

## Emergency Procurement: Opportunities and Challenges for Lebanon to Consider

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What is Emergency Procurement and why does it matter to Lebanon?

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### What is Emergency Procurement and why does it matter to Lebanon?

Governments around the world are the largest buyers; Public Procurement (PP) represents globally on average 13% to 20% of Gross Domestic Product (GDP) each year, and global expenditure in procurement is estimated at nearly 9.5 trillion US dollars<sup>1</sup>. This immense financial flow underscores public procurement's critical role as a strategic tool for economic development, service delivery, and good governance in any nation.

However, in times of crisis, whether natural disasters, health crises, armed conflicts, or economic collapses, standard procurement procedures are of no use and governments must act faster than usual. This is where Emergency Procurement comes in. It is the process of acquiring goods, works, or services in situations of extreme urgency using simplified procedures to ensure a quick response. It helps governments and their agencies act fast to ensure service delivery and respond to the urgent needs of populations, while maintaining transparency and accountability in times of crisis.

#### Box 1: Distinguishing Crisis Response Mechanisms

- Humanitarian Aid: Direct support to citizens (food, shelter, medical aid).
- Emergency Procurement: Government acquisition of goods/services works under urgency.
- Strategic Response Planning: Ensuring readiness of critical services (energy, health, infrastructure) through standard procurement and pre-negotiated contracts.

Recognizing these distinctions is vital to avoid blurred responsibilities and ensure coherent crisis management.

<sup>1</sup> World Bank. (2020, March 23). *Global public procurement database: Share, compare, improve*. World Bank. <https://www.worldbank.org/en/news/feature/2020/03/23/global-public-procurement-database-share-compare-improve>

Emergency procurement should be understood as a phased process: Preparedness, Immediate Response, Recovery, and Rehabilitation. Each phase requires tailored procurement tools and safeguards.

In Lebanon, Emergency Procurement is particularly significant especially that the country has been undergoing several kinds of emergency situation like armed conflicts, explosion of the Port of Beirut, COVID 19 pandemic, earthquakes and natural disasters, which highlight the urgent need for resilient and efficient emergency procurement systems. Ensuring that emergency procurement is both swift and accountable is therefore vital for saving lives, rebuilding infrastructure, and maintaining citizens trust in the state.

Effective emergency procurement is not a fixed process but a flexible approach that must adjust as a crisis develops. Public procurement during armed conflicts or wartime as well as during the COVID 19 pandemic brought to the fore a generalized use of emergency procurement for essential goods and services, highlighting the importance of identifying and managing risks in public procurement systems and processes. Such emergency situations affect the way governments plan (at different levels), conduct procurement, and manage their ongoing contracts.

As shown in Figure 1, the procurement process should match the different phases of an emergency: Preparedness, Immediate Response, Recovery, and Rehabilitation. Each of these stages has its own challenges and needs, which means that procurement must use different strategies that overpass normal procedures.

**Figure 1: Types of Emergencies**

LEVEL 1 PREPAREDNESS	LEVEL 2 IMMEDIATE RESPONSE	LEVEL 3 RECOVERY	LEVEL 4 REHABILITATION
Enables optimal emergency procurement response if, and when an emergency occurs.	Disaster relief – the next stage, where there is still a need to respond urgently but no immediate threat to life.	Begins after the emergency, returning to normal steps but fast-tracking key projects.	Planning the transition away from emergency procurement when it's no longer needed.

- **Level 1** focuses on preparedness; governments plan ahead, train skilled teams, secure resources and suppliers, and set up clear procedures to respond quickly when a crisis occurs.
- **Level 2** focuses on response; simplified and faster procurement methods like direct selection, shorter bidding times, using UN agencies, force accounts, or time-based contracts help governments act quickly and flexibly during an emergency.
- **Level 3** is the transition back to standard procurement while still allowing simplified methods, when necessary, with support to build government capacity.
- **Level 4** focuses on lasting procurement reforms to create a stronger, more transparent system for the future.

## The Current Framework for Emergency Procurement in Lebanon

Lebanon's public procurement system has evolved with the introduction of the Public Procurement Law (PPL No. 244/2021), which aims to modernize and improve how goods, works, and services are procured to ensure value for money and better service delivery to citizens.

This Law also includes rules for emergency procurement, designed to help the government respond quickly to crises while still ensuring transparency and accountability.

- **Article 46(2)** of the PP Law 244/2021 clearly mentions the use of direct contracting in emergency and relief cases following an unexpected catastrophic event, where engaging in any other method of procurement would be impractical.
- **As per Article 62 (4)**, the procuring entity may award the contract to the bidder without engaging in any competitive procedure. These provisions form the main methods used for procurement during crises in Lebanon, mainly relying on fast and direct procedures<sup>2</sup>.

However, the practical application of these provisions, particularly amidst crises, has revealed significant challenges and potential vulnerabilities. Lebanon is still missing an electronic public procurement system, and an independent complaints and review mechanism, while most procurement operations continue to be processed on paper. The recent Israeli war on Lebanon (2023-2024) has caused significant losses and an economic slowdown, requiring proactive recovery actions with international support. Without martial law and clear procurement rules, it remains difficult for procuring entities to procure goods and services to satisfy emergent needs. To address this challenge, several measures were adopted, including changes in procurement methods and regulations to adapt to the crisis.

- **Increased Use of Direct Contracting:** To meet urgent needs like shelter, medical care, or repairs, many entities used direct contracting allowed by Law 244/2021. While this sped up the procurement process, it came with a high risk for abuse of using this method.
- **Higher Invoice Thresholds:** The Council of Ministers raised the limit for invoice-based purchases from 500 million LBP or 5,000 USD to 1.5 billion LBP or 15,000 USD, making quick spending easier but also reducing competition and increasing the risk of less transparent spending.
- **PPA Guidance:** The Public Procurement Authority (PPA) issued Memo No. 8 reiterating Law 244/2021 for the use of direct contracting in emergency situation, and the use of procurement into lots with clear justification by the procuring entity.

However, despite all the progress made on this front, Lebanon still lacks a comprehensive framework for emergency procurement with safeguards such as time limits (sunset clauses), scope restrictions, and clear documentation rules.

<sup>2</sup> Republic of Lebanon. (2021, June). Public Procurement Law (Unofficial translation). Institut des Finances Basil Fuleihan. [https://institutdesfinances.gov.lb/sites/default/files/2024-12/PP%20Law-unofficial%20translation-dec24-en\\_1.pdf](https://institutdesfinances.gov.lb/sites/default/files/2024-12/PP%20Law-unofficial%20translation-dec24-en_1.pdf)

## What Drove Lebanon towards Emergency Procurement: Learning from Crises

Lebanon's recent history is marked by a series of crises that have tested its emergency procurement capabilities. These scenarios offer invaluable lessons on the practical strengths and the critical weaknesses of the existing framework.

### The Covid-19 Pandemic (2020-2021)

The COVID-19 pandemic reached Lebanon in February 2020, worsening an already severe economic and political crisis. The Ministry of Public Health led the response, while municipalities took local measures with mixed success due to uneven funding and limited central support. Some municipalities resorted to direct procurement of vaccines to bypass the standard central government processes. This decentralized approach highlighted the systemic inefficiencies at the national level.

International support, including a US\$40 million World Bank<sup>3</sup> reallocation and collaboration with United Nations (UN) agencies, helped secure essential supplies and vaccines. Strict financial management rules aimed at ensuring transparency.

However, risks of corruption persisted. Reports of vaccines used for political gain, skipped prioritization, and limited public oversight undermined trust and equity.

### Beirut Port Explosion (2020)

The 2020 Beirut Port explosion caused multiple deaths and injuries, massive displacement, and severe damage to hospitals and food supply chains.

International partners were quickly mobilized. The UN released emergency funds, launched a Flash Appeal, and coordinated with WHO and WFP to procure critical medical supplies and deliver food and cash assistance. Major donors deliberately bypassed the Lebanese government, channeling aid through trusted UN agencies and local NGOs like the Red Cross due to concerns over corruption. NGOs and the army led immediate recovery efforts, including debris removal, home repairs, and direct aid distribution.

### Israeli conflict on Lebanon (2023-2024)

According to the latest World Bank Interim Report, damages and losses from the latest Israeli conflict were estimated at around US\$8.5 billion (US\$3.4 billion in physical damage and US\$5.1 billion in economic losses across sectors like commerce, health, housing, tourism, agriculture, education, and the environment)<sup>4</sup>. This situation has sharply slowed economic activity, and final damage estimates will likely be even higher once long-term recovery costs are counted.

Such a complex crisis requires immediate and well-planned relief, recovery, and reconstruction efforts, led by the Government of Lebanon with strong support from international partners. The commitment of the global community is clear, for example, the recent Paris conference secured US\$1 billion in humanitarian aid and support for Lebanon's security forces. However, ensuring that these large sums truly reach and benefit affected people demands strong financial management and a transparent system to guide how funds are spent.

<sup>3</sup> Ministry of Information. (2020, April 3). World Bank Deploys \$40 Million to Help Lebanon Face the Coronavirus Outbreak. <https://www.ministryinfo.gov.lb/en/46680>

<sup>4</sup> World Bank. (2024, November). *Lebanon Interim Damage and Loss Assessment (DaLA) – Assessment Report*. World Bank Group. <https://documents1.worldbank.org/curated/en/099111224112085259/pdf/P5063801c62fbc0c21beff1d0a436d07e02.pdf>

The reconstruction process highlighted deep-rooted weaknesses in Lebanon's public procurement system, widely seen as non-transparent and prone to corruption. Allegations of non-competitive tenders, inflated contracts, and political interference persisted. Oversight bodies lacked the power and resources to ensure accountability. Donors pushed for reform and transparency through joint assessments and aid delivery via non-state actors, but this approach risks weakening government capacity.

### Box 2: Needs and Challenges of Municipalities

Municipalities face severe financial constraints that limit their ability to cover operational costs and respond effectively to emergencies. Critically low spending ceilings restrict their purchasing power and force them to rely on unrealistic or informal budget declarations. The rigid oversight thresholds for mandatory reporting to the Court of Accounts further limit their capacity to plan and spend transparently on larger-scale operations.

In practice, many municipalities struggle with inefficient spending practices, often resorting to invoice-based purchasing instead of direct procurement, which can increase costs. Budget structuring challenges also make it difficult to expand budgets legitimately, leading to workarounds that undermine transparency and accountability.

To address these barriers, municipalities have highlighted key needs: raising spending limits to realistic levels, allowing genuine budget flexibility, adjusting oversight thresholds

## Challenges and Barriers in Emergency Procurement

While emergency procurement is essential for crisis response, its fast-track nature brings serious challenges and risks. In countries similar to Lebanon, where governance and oversight systems are already under pressure, unchecked emergency procurement can weaken the impact of relief and recovery efforts and reduce public trust.

The international experience has shown a series of challenges pertaining to EP:

### 1. Time Constraints vs. Legal Procedures

- **Challenge:** In a crisis, there is a need to act fast. However, standard procurement rules are often lengthy and complex, which slows things down.
- **Implication:** To save time, important steps, like competitive bidding, proper supplier checks, or full documentation, are sometimes skipped. While this can help deliver urgent goods quickly, it can also lead to overpriced contracts, poor-quality supplies, and weak audit processes that make it hard to hold anyone accountable later.

### 2. Market Unpreparedness

- **Challenge:** Local markets may not be ready to supply large amounts of emergency goods at short notice.
- **Implication:** Suppliers may not have enough stock or capacity to quickly deliver, which can cause supply chain delays, limit competition, and drive prices up. In some cases, buyers have no choice but to accept high costs and unfavorable terms just to secure urgent supplies.

### 3. Fraud and Corruption Risks

- **Challenge:** Emergencies can create opportunities for fraud, bribery, and other misconduct because checks and controls are often relaxed to speed up buying.
- **Implication:** Poor oversight can lead to inflated prices, unqualified suppliers, low-quality goods, or even fake contracts which leads to wasted limited public money and donor funds and reduces help for those who need it most.

### 4. Limited Transparency and Accountability

- Challenge: Fast-track procurement usually involves less public reporting and fewer real-time checks.
- Implication: This makes it harder for oversight bodies and the public to track how money is spent and to check whether goods and services are delivered as promised. Weak transparency increases the risk of misuse and lowers trust in the system.

### 5. Legal and Regulatory Gaps

- Challenge: Existing procurement laws may not have clear or flexible enough rules for emergencies.
- Implication: This creates confusion about when and how to use emergency rules. Different agencies may apply them inconsistently. Current laws may also not cover the special needs of buying urgent, specialized goods or services, leaving legal loopholes open to abuse.

### 6. Budget and Financial Control Challenges

- Challenge: Emergency procurement often requires sudden budget changes that were not planned in advance.
- Implication: If not properly managed, this can lead to overspending without strong justification and can take funds away from other vital services. Weak financial controls during emergencies can threaten long-term financial planning and the delivery of other important public services.

### 7. Overuse of Direct Awards

- Challenge: Direct contracting is often used beyond justified scope
- Implication: Over-reliance on this method reduces competition, risks favoritism, and undermines procurement integrity.

### 8. Weak Documentation

- Challenge: Inadequate records during emergency procurement.
- Implication: Limits ability to conduct audits, investigate irregularities, and learn lessons post-crisis.

### 9. Underuse and absence of E-Procurement Systems

- Challenge: Limited use of electronic procurement platforms.
- Implication: Reduces transparency, efficiency, and ability to track spending in real time.

## Lessons learnt from international experience

Drawing on international experiences is invaluable to build an efficient and accountable emergency procurement system. Global practices show that an effective crisis response depends on systems that can meet urgent needs while ensuring strong transparency and accountability. Studying these good practices provides useful examples and lessons that Lebanon can use to strengthen its emergency procurement system. For instance, lessons learned from countries' responses to the recent global pandemic highlight that centralized procurement of essential goods and services, along with the use of online framework agreements by central procurement bodies, are among the most effective ways to meet emergency needs.

Key international practices include:

### 1. Proactive Preparedness and Planning

- Why it matters: The best emergency response starts before a crisis. Many countries prepare by planning ahead and setting up clear procurement strategies.
- How it works: This includes creating pre-approved supplier lists for essential goods and using framework agreements with trusted vendors. These tools make it faster to buy needed goods in times of crisis.
- Example – Moldova: With the support of the EBRD, Moldova secured emergency gas supplies in 2022 using pre-arranged financing and competitive tenders, showing that speed and transparency can work together during a state of emergency.

### 2. International Support and Local Capacity

- Why it matters: For major disasters, outside help can boost local capacity and bring in needed expertise.
- How it works: Partnerships with UN agencies, development banks, and NGOs can provide technical help, funding, or special procurement knowledge.
- Example – Mozambique: After Cyclone Idai in 2019, Mozambique worked with the UN and other partners to manage emergency buying effectively and rebuild faster.

### 3. Citizen-Centered Innovations in Conflict Zones

- Why it matters: In conflicts, direct help to citizens is needed fast.
- How it works: New approaches let people access the services needed more directly.
- Example – Ukraine: During the war, Ukraine created a system where citizens could get certificates for housing support and directly contract pre-approved local businesses, speeding up recovery for families.

### 4. UK COVID-19 Response

- Why it matters: Overreliance on direct awards without clear limits can undermine integrity and fuel corruption.
- How it works: In the United Kingdom's COVID-19 response, many high-value contracts were issued without sunset clauses, resulting in transparency and favoritism concerns.
- Example – United Kingdom: Emergency procurement must be constrained with clear time limits, documented justifications, and publication of contracts to ensure accountability.

These international practices show that urgent action and good governance can go hand in hand. They provide clear guidance for building stronger and more resilient procurement systems that are ready before a crisis, transparent during emergencies, and flexible enough to handle different situations.

## Recommendations

Based on the analysis of Lebanon's current framework, the lessons from past crises, and insights from international good practices, the following recommendations are proposed to build a more resilient, transparent, and effective emergency procurement system:

### 1. Before the Crisis (Preparedness)

- Develop clear emergency procurement procedures with guidelines, standard templates, and simple forms to reduce reliance on ad-hoc decisions.
- Establish framework agreements and supplier mapping to pre-identify trusted vendors and ensure continuity of supply.
- Create dedicated emergency procurement teams and conduct regular training for procurement staff, auditors, and legal advisors.
- Introduce beneficial ownership disclosure of awarded companies to prevent fraud and corruption.
- Develop and deploy digital procurement platforms with emergency modules to improve transparency.
- Improve coordination with partners: Formalize collaboration with UN agencies, donors, and NGOs to share information, avoid duplication, and leverage combined resources.
- Prepare supplier lists in advance: Identify and prequalify suppliers of key emergency goods and services and keep rosters updated.

### 2. During the Crisis

- Allow direct awards only under strict criteria – genuine urgency, unforeseeable event, impracticality of standard process, and no fault of contracting authority.
- Require written justifications, limit scope and contract duration, and publish all contracts within 30 days.
- Maintain real-time documentation and introduce corruption reporting channels.
- Allow flexible use of external support: Rapidly hire external experts or organizations when national capacity is limited.
- Strengthen oversight and monitoring: Reinforce controls and audits during emergencies, possibly through the Public Procurement Authority and financial oversight bodies.
- Use temporary written agreements: When full contracts are not feasible, require simple written terms to confirm conditions until full agreements are signed.

### 3. After the Crisis

- Conduct post-crisis audits to identify gaps, inefficiencies, and malpractice.
- Extract lessons learned to refine procurement policies and frameworks.
- Transition rapidly back to competitive procurement methods.

## The Way Forward

Reforming Lebanon's emergency procurement system is a foundational step towards rebuilding trust in state institutions and ensuring that the government can effectively protect its citizens and manage future crises. Strengthening Lebanon's emergency procurement system requires a multi-fold agenda for reform and modernization with key ingredients:

### 1. Sustained political will

Sustained political will, coordination, and a clear action plan to be approved by the Government. Lebanon's system must evolve from ad-hoc emergency responses to a resilient, rules-based framework. The goal is to make system respond timely to emergency situations while observing transparency, accountability, and efficiency, restoring public trust and optimizing the use of public resources.

### 2. Multi-Stakeholder Collaboration and Engagement

Key actors, such as the Presidency of the Council of Ministers, the Public Procurement Authority, the Ministry of Finance, and procuring entities, must work closely to join national efforts and advance the emergency procurement agenda. Continued support from international partners and involvement of civil society and the private sector is essential.

### 3. Secondary legislation and tools

Drafting and adopting secondary legislation on emergency procurement to complement the provisions in Law 244/202. An actionable implementation plan needs to be prepared to operationalize the legislative reforms, covering necessary legislative, institutional, and capacity-building measures to ensure effective adoption.

### 4. Capacity Building

Ongoing awareness raising and training for procurement staff across public sector, auditors, legal advisors and suppliers is vital, supported by knowledge sharing from international experts, along with equipping concerned stakeholders with practical tools to guide them in applying the new legislation uniformly.

### 5. Technology for Transparency

Adopting digital procurement platforms helps streamlining processes, improving transparency, and reducing corruption risks.

### 6. Monitoring and Learning

Strong monitoring and evaluation systems with accessible, open and structured data, enable tracking progress and allow improvements through lessons learned.

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