



STAKEHOLDER ENGAGEMENT PLAN (SEP)

June 2022

Institut des Finances Basil Fuleihan

1. Introduction/Project Description

After the enactment of the new Public Procurement Law (PPL) no.244/2021 dated 19 July 2021, electronic procurement, through the central electronic platform, is considered a key element to ensure sound implementation of the law as of July 29, 2022. It is also a key component of the National Strategy for Public Procurement Reform that was approved by the Council of Ministers in May 2022 (Council of Ministers decision no. 66 dated 20/05/2022). This comes in line with Lebanon's commitment to fighting corruption and instill a culture of transparency, integrity and accountability in spending taxpayers' money, an effort supported and encouraged by the international community. The operationalization of a procurement central electronic platform is key to ensure high levels of transparency and encourage competition in the procurement market in application to the new legal framework. To deliver on that vision, the law draws a distinction between an *e-procurement platform* – which is a long-term goal requiring further work, development, and secondary legislation – and more basic *online functionalities*.

The system should be owned by the State, upgradable and adaptable from within. It needs also to be user friendly, simple, and straightforward, easy to manipulate and accessible to all procuring entities and procurement stakeholders for regular use, in the Arabic and English languages. The platform and the full range of capacity building measures will together constitute the main reform tool and best opportunity for genuine reform that will enable a sound implementation of the new procurement law, given the high technicity and complexity of the law and the currently low capacity at the level of procurement stakeholders.

At the country level, the Office of Minister of State for Administrative Reform (OMSAR), with financial support from the EU in 2013-2018, and jointly with the Central Tender Board, had developed a digital platform which is intended to be a full-fledged central e-procurement system covering registration, notices, tender preparation, tender management, tender evaluation, contracting, contract management and no objections. This was based on the Delta system of Scotland adapted to meet the Lebanese context. The platform needs significant adaptations to the newly endorsed Procurement Law and localizations.

The national public procurement reform strategy document that was approved by the Council of Ministers includes a detailed action plan for public procurement reform for the period January 2022 until December 2024, covering the short and medium terms. The four priority reform actions identified for the short term, before entry into force of the new law, no later than August 1, 2022, are the following:

1. Set up the Public Procurement Authority (PPA) and the Procurement Review Body (PRB), with their organizations, staffing, and respective work mechanisms.
2. Prepare secondary legislations, guidance materials and standard documents for the new procurement approaches and procedures.
3. Launch awareness raising and capacity building for all stakeholders concerned, in preparation for the new procurement law implementation.
4. Set up the national platform which use is mandatory as per the provisions of the new law, where procurement notices, plans, documents, data, and reports will be published and freely and systematically accessible to stakeholders; and start developing other elements of e-procurement.

The PPL No. 244 draws a distinction between a central electronic platform that will shall be available for use by various stakeholders as of August 1, 2022 – date of its entry into force, and a full-fledged e-procurement system that shall be applied when its related secondary legislations are issued.

The procurement platform and the full range of capacity building measures will together constitute the

main reform tool and best opportunity for genuine procurement reform that will enable a sound implementation of the new procurement law, given the high technicity and complexity of the law and the currently low capacity at the level of procurement stakeholders. It will also help build and sustain an ecosystem for open procurement that is very new to the Lebanese public and private sectors' practices and culture, which will necessitate work on change management and stakeholders' engagement since initiation.

To establish the central electronic platform, as stipulated in the new PPL no. 244, three components are identified in the scope of this project.

- a. **Component 1 (estimated 360,000US\$): Central Electronic Platform:** A central e- platform shall be developed to serve as a public portal that ensures that the minimum publications goal of the PPL will be delivered. The central e-platform shall be backed by a database that should be OCDS compliant to serve the collection and storage of data. Where the back-end developments are incomplete, APIs will be provided to enable users to upload data in compliance with the PPL. The platform will be owned by the PPA, as formulated by the PPL. It needs also to be user friendly, simple, and straightforward, easy to manipulate, extendable and accessible to all procuring entities and procurement stakeholders for regular use, in the Arabic and English languages. The component will include design, development, deployment and piloting the e-platform. It is expected that the developed e-platform will be extended and enhanced to provide a basic e-procurement system that will be operational in the future in line with provisions of the PPL no. 244. Such development will be the extensive procurement functionality that has been set out in detail in the drafted e-Procurement Strategy and anticipated under Chapter IV of the PPL¹. In parallel or sequentially, basic functions for an e-procurement system will be developed. Future developments of e-procurement will use other financial proceeds. The component will support provision of appropriate IT equipment needed to operationalize the e-platform at the level of the PPA. It is expected that the e-platform will be interlinked with relevant government information systems. The e-platform shall be tested and piloted in a controlled environment to validate integrity of the system with respect to performance, vulnerability, security, etc., in addition to maintenance throughout the project duration.
- b. **Component 2 (150,000US\$): Capacity building and stakeholders' engagement.** The priority capacity building is to address the PPA to implement policy and oversight functions. It will include building the capacity of PPA to manage and operate the e-platform, and for IDF to provide training to contracting authorities to use e-platform. The component supports the development of a Learning Management System (LMS) at IDF. The component includes the communication campaign, development of guides, tutorials, and other tools to ease the use of the platform by all concerned stakeholders.
- c. **Component 3 (60,000US\$): Project Implementation Unit (PIU).** The component shall support project implementation unit (PIU), IT equipment, technical assistance, independent financial audit and operation cost.

2. Brief Summary of Previous Stakeholder Engagement Activities

The above-mentioned Delta system was developed as a beta version and was not even tested or disclosed to any outside party. It remains a work-in-progress project and meets only a section of the procurement cycle being the tendering part.

¹ http://www.institutdesfinances.gov.lb/wp-content/uploads/2021/11/PP-Law-Eng-version-Sept.-19_compressed.pdf

Currently, discussions among the donors have been engaged to decide whether to rely on the previous design of the platform as a base and develop it further to be fully compliant with the newly endorsed Procurement Law and localizations, or to develop from scratch a new e-procurement system. This being said, the project will have an initial phase being a digital platform that will serve as a publication and communication tool at the entry into force of the Public Procurement Law no.244. A second phase necessitating further financing will follow to reach a full fledged e-procurement system meeting international standards with full compliance with afore-mentioned law.

A round table was convened in April 2022 to which participated AFD, EU, Open Contracting Partnership, OECD, OMSAR (the agency that developed initially the DELTA under EU financing), Institute of Finance (Nominated coordinator of public procurement reform, and also future implementing agency of the grant), Procurement Policy Authority. At the round table, a Demo of DELTA was done, and discussions lead to the current project formulation in line with the national needs, the tight timeframe, and the capitalization on previous efforts and the use of available resources.

Prior to this, the Institute of Finance, in its capacity of the reform's national coordinator, initiated in December 2021 a national conversation with concerned stakeholders (public sector, business associations, civil society) on the importance of digitization of public procurement in the context of the awareness effort done to inform on the new Law requirements and prepare the ground for its implementation. The consultation workshop, organized in collaboration with the World Bank, the Westminster Foundation for Democracy and the Central Tender Board, introduced the concepts of digitized procurement and open data in Lebanon, highlighted other countries experiences such as Ukraine, and launched discussion on scenarios for Lebanon considering international standards and good practices. The discussions and input from this consultation fed in the work on the strategy on e-procurement that was commissioned by the World Bank. (Annex 1: Workshop agenda)

Also in March 2022, **the Institute of Finance pursued national consultation and engagement on the subject**, on the occasion of a roundtable discussion that aimed at presenting the current situation pertaining to e-procurement and the challenges/gaps faced in meeting the requirements of Law No. 244/2021 and at identifying stakeholders' perspectives and concerns vis-à-vis the process of instituting and operationalizing e-procurement. The roundtable gathered stakeholders from the public sector, the private sector, some of Lebanon's international partners as well as civil society organizations. The roundtable engaged participating stakeholders in an open dialogue on important policy issues pertaining to the e-procurement solution to be considered for the sound entry into force of the law, and the sustainability considerations of the platform. It also tackled issues related to the capacity of the system and the ability of all levels of government to access and use the system. (Annex 2: Roundtable agenda and minutes)

Furthermore, discussants from international organizations present (WB, OECD, SIGMA, AFD) reiterated the importance to have the new law fully implemented with no delays. Based on international experiences, e-procurement systems shall be modular, flexible, scalable, and secure. Based on various country models in the Arab region for example (Tunisia, Jordan and Egypt using the Korean system; Morocco developed their own platform 'marchés publics', Algeria started only with the publication phase of e-procurement), it is important to secure and sustain the political will and institutional leadership, ensure the adequate regulatory aspect (including secondary legislations for full e-procurement, as well as guidelines), and make sure that the suitable IT infrastructure is available for users from the public and private sectors.

Participants from the private sector stressed on the importance to further involve the business community in the design and use of this platform, and make sure all clarifications are answered to ensure a functional

and efficient process through training, demo, user manuals. They also highlighted the importance to consider other aspects such as privacy and security, the marketing process, the Key Performance Indicators (KPIs), the monitoring and evaluation, as well as the integration of AI technology in the process. Others also considered that the technology that will be used on the platform shall not be a standalone track to work on, since technology is only one element of what should be a comprehensive and inclusive process from the beginning.

Participants from civil society voiced their concerns as for open data and full access to civil society organizations and citizens at large to it. They also highlighted the challenge relating to human resources, and whether the government as well as municipalities will have the financial capacity to prepare and train its staff to use the platform. Another challenge raised is the capability of the platform to cater for e-signature in the future which will help curbing corruption by limiting human interaction. They also recommended that the platform include beneficial ownership information of suppliers/contractors/service providers in a transparent way and considered that publishing such information on another platform or website might add to the complexity of the system and thus lead to potential confusion by users. The civil society pays attention to the way the platform will be administered to allow proper monitoring of procurement procedures by the civil society.

An additional scientific approach to the use of data that will be gathered, analyses and published through the platform was brought by the Open Contracting Partnership, that encouraged opening up the process through collaboration between governments, private society media academia and others, focusing on using data to enable and improve monitoring oversight and feedback, which eventually improves trust in the system and among stakeholders. Open contracting can help detect and deter fraud and corruption, improve value for money and efficiency of the process, increase market opportunities for certain priority groups. Digitizing the procurement process is not sufficient on its own; it should be developed having the stakeholders need in mind. For data-related issues; publishing, sharing and using standardized structured contracting data that links the entire procurement process, the Open Contracting Data Standard (OCDS) was recommended to be added to the central platform. The OCDS is backed by a free global helpdesk that helps publishers top improve the data that is coming out of the system. Also, change management is needed for Lebanon to succeed the transformation process, with new methodologies and advice to work with different parts of government and stakeholders to make the case of how the system will help them and build their capacity to understand and use the system. Stakeholder engagement is key, which includes market engagement as well as civic engagement, in addition to feedback to the government to build trust over time.

3. Stakeholder identification and analysis

The key stakeholders who will be informed and consulted about the Lebanon Digital Procurement project are public procurement reform stakeholders that were mapped and identified and consulted within the framework of the MAPS assessment and included in the national public procurement strategy document. The main objective of observing a consultative and participatory approach is to ensure the needed buy-in of various stakeholders, and to facilitate the change management and a smooth transformation process. This is key especially in Lebanon, where multiple challenges are facing the public sector, the private sector and citizens due the current economic, financial and social crisis that is affecting the functioning of the State institutions but also impacting the interaction between the public and the private spheres.

3.1. Affected parties

Direct affected parties by the project are the following stakeholders:

- **Procuring entities** subject to the provisions of the public procurement law no.244/2021, and responsible for its application including the publication on the central electronic platform (Administrations and public institutions thereof, independent administrative bodies, courts having their own budgets, bodies, councils, funds, municipalities and federations of municipalities, security and military entities (institutions, administrations and units thereof), diplomatic delegations abroad, regulatory bodies, companies where controlling stakes are owned by the State and working in a monopoly environment, public utilities run by private companies for the benefit of the State, and any common law persons spending public funds). These entities will be engaged at the development phase through testing of the platform and provision of feedback and will be benefiting from awareness and capacity building activities.
- **Policy and decision makers** who will have the opportunity to access systematic and open data through dashboards and regular reporting to efficiently follow-up on new Law implementation. Their access to the platform will encourage an informed design and evaluation of public policies on the long term. This category will be benefiting from awareness activities.
- **Oversight bodies** that will be accessing information and data on procurement procedures through the platform in an organized and transparent way, which will facilitate their respective roles in the public procurement panorama. They will be benefiting from awareness and capacity building activities.
- **Economic operators** (suppliers, contractors, consultants, and service providers) including small and medium enterprises, **as well as business associations and syndicates** that will be able to freely and systematically access procurement opportunities published on the platform, and register on it to access full bidding documents, get notifications, ask for clarifications, etc. Economic operators will be consulted in the development phase of the platform and in the testing phase to provide feedback for improvements. Awareness activities will tackle them.
- **Civil society organizations (CSOs)** that are active and advocating for the advancement of governance reforms in Lebanon, including the promotion of transparency and accountability, fighting corruption and fraud and promoting of access to information and open data. These specific CSOs will be consulted in the development phase of the platform and in the testing phase to provide feedback for improvements. Awareness activities will tackle them as well.
- **Citizens at large**, including influencers such as academics, think tanks, researchers, and journalists. This category of stakeholders will be informed of the progress and invited to consultations upon need. Awareness activities will tackle them as well.

Please refer to Annex 3 for an indicative list of stakeholders.

3.2. Other interested parties

Other interested parties are development partners and the international community that are closely following-up on the progress of the public procurement reform and are solicited to provide much needed support and technical assistance to advance its various components.

Keeping the international community informed of platform development, operationalization and need for further development is key for sustainability and to help facing challenges that may arise.

3.3. Disadvantaged / vulnerable individuals or groups

Given the nature of the project activities, vulnerable individuals or groups are not directly impacted.

Yet, the project will observe a participatory approach so that society segments have equal access to procurement information and stay up to date on latest developments. The following individuals and groups

to be addressed:

- individuals with limited IT knowledge and skills across public sector;
- businesses operating in remote areas;
- Women-led businesses in particular, that have been excluded from the market, but that have good potential to take part to the public procurement market if well informed and well trained;
- Youth groups that show little interest in public affairs due to mistrust but could be good advocates of the reform from a transparency perspective if well informed and well trained.

3.4. Summary of project stakeholder needs

| Community | Stakeholder group | Key characteristics | Language needs | Preferred notification means (e-mail, phone, radio, letter) | Specific needs (accessibility, large print, childcare, daytime meetings) |
|-----------------------------|-----------------------------|--|-----------------|---|--|
| Public Sector | Procuring Entities | Main users of the platform, Training on its use; obtain feedback | Arabic language | Letters to heads of procuring entities, invitations to training, feedback forms | IT literacy Digital transformation Knowledge/new skills |
| Public Sector | Policy and decisions makers | Awareness on the platform and its key functionalities and use | Arabic language | Letters, policy notes | High-level meetings |
| Public sector | Oversight bodies | Awareness on the platform and its key functionalities and use; obtain feedback | Arabic language | Letters to heads of these bodies, invitations to awareness sessions, feedback forms | One-to-one meetings |
| Private Sector | Providers/Suppliers | Awareness on the use of the electronic platform, obtain feedback | Arabic language | Online communication through emails and newsletters, social media | Consultation meetings |
| Civil Society Organizations | Providers/Observers | Awareness on the use of electronic platform, obtain feedback | Arabic language | Online communication through emails and newsletters, social media | Consultation meetings |
| Citizens at large | Influencer groups | Awareness on the platform and its key functionalities and use | Arabic language | Online communication through emails and newsletters, social media | |

| | | | | | |
|-------------------------|-----------------------|----------------------------|------------------|--------------------------------|--|
| International community | Partner organizations | Being informed on progress | English language | Regular reporting, newsletters | One-to-one meetings, coordination meetings |
|-------------------------|-----------------------|----------------------------|------------------|--------------------------------|--|

4. Stakeholder Engagement Program

4.1. Purpose and timing of stakeholder engagement program

Regarding engagement of stakeholders, efforts have been particularly to the public sector and also some awareness have been made to many of the private sector and civil society.

However further efforts are needed to accompany the project implementation to have the stakeholders' views and concerns considered at the early development stages of the e-platform.

Engagement activities will include awareness raising and request for feedback during the testing phase of the platform, and also engage in larger communication to target a wider stakeholder group.

In terms of timing, the stakeholder's engagement will start with the project launch and will continue throughout the project implementation to ensure that all concerns are met.

4.2. Proposed strategy for information disclosure

Once the law enters into force in August 2022 and should the platform-Phase 1 be ready by then, official correspondence will be sent to all stakeholders in the public sector to inform them of such.

Furthermore, for other stakeholders such as the private sector, CSOs, etc., they will be reached out through targeted emails, press releases, social media, specialized articles in journals and magazines, informing them of the status of the reform and the existence of the platform.

4.3. Proposed strategy for consultation

In our capacity as national coordinator of the procurement reform, the Institut des Finances Basil Fuleihan will play a role in insuring proper needed consultation focus groups/meetings are undertaken throughout the project. National procurement experts and subject matter experts will be associated with this consultative effort as well external experts with the support of the project's partners to provide technical advice where needed.

4.4. Proposed strategy to incorporate the view of vulnerable groups

Vulnerable groups could be tackled directly through consultation meetings and feedback forms so that they could express their concerns and help in advancing project implementation, and or through meetings with CSOs that represent views of these vulnerable groups.

4.5. Timelines

The platform should be made available before the entry into force of Public Procurement Law no.244/2021 being 29 July 2022. It is to note that consultative meetings have already started amongst all stakeholders including the donor community. It will continue during the development phase and after the platform is

ready for utilization to insure proper functionalities during the various testing phases.

4.6 Review of Comments

The implementation and monitoring of the stakeholder engagement plan would be the responsibility of the implementing agency (Institute of Finance), provided adequate resources from the financing partners of the project are allocated timely to implement it.

Indicators.

Collection of data related to engagement activities will help in reporting on the following indicators:

1. Number of government agencies, civil society organizations, private sector and other stakeholder groups that have been involved in the project implementation phase. Means of verification: Minutes and Reports of consultations disaggregated according to sector.
2. Number of persons per sector and/or agency that have been involved in project implementation phase. Means of verification: Minutes Reports and other documentation of consultations.
3. Number of engagements with stakeholders during the project implementation phase (e.g., meetings, workshops, consultations). Means of verification: Minutes Reports and other documentation of consultations.
4. Percentage of stakeholders who rate as satisfactory the level at which their views and concerns are taken into account by the project. Means of verification: Impact and satisfactory survey as part of project evaluation.

4.7 Future Phases of Project

Phase 1:

Once the financing is secured for the LDPP and upon receipt of the funds, the procurement for the Platform Development Firm will be initiated.

Phase 2:

Development of the platform in compliance with the Public Procurement Law no.244. Stakeholders' engagement will be initiated and will accompany the development phase provided funding is secured for this exercise.

Phase 3:

Engagement through the testing phase of the platform by a focal group to be identified (comprising but not limited to Central Tender Board team, the Institut des Finances Basil Fuleihan (procurement experts' team), identified procurers from various contracting authorities (administrations/public institutions/municipalities/etc), a focal group from the private sector and the civil society organizations)

Phase 4:

Modifications as per the results collected during Phase 3.

Phase 5:

Second round of testing from the identified focal groups in phase 3, and other possible stakeholders.

Phase 6:

Communication about the readiness of the platform to all concerned via newsletter, press, social media, and websites.

Reporting on stakeholders' engagement throughout project implementation on a biannual basis.

5. Resources and Responsibilities for implementing stakeholder engagement activities

5.1. Resources, Management functions and responsibilities

- **What people are in charge of the SEP:**

- ✓ The Public Procurement Team and experts at the Institut des finances Basil Fuleihan (being the National Coordinator of the PP Reform by means of decision of the Minister of Finance – Decision no. 1/620 dated 2/11/2021)
- ✓ The Public Procurement Authority to-be (currently the Central Tender Board) represented by its President

It is to note that funding for this exercise is not available neither at the Institute of Finance nor at the Central Tender Board. Thus, the grant catered a budget (under Component 2), **estimated at 30,000 USD**, to ensure the proper implementation of the engagement activities as described in section 4.1 above.

6. Grievance Mechanism

The grievance mechanism will be clearly stated in the contract signed with the identified Development Firm that will be in charge of developing the e-platform.

The Institut des Finances, being the contracting agency, will communicate to identified stakeholders a template for grievance reporting. The said template will be published on the Institute's website www.institutdesfinances.gov.lb with a clear mention that any grievance should be reported by mail to the specified e-mail made available for this purpose which would be provided in the POM prior engaging workers.

Upon receipt of any grievance report, the Institut des Finances Basil Fuleihan will acknowledge receipt by email to the grievance sender, and automatically relay the information to the concerned party, and ensure that the grievance is treated promptly in a confidential manner within a short timeframe (time to treat grievances may slightly differ from one case to another according to the complexity of the grievance issue).

To recapitulate, the following process will be adopted:

- A clear process to document complaints and concerns (a Grievance template to be produced);
- A central location to receive public grievances, who will then log and monitor their resolution (an e-mail address will be communicated to concerned stakeholders to which grievances will be sent);
- The existence of the grievance mechanism be communicated to all stakeholder groups (through the website of the Institut des Finances Basil Fuleihan);
- If a complaint is not considered appropriate to investigate, IoF will transmit an explanation to the complainant on why it could not be pursued.
- Establishment of referral pathways to to receive, register, and facilitate the resolution of SEA/SH complaints, including through the referral of survivors to relevant gender-based violence service providers, all in a safe, confidential, anonymous, and survivor-centered manner to ensure no harm is caused to the grievance sender (avoid publicly reporting on the case to third parties).

A report on the status of the GM will be communicated to the World Bank on a semiannual basis.

7. Monitoring and Reporting

7.1. Reporting back to stakeholder groups

Being the national coordinator for the Public Procurement Reform, progress of the reform as such will continuously be communicated to all concerned stakeholders, through regular reporting and one-to-one meetings if needed.

Annex 1: Workshop Agenda

Agenda – Wednesday, December 15, 2021

| | |
|----------------------|---|
| 09:00 – 09:30 | On-site welcome and registration; participants joining via Zoom |
| 09:30 – 10:10 | Opening session <ul style="list-style-type: none">▪ Mr. Ghassan ZEENNY, Acting President, Institut des Finances Basil Fuleihan▪ Ms. Hasnaa MANSOUR, Country Representative, Westminster Foundation for Democracy▪ Dr. Jean ELLIYEH, Director General, Central Tender Board▪ Ms. Lina FARES, Senior Procurement Specialist, World Bank▪ Tour de table |
| 10:10 – 11:15 | Session 1: Presentation of the Draft E-Procurement Strategy and Action Plan for Lebanon <p>This session aims at introducing to key stakeholders the proposed strategic vision for Lebanon to advance on the agenda of digitizing public procurement, in line with the requirements of the new Public Procurement Law no. 244/2021. The presentation will be followed by commentaries by renowned experts.</p> <ul style="list-style-type: none">▪ Dr. Paul SCHAPPER, International E-Procurement Expert, World Bank▪ Ms. Julia KEUTGEN, Senior Transparency Advisor, Westminster Foundation for Democracy▪ Mr. Viktor NESTULIA, Head of Eastern Europe and Central Asia, Open Contracting Partnership▪ Ms. Eliza NIEWIADOMSKA, Senior Counsel -Public Procurement, European Bank for Reconstruction and Development <p>Discussion</p> |
| 11:15 – 11:45 | Break |
| 11:45 – 12:10 | Session 2: Ingredients of success of procurement platforms towards competitive and transparent procurement <p>This session sheds lights on key ingredients of success of transforming public procurement processes through digital open platforms, as well as on lessons learnt on deployment at the institutional and operational levels, as well as the impact of such transformation on spending efficiency, market competition and transparency in public procurement.</p> <ul style="list-style-type: none">▪ Mr. Oleksandr SHATKOVSKIY, International Public Procurement Consultant (Former Head of Public Procurement Department, Ministry of Economy, Ukraine) |
| 12:10 – 13:40 | Discussion on future prospects for Lebanon’s E-procurement |
| 13:40 – 13:45 | Closing |
| Moderated by: | Ms. Rana RIZKALLAH FARES, Senior Procurement Specialist, Institut des Finances Basil Fuleihan |

Roundtable on the Implementation of e-Procurement

TIME & PLACE

Thursday, March 10, 2022

Where: Online, Zoom

16:00 – 17:30

Language: Arabic and English, with simultaneous interpretation

ORGANIZED BY

The Lebanese Center for Policy Studies (LCPS)

On March 10, 2022 the Lebanese Center for Policy Studies organized a roundtable that aims at presenting the current situation pertaining to e-procurement and the challenges/gaps faced in meeting the requirements of Law No. 244/2021 and at identifying stakeholders' perspectives and concerns vis-à-vis the process of instituting and operationalizing e-procurement. The roundtable gathered stakeholders from the public sector, the private sector, some of Lebanon's international partners as well as a number of relevant civil society organizations. This report compiles the main comments made by the participants in that regard and may inform the implementation of this crucial reform component.

Discussion issues

1. Implementation modalities of the platform
2. Standards for open procurement data
3. Access and benefits of stakeholders from the platform (procuring entities, PPA, oversight bodies, economic operators, civil society organizations and citizens)
4. Governance of e-procurement system & role of various stakeholders
5. System sustainability

List Of Participants

Lebanese Center for Policy Studies (LCPS)

Makram Ouais,

Executive Director, Lebanese Center for Policy Studies - Lebanon

Ali Taha,

Researcher, Lebanese Center for Policy Studies - Lebanon

Public Sector

Jean Ellieh,

President, Public Procurement Authority - Lebanon

Lamia Moubayed Bissat,

Advisor to the Lebanese Minister of Finance in Public Procurement Reform - Lebanon

Rana Rizkallah Fares,

Public Procurement Specialist, Institut des Finances Bassil Fuleihan (IoF) - Lebanon

Basma Abdul Khalek,

Economist and Program officer, Institut des Finances Bassil Fuleihan (IoF) - Lebanon

Youssef Saad,

Office of the Minister of State for Administrative Reform (OMSAR) – Lebanon

International Partners

Lina Fares,

Senior Procurement Specialist, World Bank

Reem Kaedbey,

Manager of the Governance Portfolio, Agence française de développement (AFD) - Lebanon

Alaric Kamara,

Resident Expert in Public Procurement, Expertise France

Sabine El Hayek,

Project and Research Officer, Democracy International - Lebanon

Zoran Blažević,

Expert, Organization for Economic Co-operation and Development (OECD)/ SIGMA

Kenza Khachani,

Expert, Organization for Economic Co-operation and Development (OECD)/ SIGMA

Carey Klutz,

Head of Country Programs, Open Contracting Partnership

Private Sector

Aref Yassine,

Head, Order of Engineers and Architects in Beirut - Lebanon

Solange El Houayek,

Board Member, Order of Engineers and Architects in Tripoli – Lebanon

Civil Society Organizations

Nisreen Deeb,

Executive Director, Lebanese League for Women in Business - Lebanon

Asmahan El Zein,

Advisor to The Board, Lebanese League for Women in Business - Lebanon

Khoulood Hanna,

Outreach Coordinator, Lebanese League for Women in Business - Lebanon

Assaad Thebian,

Executive Director, Ghirbal - Lebanon

Ihab Hallab,

Executive Director, SmartGov - Lebanon

Mohamad Moghabat,

Senior Legal Consultant, Lebanese Transparency Association - Lebanon

Elie Maalouf,

Muhanna Foundation – Lebanon

Contributions made by the participants

Lamia Moubayed Bissat, Advisor to Minister of Finance in Public Procurement Reform

A lot of work has been done by the Ministry of Finance in order to achieve the best quality of services provided to citizens. The IoF has adopted a participatory approach in the drafting of the law and now in the implementation of the new PPL and will rely on the network of partners for its sound implementation.

The electronic procurement platform is the most important topic in that regard around which there is a lot of debate, so our objective is to have this platform available to all users as well as the adoption of open data as an essential criterion.

We are aware of the difficulties in introducing such a platform given the deadline for launching mandated by the law. OMSAR adopted the design of the Delta system without any participation from IoF nor the relevant CSOs, thus we need to be courageous enough to make an objective assessment of the current system and decide whether it answers to our needs with regards to public procurement regardless of the funds that have been channeled into the development of the Delta Platform. The system needs to be connected to a safe IT infrastructure that projects trust considering that the private sector will be sharing

data on it. Moreover, the PPA has very limited resources and will be in need of support. Open Data is a crucial component as it is important to allow researchers and those who would like to monitor the process to have access to the data and the related analytics.

Jean Elieh, PPA

Elieh stressed the fact that Lebanon and the generations dreaming of the state of justice and of strong institutions are in front of a historic opportunity to make this law a success story.

The biggest challenge that we are faced with is the need to have an operational electronic platform that would be ready to be launched by the end of July 2022, one that is easy to use and would cover all parties engaged in public procurement. We have to know whether or not we can benefit from the existing platforms, and build on that if that is a possible. This is a technical issue that should be studied.

Basma Abdul Khalek, IoF

Abdul Khalek explained how the invitation by LCPS to this roundtable shows that think tank academia and civil society are at the center of this discussion on public procurement and on crucial policy issues that will affect the success of this reform and the future of the country in general. The public procurement reform in Lebanon is founded on solid national commitment to fiscal governance reform, it is whole of government, whole of economy and of society reform that is ought to contribute to the recovery of the country. However, that will hinge on the sound planning and execution of this reform. Abdul Khalek then proceeded with a PowerPoint presentation covering the economic and political context that lead to the adoption of the law as well as the crucial elements and standards that should be followed in the implementation process. For more information about the content of the presentation, please refer to the attached PP slides.

Asmahan El Zein, LLWB

El Zein suggested organizing a session involving private sector stakeholders to explain the meaning of public procurement and the uses of an e-procurement platform. She continued and wondered if “anyone from the private sector that is an expert that would ask the right questions or give the required clarifications since this platform has to be functional and efficient.

Youssef Saad, OMSAR

OMSAR developed a full procurement system funded by the EU. The Delta system, which is developed by BIP Solutions in Scotland was one of the best systems in the world. However, in the case of Lebanon the system was developed in 2018-2019 before the adoption of the new Public Procurement Law (PPL).

The system was built to encompass all the procurement process from the planning of the procurement to the fulfillment of the contracts, supporting both English and Arabic at a cost of €400,000 . The current system covers 15 of the 18 criteria that are mentioned in the IoF presentation. The public and private sector’s access to information is the basis for internal and external oversight. The main oversight should come from civil society and the private sector, which should be able to intervene to rectify or oppose certain aspects of the procurement process. The procurement system is a platform for economic interests and for enterprise that build on open data, for example in the UK some companies provide certain services related to procurement using the data provide by the e-procurement platform.

There were loopholes in the security certificates that we submitted to Gherbal, which usually should be renewed on a yearly basis but have not been because of financial limitations. The decision as to what platform to use for e-procurement is under the mandate of the ministerial committee which has to assess the current Delta platform and whether it fulfills the requirements. There should be collaboration with other systems as one platform cannot tackle all aspects of e-procurement such as open data, and this is where the role of civil society comes into play as they could fill in the gap in that regard.

It should be stressed that a full procurement platform is a very complex system, the Delta system for example has twelve modules for planning, publishing documents, launching the bidding, offers from supplier etc., thus it might be difficult to include all of the desired functionalities in one platform.

A full e-procurement system is not required by the end of July. As to the development of all the needed modules this will take some time. There are World Bank experts that will be conducting an assessment of the existing systems.

We welcome the request to provide interested stakeholder with a demo of the current delta system.

- The system is not Open Contracting Data Standard (OCDS) compliant
- APIs (application programming interface) are not available
- The system does not support e-signature

Assaad Thebian, Gherbal

OMSAR gave Gherbal the opportunity to check the website that was funded by the EU and we were able to identify some restrictions. Gherbal is developing its own website which will involve more than a thousand municipalities and 60 municipal federations, providing them with some additional services related to public procurement such as bidding requirement and other kind of needed data. Although it does not support any sort of tendering, Gherbal is willing to put its website in the service of the governmental institutions who might need it and is willing to assist relevant institution in the development of the e-procurement platform.

Gherbal had requested a demo of the website with the aim to investigate among other things:

- If the platform is well rehabilitated?
- If the Content Management System (CMS) is good enough for the employees to have access to the system?
- Whether visualization, tracking and filtering among other options are available?

Lina Fares, World Bank

When considering the issue of whether to use an underdeveloped platform or one with inadequacies on the intention of gradually improving it accordingly, one must consider that the adoption of a new well adapted platform might be less costly.

It is also important to note that the software is only one part of the whole procurement system, other parts that we should be concerned about are the infrastructure needed to support the platform such as the server, the security, and the networking, all of which will increase the overall cost of the system. It is therefore important to channel all needed resources into this project knowing that the process will take some time.

The Impact platform was not initially designed to support procurement services, however it is the most widely and frequently used government platform.

The platform works best when it exists within an enabling environment.

Nisreen Deeb, LLWB

A demo or a manual on the functionalities of the platform is of critical importance. There are also other aspects such as privacy and security, the marketing process, as well as the Key Performance Indicators (KPIs) and the monitoring and evaluation, and whether there is an integration of AI technology in the process. We all carry a shared responsibility thus we should be dividing roles and developing a specific plan in terms of the activities and the work-plan.

Zoran Blažević, OECD/SIGMA

Blažević explained the importance of a review system and proceeded to present the case of Croatia pertaining to the implementation of e-procurement drawing the lessons that might be of help to Lebanon in that regard. For more information on his presentation, please refer to the attached PP slides.

Mohamad Moghabat, LTA

Two main challenges to the implementation of e-procurement:

First, there is the challenge relating to human resources, and whether the government as well as municipalities will have the financial capacity to employ and train its staff to use the platform.

The second challenge which might necessitate a legislative framework is the administrative aspect, especially with regards to e-signature and whether it will replace manual signature which might require a legal amendment. This is a very significant issue that can help curbing corruption as it will limit human exchange. We look at this phase as a transitional one during which we are going to experiment the new e-procurement system and assess it accordingly.

We are working with the IoF and the tenders committee on three issue:

The information regarding the economic rights holders and the beneficial owners and whether this information is going to be shared on the e-procurement platform. Noting that in case such information was to be published on another platform or website that might add to the complexity of the system and thus lead to potential confusion by users.

Another issue we have discussed is the role of CSOs in the control and the supervision of the procurement procedure and implementing them starting from the declaration of a tender up to the signature of a contract and its implementation. It was suggested to have an accreditation system to these kind of organizations which are not limited to CSOs, as they might include trade unions, economic entities, individual experts. Therefore, will this accreditation system be integrated in the platform or not.

Furthermore, there is the matter of the right of access to information, which is a fundamental matter, and a constitutional and human right. There should be guidelines to what constitutes confidential

information, which take into consideration the public's interest weighed against that of the institution or party seeking the confidentiality of its information. For example not all procurements related to the military should be confidential as many of the army's procurement activities are not in any way tied to national security such as the purchase of office equipment, etc.

A single stakeholder cannot implement the system on their own, thus it would be useful to develop an action plan where all stakeholders contribute to the implementation of the platform.

Carey Klutz, OCP

Open up the data: Open Contracting Data Standards

An internationally recognized best practice open data standard for public contracting that is being implemented around the world, it is free and non-proprietary. At its heart is the idea that it should be possible to follow a contracting process from planning and tender to award of the contract all the way to implementation (OCDS allows to join all that information together with unique identifiers and make it sortable, sharable and machine readable).

On the engagement side, in terms of opening up the process, we encourage collaboration between governments, private society, media, academia and others, focusing on using data to enable and improve monitoring, oversight and feedback, which eventually improves trust in the system and among stakeholders.

Open contracting can help detect and deter fraud and corruption, improve value for money and efficiency of the process, increase market opportunities for certain priority groups.

Digitizing the procurement process is not sufficient on its own, and should be developed having the stakeholders' needs in mind. Another concern is about the capacity of the system and the ability of all levels of government to access and use the system.

Ways OCP can help:

Thinking of the design of the system and its implementation, not just a transparent e-procurement system for its sake but how the information will be used and for what. OCP offered to review the Terms of Reference (TOR), the functional requirements especially from a data collection and quality perspectives as well as working with developers to put a more agile approach in place. We also offer workshops on 'use cases', thinking of the goals of the system in the short term and the information needed to track progress towards those goals. OCP can also help with data; publishing, sharing and using standardized structured contracting data that links the entire procurement process. A key added value by our Open Contracting Data Standard (OCDS) is that it's backed by a free global help-desk that helps publishers to improve the data that is coming out of the system. OCDS is system agnostic, able to work with any system.

Another very important area of possible support is the change management support, offering methodologies and advice to work with different parts of government and stakeholders to make the case of how the system will help them and build their capacity to understand and use the system. Lastly, OCP is willing to help with the stakeholder engagement, which includes market engagement as well as civic engagement and supporting feedback to the government to build trust over time.

Reem Kaedbey, AFD

Kaadbey highlighted the importance of the independence of the data that will be shared and stored as well as the security and confidentiality of data. We encourage building a platform that is easy and accessible to everyone.

We have a technical assistance program that started with the IoF and the Central Tenders Board, lead by consultant Alaric Tamara who will be helping Ellieh in the transition to the new Public Procurement Authority. It is important to build on previous experiences with regards to the implementations of an electronic platform for procurement. The second point Kaadbey raised is whether the current administration (especially the tenders board) and the human and technical resources are ready to get the platform functional within the current circumstances.

Ihab Hallab, Smartgov

Dawlati platform had cost 2 million dollars in an attempt to gradually transition towards a full e-government model, however it was discontinued. This was because the traditional approach adopted back then considered technology to be a standalone practice, while in fact technology is only one element of what should be a comprehensive and inclusive process.

Regarding the transparency of the platform, Hallab wondered whether data is open in real time? Would users applying for a specific tender be able to see their status and the number of bidders? Does the system have Application Programming Interfaces (APIs) that could be connected to other systems such as the one Ghirbal is working on? And, is this system sustainable in terms of the characteristics of the system stakeholders and the culture of the organization managing the platform as well as the legal framework?

Our approach towards the platform is that it should be treated as a must-have and not nice-to-have. We are looking forward to the demo as it will allow us to understand what is needed in terms of the way forward.

Solange el Howayek, Order of Engineers and Architects in Tripoli

What are the template required for tender, for pre-qualifications and all the documents and bidding forms that are needed for the implementation of the law? Are these templates ready now that we are four months away from the deadline?

Kenza Khachani OECD

The OECD have been supporting many countries in the region like Tunisia, Algeria, and Egypt. E-procurement is one of the 12 integrated principles of OECD on public procurement.

It is important to have e-procurement systems that are modular, flexible, scalable, and secure. For example in the case of the introduction of a new procedure in the regulations, the system must be flexible and modular enough to enable the integration of this procedure in the system. Some OECD countries have more than one procurement system, but it is better to start with one. Some countries have chosen the Korean system, such as Tunisia, Jordan and Egypt, but other countries like Morocco have developed their own platform ('marché public'). The latest country that introduced e-procurement is Algeria starting only with the publication phase of e-procurement.

There are key elements to take into account and that require proper assessment before taking any decision:

- The first is the political will and institutional leadership

- The regulatory aspect (guidelines secondary laws)
- IT infrastructure (do the public and private sector have enough laptops mobiles internet access)

An assessment of the system should look at:

Stakeholders engagement and capacity building activities (sometimes it take two to three years to train and prepare users of the platform).

The functionalities needed and the integration of the e-procurement system with other public or private platforms like tax registry, and social security are essential. This assessment will allow you to decide whether the country is ready for what is called a ‘big bang’ approach to the implementation of e-procurement to all public procurement through all contracting authorities or a gradual implementation maybe by categories of contracting authorities or type of procedures. There are many benefits for the e-procurement system for all stakeholders in terms of governance, increased transparency, accountability and monitoring. The system will allow you to have data for 6.5% of Lebanon’s GDP, as well as improve integrity and trust in government. Furthermore, it will improve efficiency, cost, competition, public procurement outcomes, integrity risk, enhance productivity and the investment environment in general.

Concluding Remarks by Makram Ouais, LCPS

Ouais reiterated Moubayed’s suggestion to conduct a SWOT (strengths, weaknesses, opportunities, and threats) analysis, and indicated as Youssef Saad had previously stated that World Bank experts will be conducting an assessment of the current platform that should help guide the relevant administrations through the way forward. Moreover, some of the participants called for the formation of a task force that gathers stakeholders as well as experts with the support of specialized international partners to chart a road map whereby tasks are divided among the different members of the task force. Ouais concluded that it is important to keep the discussion open with regards to the implementation of the new PPL especially regarding the e-procurement platform.

Annex 3: Indicative list of stakeholders

| Group | Indicative list of stakeholders |
|------------------------------------|---|
| Procuring Entities | <ul style="list-style-type: none"> ▪ Line ministries (ministries of Finance, Economy and Trade, Interior and Municipalities, Public Works and Transport, Defense, Justice, Industry, Energy and Water, Telecommunications, Health, Environment, Social affairs, OMSAR, etc.) ▪ Public institutions (Council for Reconstruction and Development, Council of South, Electricité du Liban, OGERO, Water authorities, Ports authorities, Rafic Hariri Governmental Hospital, Quarantina Governmental Hospital, Lebanese University, Green Plan, Litani River authority, etc.) ▪ Large spending municipalities (Beirut, Tripoli, Saida, Tyr, Jbeil, Zahlé, Nabatiyeh, Ghobeiri, Chiyah, Choeifat, Qaroun, etc.) ▪ Small spending municipalities to be identified ▪ Union of municipalities (UoM of Jezzine, UoM of Bouheira, UoM of Southern Beirut Suburbs, UoM of Metn, UoM of Chouf Sweijani, UoM of Dannieh, etc.) ▪ Security and military entities (Lebanese Army, Internal Security Forces, General security, State security, Civil Defense) ▪ Diplomatic delegations in selected countries to be identified ▪ Displaced Fund ▪ Middle East Airlines ▪ LibanPost |
| Policy and decisions makers | <ul style="list-style-type: none"> ▪ Minister of Finance, Chair of Inter-Ministerial Committee ▪ Members of the PP reform's Inter-Ministerial Committee ▪ Members of Parliament |
| Oversight bodies | <ul style="list-style-type: none"> ▪ Court of Accounts ▪ State Council ▪ Central Inspection ▪ Civil Service Board ▪ Higher Council of Discipline |
| Business associations | <ul style="list-style-type: none"> ▪ Association of Lebanese Industrialists ▪ Bar Association in Beirut ▪ Bar Association in Tripoli ▪ Chamber of Commerce, Industry and Agriculture of Beirut and Mount-Lebanon ▪ Chamber of Commerce Industry and Agriculture of Tripoli and North Lebanon ▪ Chamber of Commerce Industry and Agriculture of Zahleh and Bekaa ▪ Lebanon Private Sector Network ▪ Lebanese Association of Certified Public Accountants ▪ Lebanese League for Women in Business ▪ Order of Engineers and Architects in Beirut ▪ Order of Engineers and Architects in Tripoli ▪ Rassemblements des Dirigeants et Chefs d'Entreprises (RDCL) |

| | |
|----------------------|--|
| | <ul style="list-style-type: none"> ▪ Syndicate of Contractors |
| Civil society | <ul style="list-style-type: none"> ▪ Arab NGO Network for Development ▪ Digital Transformation Network ▪ Gherbal Initiative ▪ Kulluna Irada ▪ Maharat Foundation ▪ Lebanese Transparency Association ▪ Lebanese Center for Policy Studies ▪ Lebanese Oil and Gas Initiative ▪ Lebanese Foundation for Permanent Civil Peace ▪ Lebanese Association for Taxpayers' Rights – ALDIC ▪ Legal Agenda ▪ Organization for Petroleum & Energy Sustainability ▪ SmartGov |