

The Public Private Partnership in Lebanon*

The world is going through a phase of massive shifts that could change the concepts of all social contracts currently in existence. Those shifts comprise first the technology factor which made the distances between individuals and societies closer, and put science and information within everybody's reach; second, the free movement of capital in search of the most feasible investments and the cheapest labor; third, the widespread use of a single language – English – all over the world and in all fields; and fourth, the digital revolution which developed all sectors of production and services. These are all agents of change the world has not seen anything like before, all of which are interwoven in such a way as to make competition an essential component of economic activity, regardless of the latter's type and place.

Lebanon is not immune to these changes; in fact, they have grown to limit its ability to compete. The country's trade relations, the culture of its multilingual people, its banking secrecy, and its evolved educational curricula, are under pressure from the information and globalization forces of the twenty first century. Proof of which is what we witness as the evolution of the economies and societies of other countries in the region which, until not long ago, the Lebanese used to look down upon but now resort to working there in order to earn their living.

Henceforth, the transformations the world is undergoing necessitate a new approach to our pattern of living and the management of our economy, in addition to a second look at our social contract, and a review of the way the country's political class will deal with the Lebanese citizens in the future. For indeed, the main obstacle to this necessary and urgent change is the political class which, in spite of the demonstrations held against it, remains completely oblivious to the seriousness of the state of affairs. Moreover, it still deals with the country and its people on the basis of 'quota sharing', a system of allocating the spoils of power among its players and components. The situation is reflective of mafia groups that wear sectarian camouflage, and they draw fanatics and immature minds under their influence for the latter to protect their interests and even sacrifice their lives at times in the process.

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Infrastructure

It is no secret to anyone, not even to the poorest in the country, let alone its wealthy politicians, that the salvation of Lebanon lies in the ability to create jobs in adequate number and quality, in order to secure a decent life for its citizens. It is also not a secret that the country lacks the infrastructure commensurate with the services demanded by the people, and that the development of electricity, education, health, transportation and other basic service sectors has been steadily deteriorating for years. In addition, major infrastructure projects, which would provide hundreds of thousands of job opportunities for the Lebanese with the aim of elevating our economy to the level of the major economies in the region, carry the capacity of contributing alone to the consolidation of firm grounds for our economy upon which it would grow and prosper.

The advantages of investing in new infrastructure are not just limited to consumers; this investment also plays a major role in raising the levels of economic growth, developing the economy, and promoting sustainable growth. Infrastructure projects also assist in setting suitable foundations for attracting investments and creating numerous jobs.

We cannot create jobs in large numbers by relying only on individual initiatives in opening shops and touristic facilities. For no matter how big the average size of these businesses, it remains small relative to the jobs that must be created in aggregate at the level of the economy. In addition, the quality of these enterprises' jobs is very low in terms of added value. As an added example, we need to secure to university graduates employment opportunities which are worthy of the long years they spent acquiring their education, and not leave them to take up jobs which any worker could do. For this leaves those qualified young men or women under the constant threat and instability of being dispensed of by the employer the minute the latter finds a worker willing to perform the job at less cost.

Major projects of structural installations are alone capable of creating jobs in the thousands rather than by the dozens (for each project), and of providing employment to university graduates and workers alike. For the people on the payroll of such projects would comprise engineers, administrators, information technicians, lawyers and many others from the skilled and unskilled spheres which are directly or indirectly related to a project. Let alone the positive impact of any such project on the community.

Of added consideration is the fact that infrastructure projects are an investment in the future, not an immediate expenditure as some believe. Wherever a road is paved,

new avenues for investment open up; and wherever a train travels, it eases the cost of fuel burned in vain in traffic jams on our roads and highways; and whenever a plant is established to produce electricity, and it actually does, it prevents people demands from boiling over in the streets, and facilitates ensuring stability.

How did we get here?

The current situation can be attributed to several factors, the most important of which are: 1) The chronic Treasury deficit, which did not allow (and the deficit still does not allow) to spend sufficient funds for the development of these sectors, 2) The absence of a culture of preservation and maintenance of public property, 3) The short life nature of Lebanese Governments, with their average duration in power not exceeding a year and a half.

But it is presently unrealistic to expect the State to fund these projects. Public debt is rising again, and the growth ratios are low. Therefore, any investment in new infrastructure would have to be financed by imposing extra taxes or increasing the public debt, both of which may hurt growth.

The partnership between the public and private sectors is one of the answers to building new infrastructure without causing any paralysis to the national economy. It involves inviting private companies to work together with the State in order to develop the infrastructure required. Such partnership projects have had a significant impact in countries which were as eager as Lebanon for change, but lacked short-term financing.

What is the partnership between the public and private (PPP) sectors?

Partnership between the public and private sectors is an agreement between one of the public sector bodies and one of the private sector companies, whereby the latter commits to investing in a particular project which aims to provide a certain public service to the State or to the citizen as per conditions stipulated in the contract. The partnership is distinguished by two main components:

- First, the partnership here is in the risks, not as some believe, for lack of knowledge, that it's merely a partnership in investment, revenues, or profits.
- Second, the method of awarding PPP projects relies on the identification and description of the output (Output Specification) and not on the identification and characterization of inputs (Input Specification) as is the case in normal or regular tenders.

Output Specification

In normal tenders the State calls for a bid, say, to build a power plant. In this case, the State is actually purchasing a power plant. The State describes its requirements (i.e. Input) and identifies all the variables (Variables), except for one variable which is the cost. Accordingly, the tender is conducted on the basis of this single variable, and the lowest bidder wins the contract.

Under the PPP model, the State moves to take advantage of the expertise of the private sector, not only operationally but also in design and financing. Here the State does not buy a power plant; it rather buys electricity. That is, the tender is conducted on the basis of who will sell the kilowatt-hour at the lowest cost to the State. The latter thus recognizes that its role is not power plant administration, but to provide electricity to the citizens. So if the State would be able to get this energy from private sources at a cost lower than what it incurs for the kilowatt-hour produced by its own plants, thus providing energy at a lower fare, why not?

The State must be aware, though, that holding tenders through Output Specification requires large financial and legal expertise which is not normally available in public administrations. For not specifying all the variables leads to the submittal of varying offers which are not easily comparable without the rules of the game being clear, and without recourse to technical, financial, and legal specialists.

Partnership in risks

PPP projects are not just involved in deferring debt; they involve long-term contracts between the public and private sectors aimed at providing public services and the creation of infrastructures by taking advantage of the efficiencies, and the financial potential and expertise, of the private sector. This partnership is not at the level of capital or profits; it is a partnership in risk rather, where the public sector passes some of the project risks to the private sector and retains others. For example, the private sector may bear the risks of development, design, construction, operation, exploration, finance, and inflation, while the public sector would bear the environment, regulation, policy and tariff risks.

The best approach to classify the modes of cooperation between the public and private sectors is the one that is based on looking at the risks of the project subject-matter of their cooperation, because risk is the basis of the general evaluation of projects. Are not interest rates that are used for feasibility studies and cash flow

analysis made of three basic components: The real interest rate, the inflation rate, and a percentage that reflects the project risks? Since the first two components are equal for each particular project in a particular time and at a particular place, it's the risks which make up the true criterion for evaluating a project's cost, and the feasibility of funding it either by the state or by letting it out to the private sector.

So if we use the risk analysis approach to classify the ways of cooperation between the public and private sectors, we find that these methods occupy a long list, as they stretch from management/operation contracts on the one hand to full privatization on the other hand.

In management/operation contracts (as in outsourcing) the State bears the full project risks while the private sector does not assume any. Take, for example, the administration contracts concluded by the Lebanese State with the operators of cellular networks after it nationalized them in 2001: If lightning strikes one of the cellular antennas of a mobile phone network (which are usually seen on building rooftops), the mobile operator fixes the damage then sends its repairs bill to the Ministry of Telecommunications claiming the cost of labor and replaced equipment. This is representative of the case where, for example, the State bears the risk of natural disasters, and the private company doesn't undertake any. On the contrary, the repair process adds to the company's income in the form of the mark-up which it applies on the cost of labor and equipment it charges to the State. Add to this that there is no realistic reason that prevents the State from building the capacities of the public administration to run projects instead of contracting with private companies; that is, in case the project was in fact at the core responsibilities of the State.

To many experts, the management/operation contracts constitute the worst mode of cooperation between the public and private sectors; definitely so for the State, and probably the best for the private sector. It is unfortunate that this type of contracts is the most prevalent in the Lebanese State, due to its preference by the political establishment, as it enables the companies which enjoy the backing of politicians to get such contracts on risk-free terms. Moreover, the repeated renewal of the contracts gives the "influentials" the opportunity to benefit frequently from the process, at least with regard to the pressure they tend to exert on private-sector service providers to hire some of their "clientele". For this reason, we rarely find critics to this type of contracts.

In contrast, the full privatization mode is altogether diametrically opposed to the management/operation contracts in terms of risk. Under full privatization, all risks are transferred from the public sector to the private sector. The private company bears the risks of the market, and those related to tariffs, operation, maintenance and labor, in addition to all other issues which normally pertain to private partnerships. The State's role becomes supervisory and regulatory, just as is the case for any regular sector such as commerce, manufacturing, restaurants, professional offices, etc.

Between administration/operation contracts on the one hand, and privatization contracts on the other hand, there is a space in-between for certain types of PPP contracts whereby the risks are spread onto the parties to the contract, each according to its bearing capacity. Here the contract defines exactly which risk is to be borne by which party, and how it will deal with it during the term of the contract. Some of the risks can be hedged against or mitigated via contracting insurance or through guarantees by foreign agencies, or in other ways possible.

For instance, when the State awards a contract for building a power plant through the traditional tendering process, it assumes all the risks of the project. If the price of iron rods or concrete rises during the construction period, the contractor adds this price differential onto the invoice it raises to the State for payment. Similarly, if the construction works are delayed, the contractor brings up excuses such as weather conditions or another pretext, which results in the State bearing the cost of the delay. This comes in the form of the interest rates the State pays on the funding it gets through the sale of treasury bonds or the like.

However, in case the State envisaged tendering the power plant through the PPP mechanism, the construction risks usually are the responsibility of the private company. In PPP projects, the State does not buy the power plant (i.e. it does not build it at its own expense). The State rather buys electricity from the plant which gets built by a private company at the latter's expense. If the price of iron or concrete rises, or any delay is incurred, the State does not assume any of the associated extra costs, because its obligations in the partnership contract are limited to the purchase of kilowatt-hours of electricity when they are transferred to its network, no more, no less. The whole plant's risks become the responsibility of the contracted company. The state, though, retains some of the risks which the private company cannot afford to carry around, such as the level of the tariff to the consumer (especially if the state wants to subsidize this tariff) or the availability of fuel imported by the State through international agreements with oil-producing countries for the running of the plant.

PPP, therefore, is at its core an approach based on the private sector partner bearing the cost of financing the investment in the public sector's project while carrying some of the project's risks, which all in all poses an incentive for the private company to have interest in the project as if it was its own.

This does not mean that PPP is the best financing tool in all cases. Projects must be examined on a case by case basis, in order to determine whether the execution of an individual project would be viable through PPP or through financing it from the public treasury directly.

Misconceptions about PPP

This pragmatic and operational approach unfortunately faces a rowdy and demagogic approach that emanates from some circles which either believe that PPP is detrimental to their personal interests, or do not understand what is meant by it and how it can be applied in complete transparency and professionalism.

In Lebanon there are often misconceptions about PPP, not only among the general public, but even among some leaders and decision makers in the economic and public policy domains. So we should clarify some of the matters that cause confusion to some people:

"Project finance by the State is less costly"

As it goes, the State is able to borrow at a lower cost than the cost which the private sector incurs, since the State's cost is the sovereign debt rate, while the cost of money to the private sector is the 'Weighted Average Cost of Capital – WACC', which includes the cost of debt and the cost of capital. This argument is incorrect because: 1) It assumes that the project cost is the same in both cases, 2) It does not take into account the cost of the project risks, 3) It gives weight to the importance of not awaiting the availability of the necessary funds in the State's budget for commissioning the implementation of infrastructure projects.

"PPP will lead to public sector employees losing their jobs"

Of the misconceptions about the partnership is to say that it affects social safety by replacing public sector employees by people from the private sector. Under PPP contracts, the responsibility for providing the service remains the province of the public sector; therefore, it's the partnership agreement which determines the outcome of the current staff positions, if any, e.g. transferring to work under the private partner, or any other solution. Add to that the fact

that the majority of partnership projects will rather consist of undertaking new constructions, thus attracting new employees or increasing employment opportunities, and just a few of the projects would involve the rehabilitation of installations which have employees already.

“The private partner just wants to make a profit at the State’s expense”

All forms of partnership have one common denominator, which is the belief by both parties that each one of them stands to gain from the partnership. In a successful partnership, both parties benefit, and the advantages are clear from the beginning; they also share in the risks and benefits. The logic of partnership is based on the principle that each party has unique characteristics and fortes which it brings to the partnership, so that through their cooperation, they build on their respective strengths and their two teams complement each other as one.

“PPP is the mixed ownership of the project’s company”

The concept of PPP is basically about a partnership in risks between the public and private sectors. Usually a company for the project is incorporated by the private partner, which it funds entirely with the object being to build and / or develop, maintain and operate the assets subject-matter for the contract duration. Should the public sector like to contribute to the funding, it would have a stake in the project’s company, which then becomes a mixed enterprise.

“The state loses control over cost and quality”

Projects implemented by the public sector are rarely subject to performance requirements similar to those in PPP contracts. PPP contracts keep the responsibility of providing the service as resting with the State, and the latter specifies the production criteria upon which the private partner is selected. Also, the public sector is the party that follows up on the execution of the contract to ensure compliance with its terms. So it can be said that PPP contracts strengthen the control of the public sector through setting contractual solutions which it wouldn’t by itself be able to apply.

Other PPP benefits

The upcoming PPP benefits are huge. Ensuring the speedy execution of projects comes first, especially in a country where the completion of public projects invariably undergoes a delay of several years at an incremental cost beyond the original budget by the millions. The introduction of the mentality of the private sector (through transferring it the design and construction functions, and linking payments to the provision of the service) is capable of changing the current situation.

In the same context, the State may be able to implement several projects simultaneously, rather than waiting for the availability of funding for capital expenditure. It goes without saying that Lebanon is in a dire need for investment in infrastructure, and PPP would enable it to launch a comprehensive series of reforms.

From a broader perspective, PPP promotes decentralization, as local authorities can implement projects in their regions independently from central authority. The redistribution of power away from the central political classes can only be a useful development.

PPP's requirements

The benefits explained do not preclude the presence of some issues as regards the partnership, to which due attention must be paid. In return for the domestic and foreign willingness to invest in PPP projects, there are some pillars to be put in place to ensure the success of these projects.

- First, the existence of a modern legislative and regulatory framework for the partnership; it provides clarity in the tendering procedures and in the relationship between the contracting parties of the public and private sectors. This is reflected in the currently stuck project of a law about PPP, pending approval by the Lebanese Parliament.

Second, it is important that all stakeholders be represented in the tendering/award procedures of partnership projects, which helps to avoid surprises or obstacles at the later stages, which may result from a lack of cooperation between the parties concerned. Such a representation would also help to avert the incidence of corruption which may take place, as when a Cabinet Minister would award contracts unilaterally, thus ensuring that high level of transparency which is called for by investors, the foreign in particular. There is concern about this issue with respect to Lebanon, especially in light of the ambiguity surrounding the award of a number of public deals.

Finally, it is important to create an independent central unit comprising specialists in the PPP subject, and empower them to design and draft partnership contracts which would guarantee the public interest and take into due account the rights of investors. This is in fact the kind of work we dwelled on at the Higher Council for Privatization (HCP).

Lebanon's experience in PPP

PPP is not new to Lebanon. The first mixed project, although it was labeled a 'Concession'¹ at that time, was implemented in 1870. It concerned a contract by the Ottoman Empire with a former engineer of the "Company for the road between Beirut and Damascus" to ensure a supply line of fresh water to the city of Beirut for a period of 40 years. With respect to contracts of partnership in the modern era, we can mention the contracts for the cellular networks in the nineties of the last century with France Telecom Group and Sonera, as well as the contracts concluded with IBC company for waste treatment in Sidon, with Liban Post in relation to mail services, with Mapas company for the operation of the Jeita Grotto, with FAL company over vehicles inspection centers, and with Karadeniz company for the supply of power generation ships.

It is interesting that all the contracts mentioned above, and others, suffered and / or are suffering from several problems, beginning with one or both parties not committing to the terms of the contract, up to reaching a raised litigation level between them and resorting to international courts. The repeat feature of this situation, and its ongoing frequency, makes of Lebanon an undesirable country on the target list of international companies which stand to be the source of Foreign Direct Investment and play a crucial role in the growth of the economies of all other countries where they are present. For long years, Lebanon did not attract any significant foreign investment from international companies, and the companies that had investments deserted Lebanon throughout as well. Lebanon has thus become totally dependent on national investments, with what characterizes them as weak competitiveness due to their high financing cost, their limited scope of business, and their inability to take advantage of economies of scale.

The abstinence of foreign capital from the Lebanese scene is not the only effect on the Lebanese economy produced by the abnormal pattern with which the Lebanese public sector deals with the private sector. There are several other consequences there-resulting, including depriving the country from conducting large-scale projects which would otherwise create jobs in large numbers.

Why is there such a situation in Lebanon? There are two basic reasons: The first is corruption, whereby deals are done intentionally the wrong way for the benefit of a highly placed decision-maker; and the second is the absence of the necessary expertise on the part of the concerned parties in the public sector to engage in complex long-

(1) All projects let out to the private sector for execution at that time used to be called 'Concessions'.

term contracts with the private sector. In both cases, the result is the same: Bad contracts riddled with loopholes, this leading to several complications and problems in the years which follow contract conclusion.

We may find corruption in the contracts award process between the public and private sectors at any level in the public administration. But what's more impactful, and often bears not just moral responsibility but also direct responsibility, is at the Ministerial level. In the system conventionally used since the Taif Accord, the Minister is the *de facto* ruler of his Ministry, not its Director General. The Minister intervenes in all the affairs of the Ministry and in the minute details of contracts. It's not surprising to find the Minister entering in direct negotiations with aspiring contractors, even without inviting the Director General to the meeting, albeit in form. Nor does it surprise anyone that the Cabinet authorizes a Minister to award a contract by mutual consent without calling for any tender, this phenomenon being caused by the absence of any serious opposition camp within the political class, as all camps are more concerned with sharing the spoils than holding their respective political opponent accountable. An example of this is what was done at the Ministry of Telecommunications as contract awards under the argument that the Ministry can use the revenues from telecommunications services to cover its expenditures before channeling these revenues to the State's treasury, and that it was eligible to enter into contracts without the approval of the Cabinet and without recourse to the official Tenders Authority.

The absence of the necessary expertise among the concerned authorities is often found at the level below the Minister, a stratum that reports directly to the Minister who nevertheless insists it's given the leading role in the design and conduct of the PPP projects associated with the Ministry, so as to ensure that the trump card of final decision remains in the hands of His Excellency. This level of the Minister's advisers or direct reports usually consists of people who do not have a career history in the Ministry nor do they carry loyalty to the State as an institution; their loyalty is solely to the person of the Minister or his party. Even when they have a certain expertise in the Ministry's sector, it rarely measures up to the level of responsibilities assigned to them, for the simple reason that high experts do not leave their jobs to join a Minister for an interim period. Add to this that even when those advisers dispose of a general experience in the Ministry's scope of works, they do not have the necessary expertise in the design of the structures of the partnership between the public and private sectors, nor in establishing the tender documents and conducting the bidding process. They are nonetheless asked to be responsible for these processes at the highest level. Lack of experience in PPP is not

limited to the advisers, as the ministries do not have in their organization specialists in this field. It is not strange then, and of no surprise whatsoever, that the design of these processes, the tender documents, and the mechanisms implemented would exude many lacunas and problems. Many examples can be given in this regard: The first relates to how the contract award process for the electricity generation ships was conducted without tender documents, without a bid closing date, and without a priorly-approved contract draft; the second to how the Ministry of Energy and Water under the Najib Mikati Government awarded a wind energy project without determining the location of the wind farm; and the third to how the Ministry of Environment in the Government of PM Tammam Salam held a tender for waste management without specifying the locations of landfills, nor the processing methods for non-recyclable waste.

The PPP Law

The PPP Act proposed by the Higher Council for Privatization (HCP) aims to fix a legal framework for the design and tendering/award of partnership projects which rests on best practice that is based on expertise and international experiences in this domain. The most important elements of these best practices are transparency, experience and expertise, and fairness in the relationship between the parties.

Transparency

Transparency is not only important in reducing corruption and the additional cost to the community that derives from this corruption, but also in encouraging companies that take bid operations seriously to actually participate in public tenders. While the cost of participation in regular tenders amounts to a few thousand dollars (to explore the project's cost as determined by the public sector, and maximize the profit margin over and above those costs), it may cost up to a few million dollars to partake in PPP tenders (for the design of the project, raising capital, negotiating with banks, and calculating the cost of the associated risks). Therefore, the companies that we aspire to attract are of the nature which does not get involved in tendering operations if the integrity of the process would be doubtful. For professional companies avoid incurring high bidding costs in case they don't have confidence in the transparency of the tendering process and the credibility of the party that stands behind it.

Hence the insistence of the PPP Law Project on involving all stakeholders in project design, study, and in making recommendations about it, so that no such prerogatives are confined to one administration – which would facilitate the possibility of bribing it or influencing its decisions. The bill has reached a formula adequate enough so as not to give a project's concerned authorities the ability to disrupt or delay it.

Experience and Expertise

Experience is almost the most important element in the success of tenders and PPP projects. We are not talking here about the technological and technical expertise. This experience is usually found at the Ministries and Government departments, and is deemed essential and primordial for a project, regardless of whether the tender is of a regular nature or let out on PPP basis. The expertise required in PPP projects go beyond the technical realm to encompass financial and legal expertise that are not usually found at the Ministries and Government departments as they do not require these competencies in the conduct of their normal business.

The PPP project design rests on the following experiences: Identifying and assessing the project risks, identifying the project finance options, negotiating with all stakeholders to assign the risks, the responsibilities and prerogatives, and drafting the contracts to be concluded among all concerned parties.

Hence the importance of establishing a specialized central unit for the administration of the design and award operations of the Lebanese State's PPP projects, to be specifically set under the jurisdiction of the Higher Council for Privatization (HCP) from being the Government agency entrusted with this responsibility in the privatization law, and having the necessary expertise in this area as well.

Fairness in the relationship between the PPP parties

It is our belief that upholding the public right is one of the axioms of any official relationship with the private sector; therefore we limit ourselves to just making this reference to it. But upholding the private right is often absent in the management/operation contracts. It is necessary in PPP contracts for the State power not to get overwhelming by virtue of its sovereignty over the land of the project, nor for its prerogatives and discriminatory privileges which it enjoys over the private sector partner in management/operation contracts to extend to influencing the judiciary and the courts. In the event, the relationship becomes unhealthy, and it affects the public services that the project is supposed to provide; it may also end up putting the relationship between the parties through legal tussles and law suits. Understandably, neither of these prospects is agreeable.

Hence the need for the legislative and legal framework to stipulate explicitly the right of the private sector partner to resort to international arbitration.

History of the PPP Law Project, and the current situation

The Higher Council for Privatization (HCP) completed the first draft of the PPP Law in June 2007. The first Government of Prime Minister Fouad Siniora approved the bill and sent it to Parliament on October 20, 2007. Speaker Nabih Berri refused to receive the bill, deeming the Government as lacking legitimacy at the time. In April 2010, Speaker Berri asked MP Ali Hassan Khalil to submit this draft law directly to Parliament. The Chairman of the Parliamentary Economic Committee at the time declined to discuss the draft law, considering it a circumvention of the bill which was sent to Parliament by the Government in 2007. Prime Minister Saad al-Hariri then asked the Higher Council for Privatization (HCP) to form a committee of specialists tasked with developing a new formulation of this proposed law. The committee came to include the President of the State Council, Council judges, the economic advisor to the President of the Republic, professionals at law, academics, experts, and staff of the Higher Council for Privatization (HCP). It met and completed a new PPP draft law which PM al-Hariri submitted to the Council of Ministers. This council formed a committee to study the project, but the Cabinet resigned soon after, and work stopped on this initiative. In May 2012, PM Najib Mikati put the draft law before the Cabinet, but some Ministers objected to it and a Ministerial committee was formed to study the draft. The committee later entrusted a miniature working group with the responsibility of revising the proposed draft law. It consisted of the Ministers of Justice and Information, in addition to the Secretary General of the Higher Council for Privatization (HCP). This subcommittee issued a new draft, but the Council was not able to discuss it because the Cabinet resigned. In the meantime, MP Yassine Jaber succeeded to transfer the bill from the Parliamentary Economic Committee to the Parliamentary Finance Committee, which in turn passed the responsibility of the study of the bill to a subcommittee which did not pursue it because the politicians lacked enthusiasm to approve the law. To date, the current Government of PM Tammam Salam did not place the draft law on the Cabinet's agenda.

As it pans out, the most important economic law in Lebanon, the law which would create more than 200,000 jobs, including 80,000 jobs for college graduates, has been kept in the drawer since eight years!