iMonthly

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Privatization activities of the Higher Council

The issue of privatization has been at the forefront of the government's agenda as one of the means of reducing Lebanon's public debt and its cost. As a result, Law No. 228 was issued on May 31, 2000 "to organize the process of privatization, determine its conditions and the areas where it can apply".

The law determined the projects to be presented for privatization as "projects that are of an economic nature and have public characteristics (owned by the government or institutions/individuals of a public character as determined by Decree 4517)." It also dictates that a separate law be issued for each sector to be privatized.

The Higher Council for Privatization
In addition, the law specifies that a Higher Council for Privatization be set up, that is made up of the following:

n Council president: The Prime Minister

n Members: Minister of Justice, Minister of Finance, Minister of Economy and Trade, Minister of Labor, as well as the minister of the sector intended for privatization.

The Higher Council's duties
The Council plans and executes the processes involved in privatization through the following procedures:

n Suggesting the general framework for privatization, methods of execution and presenting it to the Council of Ministers.

n Preparing a time frame for the projects to be privatized.

n Issuing the necessary decisions to ensure the process of privatization.

n Evaluating the resources and assets of the sector to be privatized.

n Preparing the necessary laws and decrees.

Meetings and personnel
The Council holds its regular meetings at least once a month by request from the Council president. It also holds ad hoc meetings when necessary. The session is considered legal only in the presence of the absolute majority of its members (50% plus 1).

There are nine staff members as determined by Decree 5540 of May 23, 2001 (organizing the duties of the Higher Council). The personnel include an economist, a financial expert, a legal expert, a coordinator, two secretaries, a research assistant, a technical assistant, and an administrative assistant. When necessary, other government employees can be hired by the council.

The Council's Budget
Included in the contribution from the Council of Ministers, the budget of 2003 specified LL 4 billion ($ 2.6 million) for the Higher Council. In 2001 and 2002 the budgets were LL 2 billion ($1.3 million) and LL 4.5 billion ($2.9 million) respectively.

If the surplus in the budget from previous years in the amount of LL 3.3 billion ($2.1 million) is excluded, total expenditures reach LL 7.3 billion ($4.8 million) distributed as follows:

n Consulting services: LL 6,797 million

n Administrative and office expenses: LL 12 million

n Advertising: LL 200 million

n Salaries and contracting wages: LL 250 million

n Conferences and delegation: LL 30 million

n Technical equipment: LL 10 million