

الجمهورية اللبنانية
مكتب وزير الدولة لشؤون التنمية الإدارية
مركز مشاريع ودراسات القطاع العام

UNIDO - UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

Republic of Lebanon
Office of the Minister of State for Administrative Reform
Center for Public Sector Projects and Studies
(C.P.S.P.S.)

Assistance in Standardization and Quality Control

SI/LEB/94/803

Draft Mission Report

Assessment to the Ministry of Industry and Petroleum on ISO 9000 series
implementation and technical advice on operating the Lebanese Standards
Institution (LIBNOR) operations

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Context

Governments and enterprises throughout the world are rapidly recognizing that **QUALITY** and its related disciplines represent strategic objectives and means to achieve economic progress mainly with respect to world markets. In the late 1980s quality became the most important prerequisite for competitiveness. The companies understood the importance of the relationship **high-quality/low-cost** and its competitive strength. Total customer dedication and timing are the competitive challenge in the 1990s.

International standards for quality systems have been established and are being expanded and promoted actively as one set of criteria for measuring capability of enterprises to compete.

Adequate industrial standards in number and quality; good quality products in design and performance; resources savings in services, labor, materials, energy and money; accurate and reliable measurements; skilled manpower; are necessary conditions required for competitiveness. Modern management practices in engineering, purchasing, marketing and sales and human resource development are demanded to guarantee the needs of consumers and their expectations.

ISO (International Organization for Standardization) have established a quality environment by issuing a series of standards for management worldwide known as ISO 9000 the objective of which is to standardize a general approach to quality systems at enterprise level. Nowadays these standards are being applied as a common ground in the context of trade among enterprises. Normally the compliance with the standards is evaluated by third party organizations and reflected in a certificate used as part of the deal. Until June 1994, 70,000 ISO 9000 compliance certificates were issued worldwide. In the ARAB region Israel had 30 certificates, UAE 35, Saudi Arabia 30 and Bahrain, Egypt, Morocco, Oman, Qatar and Tunisia 17 certificates all together.

The fast growing promotion of the ISO 9000 series as well as the demand for certified enterprises required mainly by the European market is becoming a major concern of Governments and entrepreneurs throughout the world. Developing countries are rapidly recognizing that quality and its related disciplines (standardization/ metrology) should have a prominent role in their strategic national plans and objectives.

Current situation in Lebanon

Due to the difficulties faced in the last fifteen or more years, the Republic of Lebanon missed the momentum of the world's changes in the market competition rules. Commercial barriers were eliminated by the finalization of the Uruguay Round (GATT agreement) and technical requirements such as quality and standardization are now emerging as potential involuntary trade barriers.

In the current global drive to improve quality and production efficiency, emerging industrialized countries are carefully investing in the technical infrastructure required to support private sector development: establishment or upgrading standardization and metrology bodies and human resources development.

In Lebanon this capacity was initiated by the Government with the establishment of the Industrial Institute in 1955 and later in the establishment of LIBNOR (Lebanese Standards Institution) in 1962 as the sole authority to prepare, issue and amend national standards, coordinate standardization activities within the country and to promote conformity mark. The metrology component is supported in tests and self calibration by the Industrial Institute, the American University of Beirut, the St. Joseph University and other independent laboratories. No provision was made for the establishment of physical industrial metrology standards, such as length, mass, volume, pressure and others.

Since its inception LIBNOR issued 182 standards which is a number far below the figures of the most advanced developing countries in the world (from 3,000 to 6,000). It is worth to mention that none of these Lebanese standards have been updated, a necessary requirement at maximum every five years.

The pressure of the international market concerning the application of the series of standards known as ISO 9000 is seen by the Lebanese entrepreneurs as a necessary condition for trade mainly in the European market. However, the absence of a national standards organization which could not only promote but also clarify and guide the entrepreneurs is creating opportunities for several misunderstandings concerning the exact importance of the standards. LIBNOR, as a national standardization body should lead the process throughout the country and should be in close contact with the international community to quickly identify the trends on the requirements of these standards.

On the other hand, the requirements for reconstruction of the country are not only intensive in human and material resources but also in the coordination and harmonization of all the local and imported goods and services. An example is the building construction and materials, where methodologies and specifications prepared in foreign countries are not necessarily the same as those required in Lebanon. The lack of Lebanese standards may not be felt necessary at the moment but will be reflected in the future costs of maintenance or in the extra costs created by unnecessary safety coefficients utilized by foreign and local companies to overcome the lack of standards reflecting the real requirements for Lebanon. The same situation prevails in many sectors such as chemicals, pharmaceutical, food, capital goods, and others.

The recent (as of October 1994) activities initiated by the Ministry of Industry and Oil and implemented with the Council for Development and Reconstruction (CDR), SOLIDER, ETC. to develop standards for building construction testify on the urgent need for revision and modernization of LIBNOR.

Therefore, it is clear that an active LIBNOR could not only optimize local resources but also support the Government in the organization of a modern and competitive industry and service framework.

Finally, it is important to mention that Lebanon is a country with a large past experience clearly reflected in the high quality of the human resources available which constitute a privilege of few developing nations.

Recommendations

Based on the available information, in the discussions during the two seminars on ISO 9000, from personal meetings with several Government representatives and key industry related persons, the following actions for short and medium term are proposed. Some considerations about the structure of LIBNOR are presented below, based on the past experience of the expert, on the ISO Development Manual- 1994 (Development and management of a national standards body) and on several exchanges of ideas with the current Secretary General of LIBNOR. These considerations could be the basis for a more detailed plan of action, which can take place after LIBNOR activities resume.

Proposed Actions

The following proposals have the objective of restoring LIBNOR and enhancing its role in rebuilding the country's economy:

1. To amend the Law Decree issued in 23 July 1962 to update LIBNOR's mandate and increase its operation's flexibility. The current decree and the available draft of the proposed new decree were extensively analyzed. The decree for 1962 is partially outdated and contains some unnecessary details related to the internal operation of LIBNOR.. The new draft proposal is more detailed but in the same direction, that is proposing many additional operational procedures. Therefore it is the opinion of the UNIDO expert that an amendment of the existing decree (1962) is enough to update and give the required operational flexibility to LIBNOR to accomplish its mandate. A proposed amendment is presented in Annex I
2. To call for a meeting of the Board of Directors and to establish the internal procedures, such as financial and administrative.
3. To draft standard zero (standards to prepare standard)
4. To work with the committee for building construction created by CDR (with the 14 commissions or sub-committees) under the LIBNOR structure.
5. To establish special committees to update or delete the 182 existing standards, with priority for the mandatory ones.
6. To draft and approve the regulations for accreditation of laboratories and quality system certifying organizations.
7. To draft the regulations for the use of LIBNOR mark and certificate.
8. To procure international standards (ISO and other countries) required in the immediate future for the reconstruction of Lebanon.
9. To survey and establish a database of the existing tests and essays laboratories (specially the Industry Institute), including their human and financial requirements for a large scale operation.

Proposed Amendments to the

Law Decree
Issued 23 July 1962
Lebanese Standards

Article 1:

An independent institution named "Lebanese Standards Institution" shall be established in Lebanon and shall be known locally and internationally as LIBNOR.

Article 2:

LIBNOR shall solely have the right to develop, publish, amend, revise and cancel Lebanese standards related to local or imported products, goods and services, as well as to accredit laboratories and service companies performing certification of products and quality systems.

Article 3:

A Lebanese standard is a document that provides for common and repeated use, rules, guidelines or characteristics for activities or their results, aimed at the achievement of the optimum degree of order in a given context. As an example, it shall include the measurements, conventions, symbols, definition of the quality of products and services, methods of analysis and testing, code of practice for technical work, and technical rules for buildings.

Article 4: ***** NO CHANGE *****

Article 5: ***** DELETE ***** (can be defined by internal procedures)

Article 6:

The standards shall be approved by the Board of Directors and shall be made available to the public concerned and announced in the official gazette. Upon the announcement the standards are officially considered as "national standards".

Article 7: ***** NO CHANGE *****

Article 8: ***** NO CHANGE *****

Article 9: ***** DELETE ***** (Already included in Article 2)

Article 10:

LIBNOR shall be constituted of a Board of Directors and an executive body headed by a General Manager

The LIBNOR Board of Directors shall be composed by one representative member from each of the following:

1. Ministry of Industry and Oil
2. Ministry of Economy and Trade
3. Ministry of Environment
4. Ministry of Public Health
5. Ministry of Public Works
6. Ministry of Agriculture
7. National Council for Scientific Research
8. Council for Development and Reconstruction
9. Association of Lebanese Industrialists
10. Sectoral/Geographical Industrial Manufacturers
11. Industry Institute
12. Union of the Order of Engineers
13. Engineering Faculties of Lebanese Universities
14. Consumer protection
15. Chamber of Commerce

The members of the Board shall be from the highest possible decision-making level or rank in their respective organizations and shall be appointed by their respective Ministers in the case of public sector or by the top management of their organizations in the remaining cases.

The Chairman and Vice-Chairman of the Board of Directors shall be elected among the members of the Board and approved by the Minister of Industry and Oil.. A member of the Board of Directors shall not remain a member for more than five consecutive years.

The Board of Directors shall meet once every three months called upon by the chairman, vice chairman or three of the members.

The first meeting of the Board of Directors shall be called upon by the Ministry of Industry and Oil within 60 days of publishing this law in the official gazette and it shall take place within 60 days thereafter. One third of the Board of Directors shall be the minimum quorum for any decision, which will be taken by simple majority. Should the Board of Directors fail to hold a meeting two consecutive times during the period of six months, the Minister of Industry and Oil shall be empowered to ensure continuity of LIBNOR.

Article 11:

The Board of Directors shall set the policies and strategies of LIBNOR, approve all the internal procedures, the annual working plan and respective budget prepared by the General Manager.

The General Manager shall conduct all the activities required for the proper implementation of the annual working programme according to the strategy.

Article 12: **** DELETE **** (Not valid anymore)

Article 13 to Article 16: **** NO CHANGE ****

Article 17 and Article 18: **** DELETE **** (can be defined by internal procedures)

Article 19 to Article 27: **** NO CHANGE ***

UNIDO

Beirut 29 June 1995

Law Decree
issued 23 July 1962
Lebanese Standards

Article 1:

An institution named " Lebanese Standards Institution" shall be established in Lebanon and shall be known internationally as LIBNOR.

Article 2:

LIBNOR shall solely issue, publish and amend Lebanese standards and give the right to use the Sign of Conformity with Lebanese standards.

Article 3:

Lebanese standards shall include as an example the measurements, conventions, symbols, definition of quality of products, methods of analysis and testing, code of practice for technical work, and the technical rules for building.

Article 4:

Standards issued by Libnor is optional. But, for reasons of public safety and health or national interest, and upon approval by its Board of Directors and the suggestion of the Ministry of Industry & Oil, the government may make a standard obligatory through a government decision/ruling.

Article 5:

Standards shall be issued based on the suggestion of one the members of its board of directors or a private entity or a concerned professional entity or one of the ministries. Standards shall discussed and prepared by specialized committees formed by the board of directors for this purpose. the standards shall be approved by the Board's approval before publishing.

Article 6:

Once approved by the board of directors, standards shall be published in the official gazette and shall then be considered national standards.

Article 7:

Libnor has the right to suggest to the Council of Ministers making a standard mandatory.

Article 8:

Libnor shall have the right to circulate draft standards without publishing in the official gazette, to test its validity and fitness before the publishing it officially to be considered national standards.

Article 9:

Libnor has the right to make the amendments that it sees necessary on the national standards, based on the suggestion of the related committees or organizations or entities or government officials. Amendments shall be published in the official gazette.

Article 10:

Libnor's Board of Directors shall consist of:

President of Engineers Syndicate in Beirut-	Chairman
Ministry of Economy and Trade	Member Representative
Ministry of Public Health	Member Representative
Ministry of Agriculture	Member Representative
Ministry of Industry and Oil	Member Representative
Industry Institute	Member Representative
Association of Lebanese Industrialists	Member Representative
Chamber of Commerce	Member Representative
Union of Engineers Syndicates	Member Representative

Article 11:

The duties of the Board of Directors shall be distributed as follows:

- A- The BoD shall approve its own internal procedures, the general work plan for the Libnor, the budget, and fees to be collected from customers, and shall supervise expenditure and work. The fees shall be subject to the approval of the Council of Ministers.
- B- The BoD shall meet upon request of its chairman or the request of the majority of its members who shall be paid for each meeting attended.

Article 12:

The Industry Institute shall carry the duties of General Secretariat for Libnor for three years from the date of issue of this decree. The BoD shall appoint the general secretariat at the end of the first three years.

Article 13:

Libnor shall be financed by:

- Annual budget of the government
- Fees collected from tests, research, issue of Conformity certificates, and licenses to use Conformity signs.
- Annual membership or subscription fees with Libnor
- Sale of standards and other publications
- Special donations

Conformity Sign

Article 13:

Libnor shall have a special sign indicating conformity of Lebanese products and goods to national standards; and shall grant the right to use it, for those who are interested, on conditions to be defined by Libnor who shall supervise the correct use of the sign. The national Lebanese conformity sign shall be as follows:

Article 15:

The Lebanese conformity sign shall be registered in Lebanon and abroad as needed.

Article 16:

The use of conformity sign is optional and shall be granted to interested parties through a permission from Libnor detailing the rules and conditions.

Article 17:

The Conformity Sign shall be granted after checking that the products and goods on which the sign is used conform to the national standards and that the entity requesting the use of the sign is in a position to control the quality of its products and goods continuously.

Article 18:

Products and goods using the conformity sign shall be subject to checking and audit either directly from Libnor or through other entities that Libnor authorizes for this purpose.

Article 19:

Libnor shall collect an annual fee from those licensed to use the conformity sign.

General Rules

Article 20:

The permission to use the conformity sign is a contract between Libnor and the licensed party and shall be subject to public laws. The sale of any product bearing the sign shall be considered as a guarantee from the party licensed to use the sign that this product conforms to the national standards related to it.

Article 21:

Libnor shall in no condition be considered responsible towards any private or official local or international party for any activity related to the use of conformity sign. the only responsible party is the one given the permission to use it.

Article 22:

The related public offices shall control the implementation of mandatory standards.

Article 23:

Public offices shall not take any decisions without taking into considerations the national standards, except in the cases mentioned in Article 24.

Article 24:

Public offices shall have the right to ask Libnor to study the reasons of its request not to use national standards in its purchases. If Libnor approves, then such purchases can be made.

Article 25:

Libnor shall represent Lebanon internationally in the field of standards.

Article 26:

The rules related to cheating control shall be implemented in all the cases related to national mandatory standards.

Article 27:

This decree shall be in force upon publishing in the official gazette.

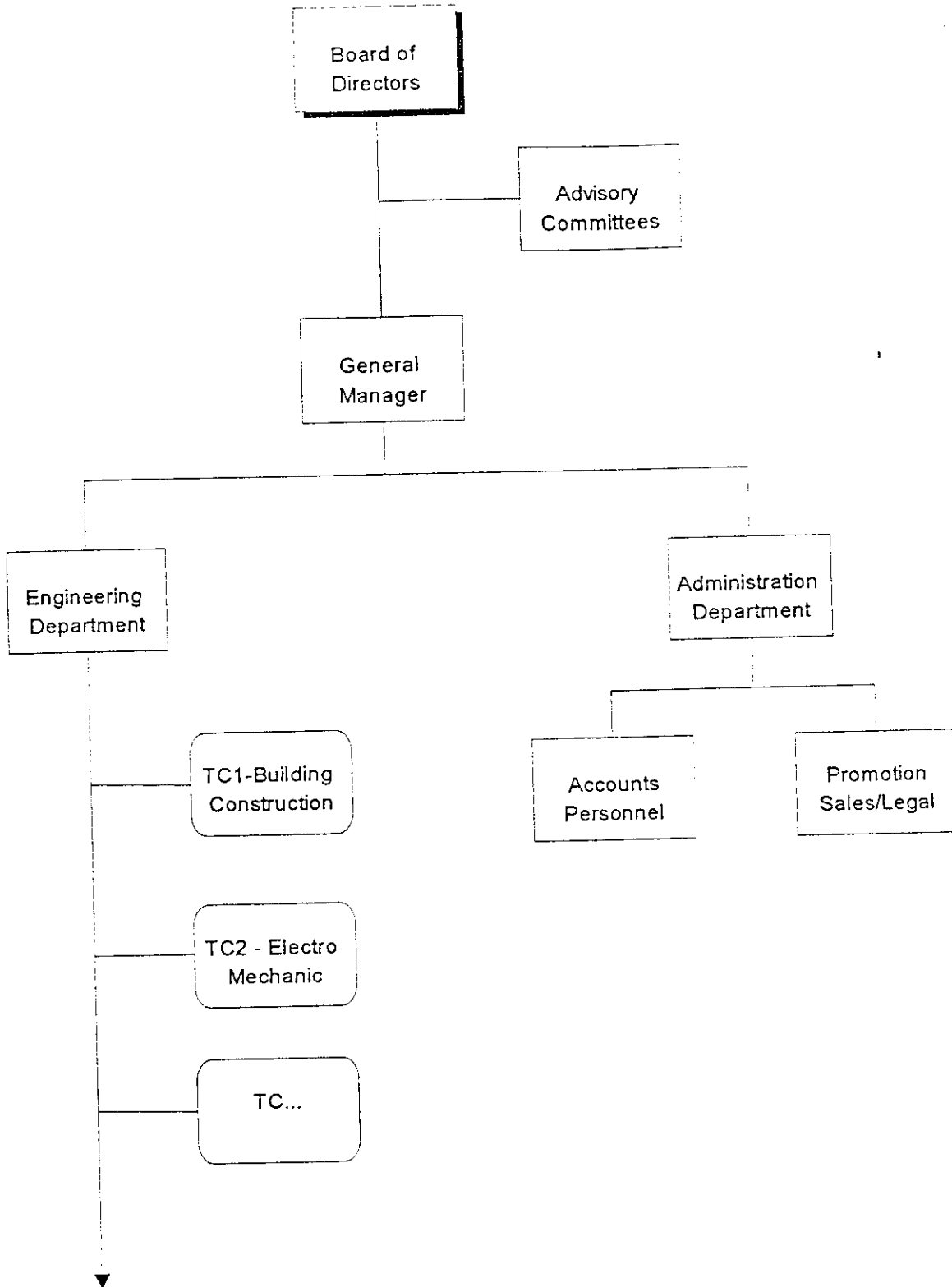
10. To establish a strategy to promote and elucidate the importance of standards (especially ISO 9000).

Proposed administrative organization for LIBNOR

According to the amended law decree, the following organigram is suggested in Annex II. The advisory committees should be created to make policy recommendations to the Board of Directors on those areas of the national economy which should be supported by standards, on the prioritization or selection of commodities/products or industries to be covered by certification and to recommend the creation or expansion of national laboratories for metrology purposes.

Proposed working plan and resources requirements

Annex III presents a tentative schedule to resume the activities of LIBNOR and Annex IV the estimate requirements for human and material resources for the first year of operation.



Estimated Human and Material Resources (1 year period)

Resource	Staff	USD
Secretary General or General Manager	1	
Engineer	1	
Technical assistant	2	
Administrative assistant	2	
Computer equipment and software		15,000
Printing equipment (xerox or similar)		10,000
Procurement of standards		30,000
Communication equipment		5,000
Miscellaneous		10,000
Office space - minimum 150 m2		

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