service Council should create an official procurement position in all local authorities to apply and mainstream the strategic aims of public procurement in the work of local authorities.

Adopting Benchmarks for Proper Public Procurement

- Freedom of access: All bidders must have free knowledge of the buyer's purchasing needs, while buyers should transparently answer candidates' requests for supplementary information.
- Equal treatment: Purchasers should not discriminate between potential bidders at any point of the process. All bids received within the requested time limit must be considered, regardless of the location of the applicant.
- Transparency enables the proper application of the previous two core principles of proper procurement.

Ensuring Fair Competition

- Local authorities should adopt Standard Bidding Documents (SBDs) to facilitate fair competition and ensure that all bidders have access to the same detailed and precise information.
- Public authorities should not resort to exceptions, such as restricted tenders or direct awards and limit the use of vendor bills since these methods stifle competition and encourage procurement processes with a single bidder.
- Fair competition should be enabled to best use scarce budgetary resources and ensure the best value for money through a set of criteria known as the "Five Rights" of Procurement:
 - Right Quantity
 - Right Quality
 - Right Price
 - Right Place
 - Right Time

Fostering Accountability

- Oversight mechanisms of local authorities' procurement efforts must be unified and applied to all local authorities, including and especially those currently outside the control of the Audit Court and General Controller.
- Boosting the efficiency of oversight mechanisms entails a national reform programme to staff, train and equip MoIM and the Audit Court and to enhance the institutional capacities of governorate and district administrations. E-government should be a key element of this programme.
- Proper reporting on procurement activities and their results should be applied to preserve local authorities' institutional memory, reinforce transparency and help informing stakeholders such as municipal staff, audit and supervisory authorities, the private sector, civil society, and other community partners.
- To ensure accountability, local authorities may allow external observers to monitor the procurement cycle by attending the bid opening session and monitoring the receipt of goods and services.
- Local authorities should fully implement the Access to Information Law.

ABOUT DEMOCRACY REPORTING INTERNATIONAL

Democracy Reporting International (DRI) is a non-partisan, independent, not-for-profit organisation registered in Berlin, Germany. DRI promotes political participation of citizens, accountability of state bodies and the development of democratic institutions world-wide. DRI helps find local ways of promoting the universal right of citizens to participate in the political life of their country, as enshrined in the Universal Declaration of Human Rights and the International Covenant on Civil and Political Rights.

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ABOUT SKL INTERNATIONAL

SKL International is an affiliated office to the Swedish Association of Local Authorities and Regions (SALAR) that focuses on developing local governance worldwide, and in the countries heavily affected by the Syrian crisis, such as Lebanon and Turkey. In the framework of its project “Resilience for Local Governance” (Reslog), SKL International promotes good governance, resilience and active citizenship in Lebanon’s governorate Akkar by strengthening local authorities’ capacities, advocating for national dialogue and engaging community groups in decision-making through an area-based approach.

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