

## Public-Private Partnership

Session3–November 2025

This activity is implemented in collaboration with Expertise France under the EU funded Project “Supporting progress in key areas of public administration reform in Lebanon” (2023-2027).



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**“The Knowledge Lab” in Public Procurement (KLPP)** is a collaborative initiative by the Institut des Finances Basil Fuleihan (IOF) designed to develop specialized learning content and reform-driven expertise in public procurement. The ultimate objective is to empower a national network of experts and bridge the gap between evolving procurement laws and real-world professional application.

### Objectives

- Standardize Knowledge: Align trainers on technical topics and international best practices.
- Content Creation: Develop interactive, rapid-learning materials for continuous education.
- Professional Support: Equip officials with practical tools for informed decision-making.
- Policy Impact: Drive legislative reform and a culture of critical thinking.

### Methodology

The program follows a practical, four-phase collaborative process:

- Identification: Selecting priority technical topics.
- Preparation: Nominating an expert facilitator to co-design content with IOF.
- Delivery: Conducting focused, interactive sessions using case studies and simulations.

Output: Finalizing high-impact learning materials and sector-wide resources.

## Overview

The third session entitled “Public-Private Partnership” aimed at building the foundational knowledge and analytical skills needed to raising awareness of the importance of partnerships between the public and the private sectors to implement projects that deliver tangible benefits to the citizen.

A group of participants including trainers and key resource people in public procurement participated in this knowledge lab formed of practitioners, judges and lawyers from several public administrations and institutions such as the Ministry of Finance, Justice, Agriculture, and others, in addition to members and staff of regulatory authorities such as the Regulatory Authority for Telecommunications.

### Session Structure and Key Discussions

The third session of the Knowledge Lab was divided into three main parts, as detailed below:

#### Part One: Group Work – Pre-readings

The first session began with **individual preparation**, where each participant completed the assigned pre-readings, then transitioned into a **group work** phase, where insights were pooled to collectively analyze the evolution and to define characteristics of Public-Private Partnerships (PPPs) and to identify their key challenges.

- › The session included a brief epistemological overview of PPPs' historical development, explicitly connecting it to core themes of governance, service quality, finance, and public financial management (PFM). The principal challenges identified were subsequently categorized into four major domains financial, political, institutional, and operational.
- › The session then structured the exploration by examining the standard methods for classifying PPPs, categorizing them by funding source, the scope of private sector responsibilities (such as DBFOM or BOT models), and ultimate asset ownership.

- › A key comparative analysis followed, clearly differentiating the PPP approach from both traditional public procurement and full-scale privatization. Practical context was provided through real-world cases, such as the adaptive renegotiation of a Saudi airport contract during the pandemic and Lebanon's strategic pivot to PPPs for new infrastructure, highlighting the model's practical applications and limitations.
- › The discussion provided a balanced view, detailing the core benefits of PPPs, including risk transfer and life-cycle efficiency, while also addressing their inherent complexities and the demanding requirement for robust public sector capacity.
- › To solidify understanding, common misconceptions about PPPs were explicitly clarified, reinforcing that the model is a performance-based collaboration rather than a disguised sale of public assets.
- › The session concluded by walking through the typical lifecycle of a PPP project, from initial identification and feasibility to final hand back, outlining the necessary stages for successful implementation.

### Part Two: Partnerships in Lebanon and their Legal Framework

- › The second session opened by contextualizing Lebanon's PPP journey, noting that while partnership projects existed prior to the 2017 law, their execution was often disrupted due to the absence of a unified legal framework. The discussion then centered on the foundational objectives of PPP Law 48/2017, which seeks to establish a clear regulatory environment, a central oversight unit, and principles of transparency and fair competition.
- › A significant focus was placed on the practical tensions revealed by the proposed 2025 amendments, particularly regarding the minimum number of bidders and Expression of Interest timelines, illustrating the ongoing challenge of balancing procedural rigor with practical project feasibility.
- › A detailed overview of the law's core provisions, including the definition of a PPP project, the comprehensive institutional framework led by the High Council for Privatization and PPP, and the structured roles of public and private entities, including Special Purpose Vehicles (SPVs).
- › Procurement stages and governance were summarized, covering project definition, pre-qualification, bidding, implementation, and monitoring through foundation and operational phases.
- › The entire project lifecycle was reviewed, from identification and procurement—through stages like pre-qualification, terms of reference, bidding, contract signing and implementation, which is governed by a two-phase monitoring system covering both the foundational and operational periods.
- › The session emphasized the complementarity with the Public Procurement Law, which reinforces accountability through a two-phase governance model for project execution. An Establishment Phase oversees design and construction, while an Operational Phase monitors service quality and maintenance. This is enforced through a network of oversight bodies, including a Project Management Office (PMO) and Steering Committees.
- › Finally, the relationship between the PPP Law and the general Public Procurement Law was clarified: the PPP Law is the primary, specialized statute, while the Procurement Law serves as a supplementary source for general governance rules like transparency and conflict of interest, ensuring a complete regulatory environment without overlap.

### Part Three: PPP and Public Investment Management

This session focused on Public Investment Management in Lebanon, covering key stages, existing gaps, the current state, and the need for reform to restore trust, improve efficiency, and support economic growth.

- › **The Project Selection and Analysis Framework:** A core component of reform is establishing a rigorous, standardized process for selecting projects. This begins with sourcing ideas from strategic plans and filtering them based on clear criteria.
- › **Cost-benefit analysis (CBA):** the importance of establishing a rigorous, standardized process for selecting projects. This begins with sourcing ideas from strategic plans and filtering them based on

clear criteria. The Cost-Benefit Analysis (CBA), is a vital tool to objectively determine if a project's total socio-economic benefits justify its costs, ensuring public funds create net value for society.

- › **Value for Money (VfM)** analysis is crucial. It compares the projected cost of delivering the project via a Public-Private Partnership (PPP) against a Public Sector Comparator (PSC). This disciplined comparison is essential for deciding whether a PPP genuinely offers better risk management and lifecycle efficiency than traditional public procurement, safeguarding the government's financial interests.
- › **Financial Sustainability and Risk Management:** For projects, especially PPPs, to be viable, stringent financial checks are mandatory. A project must be bankable (attractive to private financiers), affordable for the government's budget, and have a clear repayment capacity from either the treasury or end-users. A comprehensive assessment of all potential financial obligations, direct, explicit, and contingent, is critical to avoid hidden fiscal burdens.
- › **Financial Management:** Managing these financial risks within the overall public investment framework requires continuous analysis, monitoring, governance, and reporting to ensure that project commitments, from any model, remain manageable and do not jeopardize fiscal stability, thereby protecting public finances.
- › The session concluded by reviewing proposed amendments to the PPP Law aimed at directly addressing systemic hurdles. These amendments focus on enhancing transparency and communication with bidders, strengthening bankability, protecting public assets, and introducing more agile structure.

## Evaluation Results

The evaluation of the second session of the "Knowledge Lab in Public Procurement" on Public-Private Partnerships was conducted through interactive discussions and observation of participant engagement during the group exercises and general discussions. Particular attention was given to participants' ability to apply legal concepts, engage in case-based discussions, and demonstrate understanding of the material related to the Public-Private Partnerships.

Overall, the results indicated a high level of engagement among experts, improved conceptual understanding, and strong potential for knowledge transfer within institutional contexts.

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## Outcomes

### Recommendations

- **Strengthen the legal and institutional framework** of PPPs to ensure transparency, accountability, and effective governance in partnership projects.
- **Apply the proposed amendments to the PPP Law** to enhance transparency, risk management, financing, and the efficient implementation of projects.

## Appendices

### Appendix 1: List of Participants

Name	Institution	Position
Suzanne Abou Chacra	Institute of Finance	Training Specialist
Antoine Bakhos	Electricite du Liban (EDL)	Head of Training Department
Manal Bilal	Ministry of Finance	Contracts Supervisor
Diana Bou Ghanem	Ministry of Telecommunications	Head of Center
Bassem Chaaban	Lebanese Army	Colonel
Diala Chaar	Independent Consultant	PPP Expert
Lina Diab	Institute of Finance	Lawyer and Legal expert
Ziad El Cheikh	Ministry of Finance	Expenditures Controller – Public Procurement expert
Kamal El Achkar	Ministry of Defense	Head of Department
Elias El Namroud	Green Plan	Agriculture Engineer
Carole El Hajj	Telecommunications Regulatory Authority	Tariff Director
Hekmat Daw	Ministry of Agriculture	Civil Engineer
Nadine Ghandour	Institute of Finance	Financial Officer
Jihad Hayek	Telecommunications Regulatory Authority	Cost Accounting Manager
Wassim Monzer	Lebanese General Security	Colonel
Daad Najjar	Akl Sheikhdome of the Druze Unitarian Community	Head of Finance Department
Raeif Oueidat	Telecommunications Regulatory Authority	Manager Policy and Universal Service
Fida Labaky	Electricite du Liban (EDL)	Engineer - Trainer
Andy Rahme	Institute of Finance	Intern
Rana Rizkallah	Institute of Finance	Public Procurement Expert
Khaled Shmeit	Ministry of Public Works	Head of Department
Hoda Saber	Ministry of Finance	Expenditure Controller
Rana Tauk	Court of Accounts	Senior Controller
Rayan Wehbe	Internal Security Forces	Captain

## Appendix 2: Knowledge Lab Agenda

**Title:** Public-Private Partnership

**Location:** Institut des Finances Basil Fuleihan

**Date:** November 13, 2025

8:45-9:00	<b>Reception of participants</b>
9:00-9:45	<p><b>First Session: Part One</b>  <b>Group Work: Pre-readings</b></p> <ul style="list-style-type: none"> <li>▪ Group 1: A Short History of Public-Private Partnerships   PPP Alliance</li> <li>▪ Group 2: Public-Private Partnerships in the Gulf Cooperation Council</li> </ul> <p>Presentation of the Group Work</p>
9:45-10:45	<p><b>First Session: Part Two</b>  <b>The concept of partnership and why it is mentioned in the Public Procurement Law</b></p> <ul style="list-style-type: none"> <li>▪ Definition, characteristics, and justifications of partnerships</li> <li>▪ The importance of infrastructure projects and the main sectors for partnerships</li> <li>▪ The lifecycle of a partnership project</li> <li>▪ The difference between partnerships and traditional public procurement</li> </ul>
<b>10:45-11:00</b>	<b>Break</b>
11:00-12:30	<p><b>Second Session:</b>  <b>Partnerships in Lebanon and their legal framework</b></p> <ul style="list-style-type: none"> <li>▪ History of partnerships in Lebanon</li> <li>▪ Overview of Partnership Law No. 48/2017: its objectives, involved entities, and the procurement process</li> <li>▪ The partnership contract according to the law and its key components</li> <li>▪ The complementarity between the Public Procurement Law and the Partnership Law</li> <li>▪ The main amendments introduced to the Partnership Law and the reasons behind them</li> </ul> <p><b>Group Work:</b> Review the explanatory note that explains why the amendments were made.</p>
<b>12:30-12:45</b>	<b>Break</b>
12:45-14:00	<p><b>Third Session:</b></p> <ul style="list-style-type: none"> <li>▪ An overview of public investment management and financial governance</li> <li>▪ How partnerships and public investment complement each other</li> <li>▪ Selecting projects: PPP or traditional public procurement</li> <li>▪ Financial risk management in partnership projects</li> </ul>