

IMPACT 4 POLICY SERIES

Exploring the legal framework

for Enabling Collaboration in Lebanon

AUTHORS:

Elie Karam
Mohammad Makki
Annalisa Contini



Exploring the legal framework for Enabling Collaboration in Lebanon

IMPACT 4 POLICY SERIES

Elie Karam

Annalisa Contini

Mohammad Makki

SEE change is a project funded by the EU and implemented by Oxfam, COSV and Beyond Group. The Policy Papers and Peer Exchange Program are undertaken by COSV Development Cooperation under the "Social Entrepreneurship Ecosystem Change" (SEE Change) project.

This paper contents are the sole responsibility of SEE Change partners and do not necessarily reflect the views of the European Union



The Programme

THE PROGRAMME

This paper is one of four policy papers developed as part of the Impact for Policies Methodology (I4P) by the COSV Social Economy Unit. It is an integral component of the Social Justice Incubation Programme (SJIP), which is part of the SEE Change (Social Enterprise Ecosystem Change) project, co-funded by the European Union and implemented in Lebanon by Oxfam, COSV, and the Beyond group.

The Social Justice Incubation Program SJIP represents a pioneering incubation and acceleration initiative specifically crafted for Social Enterprise (SE) organizations. Grounded in the principles of codesign and a collaborative economy, SJIP is uniquely tailored to bolster SE ecosystems within emerging economies. Its mission extends to uncovering and amplifying the diversity of these ecosystems, going beyond the insights provided by official reports and research. Through its comprehensive support, SJIP seeks to empower SE organizations to realize their full potential and make a significant impact in their communities.

Within the framework of SEE Change, the Social Justice Incubation Program has provided support to 20 initiatives, split into four sub-programs:

- (i) School enterprises, focused on co-production between public vocational technical institutes (VTI) and Small and Medium Enterprises (SMEs).
- (ii) Community enterprises, targeting multi-actor co-production involving citizens, social enterprises, SMEs, and municipalities to revitalise rural and urban areas.
- (iii) NGOs in transition, designed to assist not-forprofit organisations in their transition to a more entrepreneurial model.
- (iv) Public-private partnership programs, aimed at fostering partnerships between social enterprises and public authorities in the management of community-based services and the utilisation of underutilised public assets.

THE SJIP FOUR PHASES

The Social Justice Incubation Program (SJIP) is structured into four distinct phases designed to foster growth, collaboration, and systemic change within the social and solidarity economy (SSE):

- 01 Understanding the context:**

This phase involves conducting a feasibility study on social and solidarity economy (SSE), aligned with the incubation objectives and international SSE standards.
- 02 Nurturing the Collaboration mindset**

In this phase, co-design sessions aim to facilitate collaboration among potential beneficiaries and define the details for implementing seed funds through a sub-grant scheme.
- 03 Growing Fast**

During this phase, selected initiatives receive grants ranging from \$20,000 to \$50,000 USD, along with technical assistance for implementing their social and solidarity actions. The incubation programme also envisions the establishment of a peer-support community through informal monthly meetings with stakeholders across Lebanon (SEE UP events).
- 04 Growing Well**

In this phase, grant beneficiaries actively contribute to the identification of policy recommendations (Impact4policy). Supported SE initiatives engage in various ways to co-produce policy recommendations for sector-related system change, including exposure to regional peer exchange.

Table of Contents

TABLE OF CONTENTS

I - Introduction	05
CASE I - The Jesuit Garden Neighbourhood Gathering (JGNG) - LIKAA	07
• i- Governance Body Identification	09
• ii- Opting for a Company Structure Instead of an NGO Structure.	10
• iii. Shareholders Relation and Key Considerations	11
CASE II - Three Different School Enterprises	13
• i- Governance Body Identification	14
• ii. Creation and Cancellation of Governance Bodies	14
• iii. Obligations of Parties in the Joint Project	15
Case III - Baskinta Baytouna Organisation and Baskinta Municipality	17
• i- Governance Bodies	17
• ii- Legal Setup	18
• iii- Public Procurement Reform in Lebanon - Public Procurement Law 244 / 2021	20
◦ a - Procurement Planning Role	20
◦ b - Administrative Procedures, Decentralization	21
II- Comparative Analysis of the Three Case Studies	23
III- Outcome of the Collaboration	24
IV- Conclusions and Policy Recommendations	25

I. INTRODUCTION

In response to the pressing need to provide economically disadvantaged and socially excluded populations with access to market-based solutions, social entrepreneurship has been expanding worldwide. Entrepreneurs' desire to make a difference in the world motivates them to create social enterprises with a mission to reduce economic, environmental, and social inequities. Despite the fact that social entrepreneurship is an integral part of any changes or new policies, there is currently lack of formal and legal recognition for the social entrepreneurship sector in Lebanon.

This policy paper delves into the legal framework that allows for the collaboration of several types of entities, mainly the collaborative models that were incubated under the EU-funded Social Justice Incubation Programme (SJIP) of the SEE Change project. Within the programme, the incubated models are classified under four categories, as follows:

01

Community Enterprise incubation sub-programmes:

focused on community enterprises in charge of co-managing (together with individuals) community hubs, community-based services, touristic services, urban farming, gardening etc.

02

School enterprise incubation sub-programmes:

focused on Vocational Training Institutions (VTIs) and SE enterprises willing to invest in the Vocational Education and Training (VET) sector.

03

NGOs in transition incubation sub-programmes:

focused on groups of not-for-profit organisations willing to transit or strengthen their market activities with the support of peer organisations, via scale strategies, social franchising, sector-hub entrepreneurship initiatives and others.

04

Public-Private Partnership incubation sub-programmes

focused on municipalities or a union of municipalities and CSOs piloting the delivery of community-based services under a public social procurement framework.

The collaboration between different governing bodies like NGOs and municipalities, public vocational schools, SMEs, and so on has been piloted under the programme, yet the legal structure of the collaboration remains vague and ambiguous in practice, due to several legal barriers and outdated legislations that hinder the operations of the collaborating entities in organising the operations under a clear legal structure.

For these reasons, the legal analysis in this policy paper focuses on understanding the existing laws, and the channels of collaboration between different entities, as well as the type of joint-ventures that can be formed between the public and private sectors. The paper provides an in-depth analysis of the collaborations between NGOs, the private and the public sectors, and it identifies key legislative factors affecting the duration of the relationships between entities. It should be noted that the programme incubated 21 new collaborative models, only three cases were considered in this paper, during the last few months of the incubation period, depending on their maturity and on the stage of their activities and their diversified structures.

The Jesuit Garden Neighbourhood Gathering (JGNG) - LIKAA

CASE I - COMMUNITY ENTERPRISE

The Jesuit Garden Neighbourhood Gathering (JGNG) is an initiative that brought together the common interests of neighbours of a community. The community was eager to improve the lives of people and businesses in the neighbourhood, to take care of public spaces, notably the Jesuit Public Garden, one of the few green spaces left in Beirut, and preserving the local heritage.



This initiative works to allow a reconnection between this community and nature, linking the residents to their city, and creating a sense of belonging to public spaces while acknowledging the history of the garden and its location. Ultimately, they aim to leave a legacy for future generations.

The citizens of the neighbourhood faced many challenges during the incubation period, most of them being connected to the following two points:

- A challenging legal framework characterised by uncertainties related to what to register community enterprises as and how to do it, which typically drowns them in a long, “unknown” administrative process.
- The involvement of individuals in the governance body.

To overcome these challenges, and with the lack of a legal entity that would serve as a community interest company (CIC), an approach was adopted to exploit the available and existing structures that are codified by the Lebanese Land Trade Law¹ and the Association Law².

The main question being faced was:

How can a legal structure fit many individuals together, protect the garden and maximise the social mission of the neighbourhood, all while ensuring the social sustainability of assets of these initiatives, as well as making it a lucrative project with profits being invested for the good of society?



[1] Law decree No. 304/1942 – Land Trade Law

[2] The 1909 Law of associations

i. Governance Body Identification

There are two types of governance bodies that exist to ensure communities' interests: cooperatives and youth clubs which are regulated by the Ministry of Youth and Sports, and legally registered associations which operate under the jurisdiction of the Minister for Interior and Municipalities.

Article 1 of Decree 17199/64 defines cooperatives as “any non-profit associations composed of persons, having a variable capital, established according to the provisions of the present law whose objective is the improvement of the socio-economic conditions of its members by joining their efforts according to the general principles of cooperation³”

The label of NGO, under the law of association, with its rising popularity was an option for the citizens living next to the garden to consider since the definition of community interest company is not yet codified in Lebanon.

From the viewpoint of the individuals who launched this initiative entitled LIKAA, - its social mission is its value proposition, namely: to raise awareness about public spaces issues with municipalities and drive a social change through behaviour for a responsible and healthy society. LIKAA identified sets of “customers” (citizens, student, clubs, associations, etc.) and analysed various revenue streams from events that were organised in the garden. Once the garden was rehabilitated, visitors will generate revenue by purchasing LIKAA branded service items and driving foot traffic.

There are several legal structures that can be used to run LIKAA and ensure its interests in a long-term project despite being deprived of using non-profit structures. This is especially relevant as partner citizens create a market to make their activity beneficial without counting on donation for the future. We explored some of the issues and options that are available:

From a legal perspective, forming a company presents several advantages over forming an NGO, especially as the main target of the project is gathering as many as possible partners to get them involved in preserving the garden. They must meet a board of directors to run its activities and to manage to raise the capital.

[3] Article 1 from the decree no 17199/64

“An association is a group of several individuals permanently unifying their knowledge or efforts for non-profit objectives⁴”. It follows, therefore, that to establish an association, several individuals must agree on one idea, or a set of ideas, and set their goals and objectives to achieve that idea or those ideas if they have no intention of making any direct personal profit. Directors of this initiative can be paid to assume their responsibilities towards the neighbours. They can ensure sustainability, ongoing maintenance, and regenerate funds to be used for the objectives of the company.

Each resident can buy a share in this company and could be paid dividends on shares (although the amount is limited by law). It is also important to note that there is a tax system available for any entity considering a legal corporate structure.

ii. Opting for a Company Structure Instead of an NGO Structure

However, after looking at the options stipulated by the Trade Land Law⁵, the viable options were to either establish a Limited Liability Company (LLC or SARL, in French) or forming a Joint Stock Company (JSC or SAL, in French). LLCs are limited to 20 shareholders⁶, whereas JSCs have no such limitations.

The Legal endeavour of this initiative is to form a profitable governance body whose capital is divided into transferable shares of equal, negotiable value. Partners are not liable for the company’s debt except to the extent of the number of the shares they own, meaning that creditors cannot pursue their private funds.

Every joint-stock company, regardless of its nature, is governed by the trade law and its customs. One third of the shares of any joint-stock company that focuses on investment for public interest, or a public facility must therefore be entirely owned by Lebanese persons. These nominal shares cannot be transferred or shared with non-Lebanese persons⁷

A joint-stock company cannot be named after one or several partners as its name must reflect the subject of its activity.

[3] Article 1 from the decree no 17199/64

[4] Article 1 law 1909 of Associations.

[5] Law No. 304 of 1942 on Land Trade was established based on the Lebanese council of ministers’ decision on 24 Dec 1942 and published on 7 Apr 1943 in the official gazette. It is the original law that outlines the regulatory framework related to land trading in Lebanon.

[6] Article 5 from the legislative decree no. 35/1967 – (amended by virtue of the law no. 126/2019)

[7] Article 78 Land Trade Law decree no. 304/1942 (Amended by Law 126/2019) (Amended by Legislative Decree 54/1977)

The company structure is suitable for enormous projects that require raising large amounts of capital, with a more stable life as is the case with ongoing projects, especially for a public interest project. Shareholders are only liable only to the extent of their shares in the capital, and they are not considered merchants so there are no limitations to who can be a shareholder.

The contributions of shareholders prevail over the person of the shareholders making shares negotiable. This means that any shareholder may transfer their shares to other residents without the consent of other shareholders. Shares are transferred by simplified means of commerce and can be registered, to order or bearer shares.

A minimal Capital of LBP/30.000.000/must be ensured, with shareholder numbers ranging between three (3) as a minimum, with no maximal number, meaning that each member of the neighbourhood could be a shareholder.

iii. Shareholders Relation and Key Considerations

When operating a public space in Lebanon, several key factors must be considered. Here are some of them:

- Legal and Regulatory Compliance: Ensuring full compliance with all relevant laws, regulations, and securing the permits that are required by the Lebanese government for operating a public space, as stipulated by the public and private partnership law (PPP).
- Property Ownership: Clarifying the ownership status of the public space and securing legal permission or lease agreements to operate it. Proper documentation and contracts should be in place.
- Infrastructure Maintenance: Taking responsibility for the maintenance and upkeep of the public space's infrastructure, such as premises, equipment, and utilities, to ensure the safety and functionality of the facility.
- Revenue Generation: Developing a sustainable business model to generate revenue and cover operational costs, which may include rental fees, sponsorships, events, or concessions.

It is important to note that these considerations may vary depending on the specific nature and location of the public space in question.

In this specific case, the JSC considered the factors and through the efforts of 5 people, they managed to organise a space for more than 1,000 people from Geitawi neighbourhood by rehabilitating the Jesuit Garden which had been closed for quite some time due to a lack of funds, as well as general circumstances (COVID-19, financial crises).

Whilst the objective of a JSC is to make profits at the end of the year, net profits must consist of the net proceeds of the company's income after deducting the general expenses, taxes and dues, depreciation, and all necessary reserves.

Two provisions were inserted in the association's bylaws to tackle citizens' social needs and their common interests, so a minimal amount of ten per cent (10%) of net profits is set aside as reserve funds until the saved funds amount to one third of the equity capital. Moreover, sixty percent (60%) of net profits are used to secure the statutory reserve funds, with the possibility of increasing the percentage through a resolution issued by the extraordinary general assembly.

The sum that Board of Directors decides to allocate to the supplementary reserve in the general meetings or to any other general or specific target determined by its nature, shall be a subject to being reinvested in the company itself, to fulfil the common social objectives of the CIC – LIKAA.

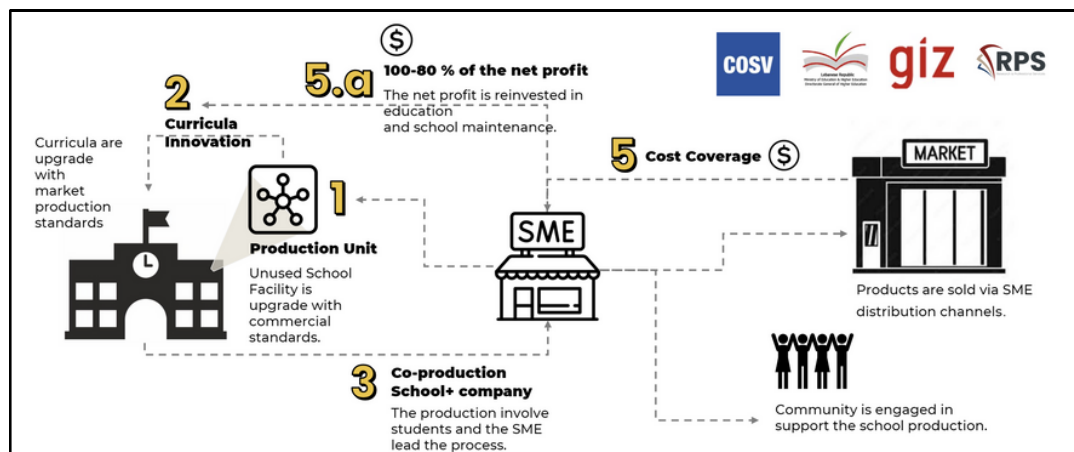
One of the legal issues that emerged during our research is that after establishing the community interest company, we had to discuss the legal relationship between the company and the administration, since the Jesuit Garden is a property owned by the municipality of Beirut. This discussion was two-tiered, the first being about the relationship with the municipality, and the second about public administration at all levels. All these issues relate to procurement law and the management of public facilities.



Three Different School Enterprises

A school enterprise is a social business that is willing to invest in the Vocational Education and Training (VET) sector to advance the sector of education and upgrade part of the VET institutions into competitive service providers while maintaining their educational and training goals.

Three School enterprise initiatives listed below were incubated in the social justice incubation program:



- **The technical school of Btaloun – Chouf**, collaborating with a private company called La Belle Blanche, a school enterprise that produces long shelf-life dairy products that doesn't require much refrigeration, at the technical and vocational institute by both teachers and students, by using the existing facility and equipment as well as the acquisition of additional machinery to enhance production.

- **The Dekweneh Technical School in collaboration with Menuiserie et Decoration Camil Nassar (MDCN)** developing products (desks, chairs, closets...) that are up to high standards while being affordable to be sold to offices, schools, universities, etc.

- **The Ajaltoun technical school in collaboration with Rabih Training Catering Consulting & Commerce (RATRACC)** that produces fresh white cheese at the TVI by the TVI teachers and students, using existing facilities and equipment with some additions and enhancements.

The collaborative model in the TVET case study sector presents numerous mutual benefits, including enabling cost-sharing arrangements.

Both the TVI and the private company can share operation management, in addition to having access to existing facilities and equipment in the TVI, which need to be well maintained and renewed, continually, along with the expertise of the private sector, that's willing to find a co-working place to optimise resource utilisation, reduce operational costs and avoid duplication.

When they applied to the programme, a simple memorandum of understanding was signed. Below is the legal framework that provides the roles of each partner.

i. Governance Body Identification

The General Directorate of Vocational and Technical Education⁸ has the right to participate in implementing projects with public or private institutions⁹, since these projects fall within the scope of the jurisdiction of this Directorate.

A ministerial decision organises the establishment of joint projects in the General Directorate of Vocational and Technical Education and the development of a system for its employees¹⁰

Private institutions the joint projects applied and enrolled to the programme in three different companies. Two of them (the ones working in Btaloun and Ajaltoun) became Limited Liability companies while MDCN was a simple sole proprietorship.

The goal of joint projects is to provide education to all Lebanese and people residing on Lebanese territory through cooperation between the Ministry and the private and the public sectors¹¹

ii. Creation and Cancellation of Governance Bodies

To establish joint projects, the following conditions must be met¹²:

- The public or private institution must have professional, technical, and developmental educational goals and tasks.
- The joint project should provide something new for vocational and technical education, such as specialisations or new educational and training models that are not provided by the General Directorate.

[12] Article 3 of the resolution no. 326/2005

- Having no overlap with official vocational or technical schools in terms of the scope of the potential joint project, offerings expertise identical to the specialisations offered by the project.
- The conducted feasibility study must show a need for the specialisations intended to be launched in terms of their response to the labour market need.
- The number of students in the joint project should be no less than fifty students for the first year.
- The public or private institution must contribute by providing construction, equipment, expertise, or by providing a financial contribution.

The management of the joint project is supervised by an executive committee whose membership includes references related to the project, provided that the number of members is no less than three and no more than six.

The Executive Committee¹³ is appointed by decision of the Director General based on a letter from the institution or association that includes the nomination of its representatives on the committee. They supervise the management of the project from the educational, administrative, and financial aspects¹⁴

iii. Obligations of Parties in the Joint Project¹⁵

The obligations of each party must be specified in the agreement contract, including, but not limited to, the following:

First: The obligations of the first party:

The General Directorate undertakes to handle the matters set forth below, in addition to the powers and duties determined by laws and regulations:

- Securing financial contributions to the project budget.
- Managing the project from an administrative, educational, and pedagogical point of view under the supervision of the project's executive committee.
- Providing the necessary supplies and equipment for theoretical and applied study as well as providing maintenance.

[12] Article 3 of the resolution no. 326/2005

Second: The obligations of the second party:

1 - Private institutions and associations.

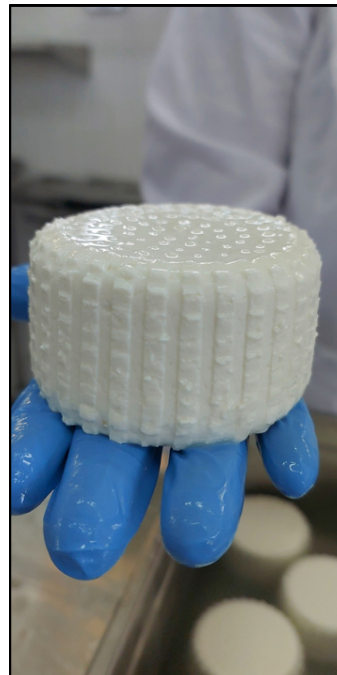
- Providing the necessary premises, which includes the necessary places for theoretical and practical studies, in accordance with the specifications for the schools that are affiliated with the General Directorate.
- Ensuring the maintenance of these buildings, whether owned or rented.
- Providing all or part of the equipment.

2 - Public institutions

- Providing expertise.
- Securing a financial contribution.
- Providing the necessary training.
- Providing premises, when possible.
- Providing all or part of the equipment.

3 - Public Administrations:

Different legal forms under which the collaboration can operate, such as JSCs– LLCs, and B.O.T agreements. All Joint projects, including Public-Private Partnerships are meant to ensure mutual ownership of equipment and others, so both the ministry and the private sector would have this responsibility within the project. At the end of the partnership, the private sector partner must donate the equipment to the school.



[13] Article 5 of the resolution no. 326/2005

[14] Article 7 of the resolution no. 326/2005

[15] Article 12 of the resolution no. 326/2005

Baskinta Baytouna Organisation and Baskinta Municipality

Let's look at municipalities and associations piloting the delivery of community-based services within a public social procurement framework.

An NGO called Baskinta Baytouna had a vision to implement a decentralised Solid Waste Management Project (SWMP) scheme in Baskinta and its suburbs, thereby improving the local environment and offering continuous employment to individuals from socially and economically disadvantaged groups in the area. This would have the additionally advantage of providing a solution to the Lebanese waste crisis. The NGO launched its initiative and signed an MOU with the municipality of Baskinta to build a waste management and recycling facility to raise awareness about sorting from the source and make profit from selling the collected non-contaminated recyclables.

Baskinta's municipality provides collection at the source, with a truck that passes to collect the segregated waste in separate bins that were introduced in an earlier phase of this project. An old facility was rented to be used as a centre to receive all the sorted solid waste. At the centre, the waste is further sorted, compacted, and stocked, ready to be sold to recycling companies. The municipality and the NGO wanted to reach a mutual objective by transforming waste into resources and solve the continuous waste problem.

This collaboration reveals how a mission formed because of a private and public intervention to find solutions for a waste crisis that emerged.

i. Governance Bodies

Municipalities are the main responsible institutions for managing waste. Many obstacles and challenges stand in face of the municipality, due to the lack of a state-wide strategy, the absence of any landfill, and the general lack of preparation and experience for municipalities the municipalities in general towards dealing with the crisis.

Chapters VII and XIII of Decree No. 8735 of 08/23/1974 related to the public hygiene law, stipulate that municipalities are the relevant authority responsible for maintaining and managing public hygiene.

[16] Approved by the Council of Ministers in its meeting of January 11, 2018

[17] Article 58 of the 2024 provisional budget indicates that these fees are collected at the beginning of each year by the municipalities and by the governorate or district attorney where there is no municipality.

The municipality of Baskinta has always been very supportive in executing the SWMP and is trying to enter a partnership with the private sector to manage and operate the waste management and recycling facility.

The governmental strategy for Integrated Solid Waste Management¹⁶ lays out the general principles of integrated solid waste management, in addition to specifying the institutional framework, in line with the provision of the Law 444/2002 (Environmental Protection). The municipalities were invited to take part in this strategy, and the last budget project allowed the municipalities to collect fees¹⁷ for waste management.

The governmental strategy imposes penalties and fines on municipalities who fail to control dumpsites or are the perpetrators of other environmental violations, by virtue of an amendment to Law Decree 444/2002 (Article 4c) to be issued by the Council of Ministers. This penalty shall be levied directly on the municipal resources allocated by the independent municipal fund, including mobile telephony revenues; The mayor, the deputy mayor, municipality members, and any other person who is proven to be complicit in the process of uncontrolled dumping is consequentially brought up under criminal charges.

These implications made the collaboration more effective and increased the seriousness of working towards waste management in Baskinta. The board members issued a decision to establish a facility to treat and evaluate the municipal waste, and they will go through a tender process once the MRF has been set up, and upon them receiving all proper certifications¹⁸ and licenses¹⁹.

ii. Legal Setup

Both the NGO and municipality came into a PPP collaboration. The PPP Law²⁰ aims to reform the PPP tendering process to enhance its transparency and professionalism to achieve the success and sustainability of projects as well as drive the Lebanese economy and the development of Lebanon's infrastructure through job creation.

[16] Approved by the Council of Ministers in its meeting of January 11, 2018

[17] Article 58 of the 2024 provisional budget indicates that these fees are collected at the beginning of each year by the municipalities and by the governorate or district attorney where there is no municipality.

[18] The necessary industrial licenses (ministry of industry) and the necessary exceptions thereto Property classification (orders of engineers) Environmental impact study (ministry of environment)

[19] Obtaining building and construction licenses (urban classification – ministry of finance)

[20] Law 48 (07/09/2017)

The Law stipulates the tendering mechanism for PPP projects (projects of public interest in which the private sector participates through financing and administration and where it carries out at least one of the following activities: designing, constructing, developing, restoring, equipping, maintaining, rehabilitating, and operating), including the general institutional framework which calls for the creation of a project committee and assisting working teams for each project. A structure such as this one, which ensures the involvement of all stakeholders, aims to enhance the transparency of the tendering process, leading to the selection of private partners.

The scope of application of the PPP law extends to all PPP Projects carried out by the State, public institutions, or any entity considered public. It also changes the name of the High Council for Privatisation established in 2000 for it to become the High Council for Privatisation and PPP and grants it the following prerogatives²¹:

- A. Assessing potential PPP Projects submitted to it by the relevant minister or by the President of the Council of Ministers.
- B. Establishing a PPP Project Committee for every approved PPP Project.
- C. Deciding on the pre-qualification outcome and approving the final version of the tender document.
- D. Selecting the winning bidder who submits the best offer based on the evaluation of the PPP Project Committee.

This Committee is also in charge of preparing a feasibility study governing the technical, economic, legal, and financial aspects of the PPP project, including the pre-qualification criteria, assessment of investors' interests, and the likelihood of attracting the required financing.

The PPP Project Agreement²² as a set of contracts, which together with all annexes, and related guarantees would govern the contractual relationship between the public entity, the project company, and all other third parties, including international financial institutions and foreign investors²³

[21] Article 3 - law no. 48/17

[22] Article 10 - law no. 48/17

[23] <https://www.fao.org/faolex/results/details/en/c/LEX-FAOC208457/>

iii. Public Procurement Reform in Lebanon - Public Procurement Law 244 / 2021

Procurement operations are subject to good Governance rules and take into consideration the requirements of sustainable development projects.

The law provisions are applicable to all public administrations, institutions and bodies that procure to ensure their own needs or provide services to citizens on all levels. All procurement types, such as services, and supplies, including but not limited to contracting relevant authorities, public administrations, municipalities, municipality unions, public institutions, security, and military forces (including their affiliated departments and units), state-owned enterprises, and public utilities.

a - Procurement Planning Role

1. The role of the central tender board / public procurement authority, is to procure projects with an estimated value exceeding one billion Lebanese Pounds. This value can be modified through a recommendation made by the public procurement authority and by a decree issued by the Council of Ministers.

2. The procuring entity determines its needs and prepare its annual plan for the coming year while considering its general expenses, in accordance with the allocations in the draft budget. The annual procurement plan is set and prepared by the public procurement authority based on a unified form and defined procedures. A plan can be annual or multi-annual in case it involves projects that require scheduling commitments in a medium- or long-term framework, provided that if they contain the following information:

- A. The subject matter of the procurement,
- B. The nature of the procurement (supplies, works or services),
- C. The source of funding and the estimated value by tranches, where the announcement can be made and included in the general budget,
- D. A brief description of the project requiring procurement,
- E. The procurement method

[24] Lebanese Constitution PROMULGATED MAY 23, 1926 (amendments of September 21, 1990)

In 2000, The privatisation Law (law n. 228) was ratified to regulate privatisation operations and define its terms and fields of implementation. The law also established the Higher Council for Privatisation (HCP) and included provisions to ensure cost-effective competition, protect consumer's rights and safeguard public funds through the evaluation of public project assets and properties, according to international financial and economic standards.

b - Administrative Procedures, Decentralization

In its introduction, the Lebanese Constitution explicitly mentions social rights²⁴ as one of the core elements of the State: "Social justice as a right and social and economic development as a pillar of unity and stability of the state".

During the incubation period, we investigate many social rights, and measured the legal boundaries, especially when it comes to public administration. The Lebanese administration system is precarious due to its conditions, social culture and political system, the nature of the relationship between the private sector (companies and associations) and the public (governmental institution) sector is influenced by politics. The relationship between the central government, NGOs, municipalities, and public administrations is complex and this quickly comes the surface when it comes to managing a public interest project.

These boundaries are subject to the centralised government's decisions. Referring to the 1st case study: if the municipality of Beirut is willing to transfer the management of operations of the Jesuit Garden to the private sector, a long procedure will need to be followed. As for the 3rd case study, the municipality of Baskinta won't be able to sign a contract that manages an amount exceeding 100 million L.L without the involvement of the HCP & PPP when tenders are launched to manage or to operate the facility.

However, the notion of decentralisation is still promising as a solution for social issues. It can prioritise and invest in infrastructure projects that directly benefit local businesses, such as improving managing facilities and utilities, or waste management with other collaborators, especially on the local level, and the decision-makers on the municipal and union levels.

[24] Lebanese Constitution PROMULGATED MAY 23, 1926 (amendments of September 21, 1990)

The programme emphasised the need to push for further decentralisation processes and for further public-private partnership agreements

Decentralisation can serve as catalyst to foster collaboration between different enterprises by promoting local autonomy and facilitating a more business-friendly environment. Local governments can streamline regulatory processes, making it easier for businesses to start their operations. This can include simplifying licensing, permit-granting, and zoning procedures.



[24] Lebanese Constitution PROMULGATED MAY 23, 1926 (amendments of September 21, 1990)

II. COMPARATIVE ANALYSIS OF THE THREE CASE STUDIES

When the members of the collaboration signed the MOU with COSV, cooperation began to establish the appropriate objectives to achieve their goals: it was time to move into action. We noticed that the people running the initiatives misunderstood or were not aware of the necessity of the regulations. There were still legal achievements, as follows:

1st case study	2nd case study	3rd case study
<p>1. A joint stock company established, and stakeholders signed the article of associations. Operations began being lucrative.</p>	<p>1. New MOU signed between the private companies and the directors of the VET schools to rehabilitate the schools' facilities and purchase new equipment</p>	<p>1. Bailer and small truck purchased to support the collection process. New agreement signed between the NGO & the municipality to manage the waste management and recycling facility.</p>
<p>2. Company was registered as an LLC in the commercial registry of Beirut and obtained a commercial registry form</p>	<p>2. Trademark registered for all the products produced within the partnership, allocating the right to the private sector.</p>	<p>2. Purchased vehicle registered in the vehicle administration authority.</p>
<p>3. Negotiations began with the municipality of Beirut to acquire the right to manage the Jesuit Garden.</p>	<p>3. Negotiations began with the directorate of TVET, for long term cooperation and policy changes.</p>	<p>3. Tender agreement for organic waste facility and operations with the municipality prepared</p>

III. OUTCOME OF THE COLLABORATION

Over 20 initiatives have acquired better skills from building their capacities through collaboration and partnership. During the three years, the three case studies efficiently and effectively achieved their desired objectives and the impact was assessed based on their participation with different organisations as highlighted below:

1st case study	2nd case study	3rd case study
<p>1. Assets “belong” to the citizens or are subject to a long- term private and/or public agreement.</p>	<p>1. MOU proposed to the directorate of TVI to form a committee for each of the three ongoing projects.</p>	<p>1. Opportunities created for local firms through joint ventures and sub-contracting opportunities in areas such as facilities management, security services, cleaning services, maintenance services</p>
<p>2. Local community represented in governance and ensured that the enterprise is accountable towards the community</p>	<p>2. Company (LLC) or JSC established - both the DGTVI and private sector put assets in to ensure mutual ownership of equipment and other assets</p>	<p>2. Socially and environmentally initiative established that tackles the waste crisis. with the main objective of improving waste management</p>
<p>3. Profit re-invested or distributed for community benefit</p>	<p>3. Student training enhanced their skills and got the opportunity to acquire a position in the company</p>	<p>3. Continuation of government responsibility facilitated: citizens will continue to hold government accountable for quality of utility services</p>

IV. CONCLUSIONS AND POLICY RECOMMENDATIONS

Collaboration between different entities is crucial for the Social Justice Incubation Program to fulfil its aims. All parties involved have been able to realize their objectives due to the shared information, tools, and experiences that have been made available via their partnerships. The sustainability of the collaborations has been studied while considering several types of legal forms as highlighted in this policy paper. Yet, it is important to ensure that decentralisation, especially for private-public collaborations, is implemented effectively and that local governments have the capacity and resources to manage their new responsibilities. Proper oversight and coordination on both the local and national levels of government are crucial to achieve the right balance and avoid subsequent consequences especially with the PPP law and the public procurement law.

Regarding outdated laws that hinder collaboration, it is a common issue in many countries, including Lebanon. Legal reforms may be necessary to adapt to changing economic and technological landscapes. Advocacy and engagement with relevant government authorities, legal experts, and industry associations are essential to tackle this issue.

Below are some potential solutions to the legal barriers for collaboration in Lebanon:

1

Updating and modernising existing laws

Evaluating and revising existing laws that hinder collaboration, considering the changing landscape of collaboration and the needs of different types of entities.

2

Introducing new legislation

Developing new laws or amending existing ones that explicitly support and facilitate social collaboration, providing clear guidelines and frameworks for different types of collaborative endeavours.

3

Establishing specialised legal entities

Creating legal entities that are specifically designed to support collaboration, such as collaborative partnerships or consortia, which can provide legal protections and tax reduction incentives for entities collaborating on social projects.

4

Simplifying bureaucratic processes

Simplifying and streamlining bureaucratic processes through the decentralisation of governance, for matters such as registration and licensing procedures, to make it easier for collaborating entities working on social goals to navigate and comply with legal requirements.

5

Promoting awareness and education

Conducting awareness campaigns and providing education to stakeholders, including government officials, businesses, and the public, about the benefits and importance of collaboration, aiming to foster a culture of collaboration and support

6

Simplifying bureaucratic processes

Fostering collaboration between the public and private sectors by incentivising partnerships and developing mechanisms for joint ventures that comply with existing laws

IMPACT 4 POLICY SERIES

About COSV

COSV is an Italian NGO working in development cooperation for over 40 years worldwide and now stabilized in the Med Area and Africa. We adopt a human-centered collaborative approach that prioritizes understanding local contexts and needs, ensuring that development strategies are tailored to the unique socio-economic, cultural, and environmental aspects of each community. Specializing in pioneering innovation projects, COSV intricately weaves together the critical elements of social cohesion, economic transformation, and good governance. This triad serves as the cornerstone of their strategy, aiming to foster environments where communities can thrive both socially and economically while being governed by principles of fairness and accountability. Through this nexus, COSV endeavors to catalyze positive change, ensuring that development is both inclusive and equitable.

About the Impact 4 Policy series

"Impact4Policy" is a dynamic methodology developed by the **COSV Social Economy Unit** – research team. It is designed to conduct an agile and thorough impact analysis within incubation and acceleration programs. The "Impact4Policy" methodology aims to identify the key elements, features, typologies, and emerging models of social and solidarity economy (SSE) initiatives, while providing valuable insights for sector-based policy recommendations. Through the combined use of qualitative and quantitative data analysis of the supported initiatives, "Impact4Policy" leverages the active involvement of participants, field observations, and global comparative benchmarking, such as the ICSEM model, incorporating peer review and/or peer exchange processes as well. The significance of "Impact4Policy" lies in its ability to extend the impact analysis of SSE initiatives beyond the typical temporal boundaries of support programs by adopting a holistic and dynamic approach. This allows not only for the assessment of the immediate effectiveness of the initiatives but also for the promotion and monitoring of their long-lasting impact on sector-based policies and community well-being. By placing particular emphasis on sustainability and scalability, "Impact4Policy" aims to ensure that SSE initiatives contribute significantly and continuously to sustainable economic and social development.

CONTACT

www.social2square.com | www.cosv.org | seunit@cosv.org