



# Internal Governance for NGOs in Lebanon



Reference Book 2004

Capacity Building for Poverty Reduction  
NGO Resource & Support Unit  
Social Training Center

[ Reference Book on Internal Governance for NGOs in Lebanon ]

الإدارة الداخلية للجمعيات الأهلية في لبنان

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## Why would a reference book addressing non-governmental organizations (NGOs) of different sizes, interests, and functions begin with a discussion on development?

A simple answer to this very relevant question is that development is the ultimate aim and objective that underlies the work of each and every NGO, association, trade union, and civil society institution. In other words, development is a common ground for all these organizations, as well as the long-term goal that enables them to broaden their range of activities, to cooperate with others, and to expand their scope from the local to the national and international. The concept of development roots such operations in the historical process and provides continuity for the future. Direct activities and monthly and annual work plans become key ingredients for a more progressive and sustainable path towards building free individuals and a just world.

The issue of development is the necessary starting point to discuss issues linked to the internal governance and working principles of NGOs. The form of an NGO is thus linked to its content, and, likewise, its methods to its objectives. The internal governance of NGOs and their working methods are defined by the content of their activities and the goals they seek to achieve. Therefore, the aim of activities is not the NGO itself, but the service provided to people and to society. Currently, developmental activity represents the overall and most prevalent theoretical and practical framework. It should empower NGOs to coordinate, develop, and share their activities on the local, national, and international levels through the latest scientific and pragmatic modern concepts and working methods; all in response to the needs of society.

NGOs in Lebanon are a major pillar for progress and sustainable human development. Their role lies in promoting democratic participation, empowering civil society, and safeguarding rights, freedoms, and good governance, whether within the framework of the NGO or in society in general. However, some NGOs suffer from major deficiencies in their internal governance, such as the absence of democracy; the lack of mechanisms for rotation of power; and the need for clear regulations, transparency, accountancy, and accountability.

## 1. Tripartite Partnerships and the Role of Civil Society

Development can only be achieved through a tripartite partnership between the state, the private sector, and civil society. Each must adopt a clear concept for this partnership and shape its own general view of development. They must also understand their respective roles, the unique character of each partner, and the synergy between them.

Based on the above, a general concept of the roles of each of the three partners can be outlined:

- \* **The State:** There is no substitute for state institutions and agencies in creating the general development framework of a country. In addition to establishing laws and legislation, the main role of the state is to plan the developmental process and guarantee a basic balance between the interests of different social segments and interest groups, with a minimal level of social intervention.
- \* **The Private Sector:** Its basic responsibility is to instigate economic development in the country and encourage investment in order to create productive job opportunities, especially for youth. However, this

sector is still not involved enough in the general process of development and does not properly fulfill its responsibilities towards society. Nevertheless, the private sector played a leading role in Lebanon, including the social service sectors, such as health care, education, media, culture, and entertainment.

- \* **The Civil Society:** Its role and responsibilities vary between providing social assistance to the most disadvantaged social groups; locating spaces for cooperation, empowerment, and decentralization; and stimulating local development. This is in addition to active participation in the formulation of sectoral and developmental policies. Civil society also participates in constructive activities on the regional and international levels. Its work includes direct intervention such as advocacy, awareness building, and forming lobbies and pressure groups, in addition to multiple forms of fieldwork.

## 2. The Role of Civil Society

Civil society should reach a common understanding of the fundamental rights of citizens, such as the right to a free and honorable life; the right to work in return for an income that provides an acceptable standard of living; the right to individual and social equality under the law and in practice; and the right to knowledge, education, and participation... This is in addition to a range of other rights stated in national constitutions and laws and in national, regional, or international agreements. All of the above emanate from humanity itself, transcending political, intellectual, religious, and territorial divisions. The main objective of developmental intervention by civil society is to enable citizens to enjoy their rights; and this should be independent from any political position, cultural bias, or economic ability.

Civil society institutions that agree on such principles will be more capable to coordinate and cooperate among one another and with other developmental stakeholders.

## 3. The Difference in the Scope of Work and Capacities of NGOs

The work of associations is rich and very diverse. An NGO might be a club or a committee in a village or town working on a specific issue. It can be an organization focusing on a particular issue (such as environmental protection, violence against women...) or with a certain demographic (such as children, the disabled...). Its field of interest might be local, national, regional, or even international. It can also be limited to a certain family or a profession. Regarding its work and activities, an NGO can range from providing care and awareness, to offering social services and assistance (i.e. charity work), to conducting empowerment activities through training, planning, or delivering local, sectoral, or national developmental projects, to establishing advocacy groups working on reforming world trade agreements.

NGOs can be based on membership (open, restricted, or limited to a certain group or segment) or a professional group based around a specialized team that is active on a certain cause. They may have institutions and employees, or simply depend on volunteers.

These different kinds of NGOs are not necessarily limited to particular fields of work, interests, or activities. It is only natural for NGOs to have their own requirements and needs. That is why there is no efficient 'ready-made formula' for developing the work of NGOs. Nevertheless, there are many common issues and general principles for development work. The work of NGOs and their modern governance cannot be overlooked for reasons of individuality and diversity. These principles form the basic subject of this book: "The Internal Governance of NGOs". This reference will highlight common issues between NGOs, in addition to issues that are of interest to national and large NGOs, as well as small NGOs working on a local level.



“The NGO Resource & Support Unit” project is a component of the project “Capacity Building for Poverty Reduction” a joint collaboration between the Ministry of Social Affairs (MoSA) and the United Nations Development Program (UNDP). It aims to support civil society in order to reach equitable and balanced development. UNDP’s intention complements the efforts of the Ministry of Social Affairs to reinforce the role of civil society in the economic and social development of Lebanon and in the work undertaken to establish practical steps towards developing the sector.

This reference book has been prepared within the framework of the NGO Resource and Support Unit, The Unit was established in 2003 and is currently working to build the capacity of NGOs by facilitating their acquisition of resources and the delivery of training programs. This is in addition to assisting mutual communication and cooperation to enable their transformation into pressure groups capable of supporting development at the national level. The unit also aims at attracting NGOs, encouraging them to participate in its programs and activities, and teaching them how to benefit from resources by opening doors to affiliation or membership. All affiliates or members can benefit from a range of services and resources, such as those related to information (e.g., e-library; information on international organizations, trainers, consultants, and NGOs; e-publication; training services; use of computer and training rooms and other electronic means of communication; consultation services...).

This reference book was written by experts from various fields related to NGO governance, under the supervision of a consultative committee consisting of civil society representatives, the Ministry of Social Affairs, and UNDP. It includes many chapters on resources, legal and integral frameworks, and the constitutional structure of NGOs. In line with the content of the book, a training and information kit is being prepared and will be used in intensive training sessions for NGOs in Beirut and other areas.

We do hope that this book will contribute to reinforcing the role of civil society in the economic and social development of Lebanon. We look forward to an ongoing partnership with all stakeholders and we reiterate our commitment to achieving sustainable human development in Lebanon.

With the release of this book, we extend our thanks to the members of the consultative committee and the experts who drafted its many chapters, and to all those who have contributed and assisted in its production. Finally, our thanks go to the Friedrich Ebert Foundation for its financial support for producing this publication.

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## The Legal, Regulatory, and Financial Frameworks of NGOs

**Chapter I:**  
**The Legal Framework of Associations in Lebanon**  
by **Mazhar El-Haraka**

**Chapter II:**  
**Internal Organization of NGOs**  
by **Ziyad Baroud**

**Chapter III:**  
**Strategic Planning for NGOs**  
by **Joumana Kalot**

**Chapter IV:**  
**Working Principles of NGOs**  
by **Ziad Majed**

**Chapter V:**  
**Financial Accounting for NGOs**  
by **Raghd el-Aadas**



# The Legal Framework of Associations in Lebanon

## Chapter I

1

### Introduction

**A**n 'association' or non-governmental organization (NGO) is a legal entity in which and through which the work of a group of naturalized or legally resident persons is organized. Article One of the Lebanese Law of Associations stipulates, "An association is a group of several persons permanently unifying their knowledge or efforts for nonprofit objectives".

Associations play a basic and direct role in influencing and shaping the interests of individuals and organizations in public affairs as well as in pushing them towards focused participation. They also provide a legal umbrella for organizing institutional work, and thus ensure the continuity of their thoughts, positions, and conduct. Through providing an example, associations also spread and promote the principles and culture of democracy, and sustain the participation of all citizens in the political, economic, social, cultural, and environmental aspects of their societies. They enhance the exercising of the right to access information, accountability, voting, and candidacy for elections. This is done to safeguard the interest of the groups represented by these associations, to determine the rights of each individual, and to establish sound democratic practice.

Associations are vital partners in all developmental processes and on all levels:

- \* On an international level, they discuss, criticize, and propose the contents of international agreements and treaties;
- \* On a national level, they are pressure groups, advocating policies and legislation that facilitate development;
- \* On a local level, they swiftly and effectively respond to citizens' various grassroots needs through available tools.

NGOs must cooperate and collaborate together in order to reach a full partnership and ensure the participation of other public and private sector institutions (*See Chapter II*).

This chapter deals with the legal dimensions of NGOs, whether at the level of their classification and the position of the law towards them, or in view of the legal status granted to them. The chapter also includes a collection of legal texts, decrees, and decisions that define the legal aspects, role, establishment, responsibilities, and legal position of associations.

## First: The Legal Framework of Associations

### The Law of Associations (29 Rajab 1328 and August 3, 1909 (1325))

#### Section I

**Article 1:** An association is a group of several persons permanently unifying their knowledge or efforts for non-profit objectives.

**Article 2:** Establishing an association requires no prior permit but, by virtue of Article 6, notifying the government of its establishment is a prerequisite.

**Article 3:** Amended by virtue of the Law of 26/5/1928.

It is prohibited to establish associations on illegitimate grounds that contradict the provisions of laws and public mores, that disturb the peace of the Empire, that aim to change the standing form of government, or that aim to politically separate the different Ottoman entities. They are not to be granted a notification and they are to be dissolved and banned by a decree issued by the Council of Ministers.

**Article 4:** The establishment of political associations of a nationalistic nature or dictum is strictly forbidden.

**Article 5:** Members of associations must be above twenty years of age, enjoy all their civil rights, and not have any felony convictions.

**Article 6:** Establishing clandestine associations is strictly forbidden. Accordingly, upon establishing any association, the founders must submit a signed and sealed statement containing its address, goals, objectives, main office, and the names, capacity, and position of those entrusted with its governance. The statement is submitted to the Department of Interior (Ministry of Interior) if the association's headquarters is in the capital (Dar el Sa'ada) or to the senior royal commissioner if it is based outside the capital. Two certified copies of the association's statutes, sealed by the association's official stamp, must be attached to this statement. In return, the association is granted a notification. Then, the founders may declare the establishment of the association and how it was set up.

All associations are obliged to immediately inform the government of any amendment or alteration to their statutes, administrative board, or location. This amendment or alteration shall be implemented on a third party as of the date of informing the government, and shall be registered in the register created for this purpose. This register must be available whenever the judicial or royal governments request to review it.

**Article 7:** The headquarters of any association must contain an administrative board of at least two individuals. If the association has branches, each branch is to have an administrative board affiliated to the central administrative board. These boards must keep three books/accounts: all information related to the members of the association and when each joined the association must be recorded in the first; decisions, correspondences, and notifications must be recorded in the second; and revenues, income, the type and amount of operations or transactions must be recorded in the third. These three books/accounts shall be presented to the judicial or royal governments upon request.

**Article 8:** Each association that has submitted a statement by virtue of Article 6 of this law may stand before the courts as plaintiff or defendant by means of a mediator, as stated in Article 9. It may not govern or dispose of state grants and aid that are binding, but may dispose of the following:

- The monetary contributions paid by members, on the condition that the contribution does not exceed twenty-four gold coins a year.
- The location designated for governing the association and the meeting places.
- The fixed assets needed to reach the set objectives in accordance with its bylaws.

These associations are prohibited from disposing of the other fixed assets.

**Article 9:** The requests and demands submitted to the registrars, courts, and official councils on behalf of associations for reasons related to their own interests must be under the form of stamped requests which are personally signed and sealed by the administrator or the scribe; noting that the identities of those working in the name and on behalf of the association must be stated in its statutes.

**Article 10:** Members of the association may discontinue their memberships at any time they wish, even if the association's statutes state otherwise, on the condition that they have settled their monetary obligations or contributions for that year.

**Article 11:** All associations are prohibited from entering and keeping firearms and weapons in their meeting places. Clubs offering hunting and fencing activities are allowed to keep and store as many weapons as needed on condition of informing the police.

**Article 12:** (amended by virtue of Legislative Decree N°. 41 dated 28/9/1932):

Associations that do not inform the government of their establishment by submitting the statement as stated in Articles 2 and 6 shall be banned; and their founders, administrative boards, owners or renters of their meeting places shall be fined an amount that ranges between five and twenty-five gold coins. If the association has

been established for the prohibited reasons as listed in Article 3 or in the Penal Code, the penalty stipulated in the latter shall also be charged.

Any person involved in whatever capacity in an association, committee, or council which aims to obstruct public interest, whether directly or indirectly, shall be sentenced for six months to three years imprisonment and/or a fine of between 25 to 200 Lebanese–Syrian Pounds.

**Article 13:** Any association that violates the provisions of Articles 4, 5, 7, and 9 and does not notify the government as stipulated in Article 6 shall be fined between two and ten gold coins. In the event of recurrence, the fine shall be doubled. Any person operating or re-establishing a previously banned association as stipulated in Article 12 shall be fined between ten and fifty gold coins. The same fine is imposed on anyone who holds or allows meetings of members of banned associations.

**Article 14:** The funds of the associations banned by the government or dissolved by its members or bylaws are to be disposed of as stipulated in the association’s statutes. If no such text exists in the statutes, the decision of the general assembly in this regard shall be adopted. The government shall confiscate the funds of the banned association that has been established for the illegitimate reasons mentioned in Article 3.

**Article 15:** Clubs comply with this Law of Associations.

**Article 16:** Currently existing associations are required to submit the statement, and fulfill the conditions as listed in Articles 2 and 6 and the provisions of the other articles within two months of this Law’s publication.

## Section II

**Article 17:** Considering an association to be a public utility association depends on the certification of the state by decision of the Council of State (Shoura). Such an association shall conduct all legal operations stated in its statutes. The shares and remittances owned by the association shall all be registered in its name. Its donated funds or its entrusted fixed assets must be granted a permit by the government. If the donated funds or the entrusted fixed assets are not needed to conduct the association’s functions, they must be sold in the time-frame set in the decision to sell. The money received in return for the sale is to be deposited into the association’s fund.

**Article 18:** The police are entitled to inspect associations and clubs; therefore, the latter must keep their meeting places and offices open for police inspection at all times. Yet, the police must present a search warrant to prove that their inspection is conducted for due reasons. The search warrant can be issued by the police commissioner if in the capital (Dar el Sa’ada) and by the local senior royal commissioners, or their deputies, if in the districts.

**Article 19:** The Ministries of Justice and Interior are entrusted with enforcing this Law.

In their establishment and function, associations in Lebanon draw upon the ‘liberal’ Ottoman law issued on the 3<sup>rd</sup> of August 1909 (that is to the period preceding the founding of Greater Lebanon in 1920). The Lebanese Constitution did in fact establish a series of articles related to public freedoms, notably Article 13 on the freedom of establishing and working in associations. Ever since its issue, the 1909 Law has been considered the general legal framework of the work of associations<sup>1</sup> in Lebanon; therefore, all non-governmental organizations and associations must comply with it.

### Key legislation governing the work of Associations in Lebanon

1. Article 13 of the Lebanese Constitution.
2. The 1909 Law of Associations.
3. The 1911 Law of Public Assemblies.
4. Public Utility Organizations, Legislative Decree N°87 of 30/6/1977.
5. Foreign Associations, Decision N°369 LR of 1939.
6. Section II of the Penal Code.
7. The International Covenant on Civil and Political Rights.
8. Documents required annually from associations.
9. Decision of the Council of State (Shoura) N°135/2003 (See Annex N°. 1)

1. The terms “non-governmental organizations” and “associations” are synonymous.

According to a study<sup>2</sup> conducted by the Ministry of Social Affairs in collaboration with the Economic and Social Commission for Western Asia (ESCWA), the number of associations<sup>3</sup> of varying objectives, types, and classifications in Lebanon, that have sent government notification, was, up until September 2002, around 4,073. Article 13 of the Lebanese Constitution confirms the freedom to establish associations; yet, the text of the 1909 Law remains the common legal framework for all.

#### Article 13 of the Lebanese Constitution

The freedom to express one's opinion orally or in writing, the freedom of the press, the freedom of assembly, and the freedom of association are guaranteed within the limits established by law.

### 1 Classification of Associations:

The 1909 Law sets the general framework governing the work of all associations. However, some specific laws and decrees issued in past decades have defined specific conditions concerning the work of some associations and their objectives, mainly in terms of legal matters. In fact, political parties now need a prior approval permit; syndicates and cooperatives have their own laws; foreign associations are governed by a specific decree; and public utility organizations have their own legislation, etc. Below are some examples.

#### ➤ a) Foreign associations

The so-called foreign associations are established by virtue of a special decree issued by the Council of Ministers. The association is considered foreign if its founder or director is foreign, if it is based outside Lebanon, or if more than a quarter of the members of its general assembly are foreigners. It is governed by the provisions of Decision N°. 369 LR dated December 1, 1939.

#### ➤ b) Associations with a mentorship authority

These include sports and scouts associations as well as associations of some professional syndicates. Sports and scouts associations used to need a prior approval permit from the Ministry of Education's General Directorate of Youth and Sports. The legal framework was entrusted to the Ministry of Youth and Sports following its establishment (Ministerial Decree N°.9104 dated September 26, 1996).

#### ➤ c) Syndicates, cooperatives and mutual benefit associations

A special law, issued on August 18, 1964 through Decree N°.17199, governs these institutions. The Decree of Law N°.35 related to mutual funds was issued in 1977.

#### ➤ d) Trade unions

The Ministry of Labor licenses trade unions.

#### ➤ e) Religious associations

On March 13, 1936, Decision N°.60 LR gave legal status to associations with charity, cultural, or educational objectives, such as monasteries, within the framework of the accepted order of confessions. The religious authorities then became the reference point for some associations that asked to have their notification statement withdrawn, stating that it was no longer useful for their work because they were no longer governed by the 1909 Law.

In 1990, the Lebanese Constitution was amended in order to grant human rights and public freedom greater importance. This represented a stronger commitment by the Lebanese State to international treaties and conventions, namely the Universal Declaration of Human Rights which was adopted in 1948. Article 20 of the said declaration stipulates that everyone has the right to freedom of peaceful assembly and association and that no one can be compelled to belong to an association or a collective activity.

2. The Ministry of Social Affairs, ESCWA, *The 2002 Survey of Civil Society in Lebanon*.

3. Including political parties.



## 2 Process and Stages of the Establishment of an Association by Virtue of the 1909 Law:

The establishment of an association according to the 1909 Law is defined by the following stages:

- 1- A number of individuals meet on an idea/set of ideas and agree on a set of objectives/goals.
- 2- The association issues an official stamp (optional)
- 3- A statement is sent to the government to notify the authorities about the establishment of the association. Two copies of the association's certified statutes should be attached to the statement.
- 4- The statement and the two copies of the association's statutes are submitted to the Ministry of Interior in Beirut or to the senior royal commissioner (in the mohafaza or district if the association is based outside Beirut)
- 5- The association then receives notification.
- 6- The association specifies how the founders established it (this is generally published in the Official Gazette).

**Article 1** of the Law of Associations stipulates: "An association is a group of several persons permanently unifying their knowledge or efforts for nonprofit objectives". Thereby, in order to establish an association, several individuals must agree on one idea, or set of ideas, and set their goals and objectives to achieve that idea(s) on the condition that they have no intention to make any direct personal profit.

**Article 2** of the same law stipulates that "Establishing an association requires no prior permit but, by virtue of Article 6, notifying the government of its establishment is a prerequisite". This article explicitly states that a permit is not necessary. However, it is linked to Article 6 of this law in 'notifying the government of its establishment'. Having said this, the establishment of the association becomes factual by the mere meeting of the group of persons mentioned in Article 1. This means that the association is deemed to be established even before any government notification.

**Article 6** states that: "Establishing clandestine associations is strictly forbidden. Accordingly, upon establishing any association, the founders must submit a signed and sealed statement containing its address, goals, objectives, main office, and the names, capacity, and position of those entrusted with its governance. The statement is submitted to the Department of Interior (Ministry of Interior) if the association's headquarters is in the capital (Dar el Sa'ada) or to the senior royal commissioner if it is based outside the capital. Two certified copies of the association's statutes, sealed by the association's official stamp, must be attached to this statement. In return, the association is granted a notification. Then, the founders may declare the establishment of the association and how it was set up."

"All associations are obliged to immediately inform the government of any amendment or alteration to their statutes, administrative board, or location. This amendment or alteration shall be implemented on a third party as of the date of informing the government, and shall be registered in the register created for this purpose. This register must be available whenever the judicial or royal governments request to review it."

Article 6 did not determine a timeframe for informing the government, but, by extrapolating from the banning of clandestine associations, it focuses on the actual act of informing the government by submitting the following documents to the Ministry of Interior or the senior royal commissioner:

1. A signed and sealed statement that includes the association's address, goals, objectives, and headquarters; plus the names, capacity, and position of those entrusted with its governance.
2. Two copies of the association's statutes. These should be sealed by the association's official stamp.

Article 6 even goes on to state the absolute necessity of informing the government of any amendment or change in the association's statutes, administrative board, or location. It also stipulates the registration of each amendment or change in the register created for this purpose and the necessity of presenting it upon request.

Based on the above, the association is granted a notification upon which the founders may declare the launch of the association and how it has been established. Consequently, it acquires legal status.

The method of declaring the establishment of the association is not defined in the legislation. The Lebanese law does not contain a single clause stipulating a particular method. However, although it does not require publication in the Official Gazette, the notification should eventually be published as part of the decisions taken by the Council of Ministers.

Establishing an association today passes through a series of procedures and conditions adopted by the relevant administration. The aim in this chapter is not to discuss whether these conditions or procedures are legal.

It is important to note that the Council of State (Shoura) issued a decision in 2003 stipulating that it is not necessary to acquire permit prior to establishing the association (*See Annex N°. 1*).

## Second: The Association's Legal Identity

According to **Article 1** of the Law of Associations, an association is a continuous and organized assembly of persons. This is also referred to in Article 13, regarding the freedom of assembly and association. Associations are not 'general assemblies', and, thus, need not abide by the Law of General Assemblies dated 20 Jumada al-Awwal 1327 AH. Participants in general assemblies cannot become an association, unless they agree to establish a permanent bond by virtue of the provisions of the Law of Associations. In this case, the term 'permanent' means that meetings must take place regularly and in an organized and consistent manner. Therefore, the association is an institute that works to achieve a certain goal(s) during a fixed or indefinite timeframe.

According to the Lebanese Law, associations should submit the notification statement to the relevant authorities. In other words, all associations should gain legal status. The mere obligation to declare the establishment of the association automatically leads to a basic legal outcome; that of the association's acquisition of a legal identity. Hence, an association enjoys a series of rights and obligations that meet its acquired legal standing. This grants the right to manage and dispense funds; to stand before courts (as defendant or plaintiff); to accept donations, grants, and aid; to enter into contracts with its officials and employees; and other rights entitled to legal entities.

### 1 Acquiring Legal Status and Respecting the Resulting Outcomes

Article 8 of the Law of Associations states: "Each association that has submitted a statement by virtue of Article 6 of this law may stand before the courts as plaintiff or defendant by means of a mediator, as stated in Article 9. It may not govern or dispose of state grants and aid that are binding, but may dispose of the following: (1) The monetary contributions paid by members, on the condition that the contribution does not exceed twenty-four gold coins a year. (2) The location designated for governing the association and the meeting places. (3) The fixed assets needed to reach the set objectives in accordance with its bylaws. These associations are prohibited from disposing of the other fixed assets."

Therefore, the date of acquiring legal status is the same as when the administration is presented with the legal declaration of establishment. It is not the date when the notification by the Ministry of Interior is issued.

On the other hand, current legislation states that a legal identity is acquired when the notification's is published in the Official Gazette. However, this is not legally binding; but it is part of the published decisions of the Council of Ministers and can be considered proof of a declaration of establishment.

## 2 Opening Bank Accounts

By virtue of Article 8 above, an association may, "govern and dispose of... monetary contributions...fixed assets..." Consequently, it has the right to open bank accounts. Article 66 of the Law of Finances and Credits permits nonprofit organizations to open bank accounts. This is one of the outcomes of having a legal identity.

The most important document required by banks in order to open a bank account is that which proves the existence of the association. This leads to the conflict previously mentioned concerning the establishment process mentioned in the law and the subsequent procedures. (Although the law states the direct issuing of a notification, the process can take months, or even years. Meanwhile, the association will be unable to open a bank account in its name in order to deposit its funds).

Since the Lebanese law contains no provision for publication in the Official Gazette as proof of the association's establishment, any official documentation submitted to the bank that proves that the association has presented the required documents (in order to acquire the notification) is enough to show that the association has completed its duties of acquiring a legal identity. Consequently, the bank account may be opened. This proof can be through registering the association's statutes and bylaws at a notary public, who certifies the founders' signatures. The relevant authority is notified of this proof via a bailiff of the Ministry of Justice. Thus, the application and a list of the attached documents can be presented to the bank, which confirms that the legal procedures of establishing the association have been fulfilled, and the bank account can be opened.

In order to open a bank account, the bank has first to accept proof that the association does indeed exist based on the aforementioned information. Next, the bank will require other documents:

- \* Electoral record of the Administrative Board
- \* The association's statutes and bylaws
- \* The Administrative Board record (minutes) stating the decision to open a bank account and the signatories' delegation of authority (if the statutes do not include them)
- \* The identity cards and credentials of the signatories
- \* Other documents required by the bank

The association might also have to go through a similar process with government paper work or in dealing with government bureaus or notary publics.

## 3 The Termination of the Legal Identity of an Association

The legal identity of an association is terminated upon its dissolution. This could be through a decision taken by the general assembly or by virtue of Article 14 of the Law of Association, which states,

"The funds of associations banned by the government or dissolved by its members or bylaws are to be disposed of as specified in the association's statutes. If no such text exists, the decision of the general assembly in this regard is to be adopted. A banned association, which is established for the illegitimate reasons mentioned in Article 3, will have its funds confiscated by the government."

**Self-dissolution:** This must be written and defined in the association's statutes or bylaw. It must also state the party authorized to take the decision (traditionally, the general assembly) and the body entrusted with the association's assets.

**Dissolution by the Authorities:** By virtue of Articles 3, 4, and 5 of the Law of Associations, the Council of Ministers may issue a decree to dissolve an association in the following cases: if it violates the general laws and code of ethics; aims at disturbing peace and stability of the empire (the state); attempts to change the current form of government, or politically divide Ottoman bodies; and if it is political with a nationalistic or ethnic nature and mission. Also, the Council of Ministers may issue a decree to dissolve political associations if their members “commit a crime against state security, in their capacity as a party member, and are conclusively convicted of it<sup>4</sup>”.

The criminal court may also issue an order to dissolve an association if it is charged with Articles 336, 337, and 338 of the Penal Code (penalizing the establishment of clandestine and illegitimate associations).

In the cases of dissolution due to an administrative or judicial decision, the properties and funds of these associations must follow by the provisions listed in Article 14 of the aforementioned Law of Associations.

### Law of General Assemblies

Issued on 20 Jumada al-Awwal 1327 AH. (1911 AD)

**Article 1:** Ottomans are permitted to hold general assemblies on the condition that they are unarmed. Although no prior permit is required, these assemblies must meet the provisions of the articles below.

**Article 2:** A statement of the venue, date, and time of the meeting must be prepared prior to the assembly. This statement must be signed at the meeting place by at least two individuals - mentioning their full names, titles, and positions - who are in senior positions and who fully enjoy their civil and political rights.

**Article 3:** Amendment by virtue of the Law of 4/6/1931 and Legislative Decree N°.41 dated 28/9/1932.

The statement is submitted to the Police Commissioner if the general assembly is held in the capital, as well as to the governor (Wali), provincial governor (Moutasarriif), district commissioner (Ka'imakam), and the administrative officer if the general assembly is held outside the capital. Upon submitting the statement, a notification is issued. However, if this is not issued, those who have submitted the statement shall file a report stating the reasons. The general assembly may then take place once a minimum of two individuals, as described in Article 2, sign the report. The date and time of submitting the statement must be written in the notification, or (if notification was not issued) in the report. Any general assembly held without acquiring a notification or a report is strictly forbidden and its organizer(s) will be sentenced to between one week to one month imprisonment, or a fine of between three and fifteen gold coins.

The government may prohibit any general assembly, by a decree issued by the Council of Ministers, whenever it deems that such an assembly is disturbing the peace, the regime, the code of ethics, or obstructing the function of public authorities.

Each assembly held despite its prohibition is to be dissolved. Its organizers and the owners of the meeting venue will be sentenced to between six months and three years of imprisonment and/or a fine ranging from 25 to 200 Lebanese Pounds.

**Article 4:** The assembly must be held within at least forty-eight hours following the submission of the statement.

**Article 5:** The statement must state the reason and purpose for holding the general assembly.

**Article 6:** It is strictly forbidden to hold general assemblies outdoors less than three kilometers away from the royal palace (Hamayouni) or the offices of notables and emissaries.

**Article 7:** The holding of assemblies on open public roads is prohibited. General assemblies may be held outdoors during daytime only (between sunrise and sunset).

**Article 8:** The assembly is moderated by a minimum of a three-member committee. The committee oversees the organization, prevents unlawful situations, ensures that the assembly only tackles subjects of discussion as mentioned in the statement, prevents any discourse from disturbing the peace, safeguards the general code of

4. Article 1 of the Law issued through Decree N°. 10830 dated 9 / 10 / 1962.

ethics, and prevents any support for the committing of crimes. If the signatories of the statement do not appoint the committee members, the participants in the assembly shall elect them. The administrative board or the signatories of the statement (in case the administrative board is absent) are held accountable for any motion violating the provisions of Articles 7 and 8 of this law.

**Article 9:** The government may appoint a royal or judicial commissioner to oversee the works of the assemblies. He shall reside at any location of his choosing, and he has the right to dissolve the assembly upon the request of the administrative board or upon the rise of disturbing conflicts or arguments.

**Article 10:** Each and every person violating the provisions of this law shall be fined between twenty-five piasters and one gold coin, or sentenced to between twenty-four hours and one week imprisonment; in addition to the penalties legally imposed on the crimes committed whilst holding the assembly.

**Article 11:** The Ministers of Interior and Justice are entrusted with enforcing this Law.

### Public Utility Organizations

#### Legislative Decree N° 87, dated 30/6/1977

In accordance with the Constitution;

In accordance with Law N°. 2/76 dated 30/12/1976 (giving the government the right to issue legislative decrees);

In accordance with the Law of Associations, particularly Article 17;

In accordance with Legislative Decree n°. 9 dated 21/11/1939 (specifying when laws and decrees become enforceable);

Based on the proposal of the Minister of Labor and Social Affairs,

And upon the approval of the Council of Ministers dated 27/6/1977;

The President of the Republic decrees the following:

**Article 1:** Public utility organizations are organizations or associations that aim at satisfying any of the needs of society.

**Article 2:** Amended by virtue of Legislative Decree N°.98 dated 16/9/1983 and Law 8/88 dated 6/2/1988:

As to the conditions to be met by a public utility organization;

Any organization or association that meets the following criteria can be considered as a public utility organization;

1. It must be nonprofit.
2. Upon its establishment, its objectives must be limited to the fields of social work or public service as defined by the decree of the Council of Ministers.
3. Its services must be comprehensive and sustainable.
4. It shall include specialized, experienced, and qualified members to achieve its objectives.
5. All its resources must be allocated for the purpose of achieving its objectives.
6. It must have been operational for at least two whole years.
7. Its annual turnover, all of which must be allocated towards achieving its objectives, must be at least 300,000 L.L. and be audited and authorized by a chartered accountancy firm.
8. The organization or association must have practiced its activities for at least three years.

**Article 3:** The public utility charter

A. The public utility charter is granted by decree by the Council of Ministers upon the recommendation of the Minister of Labor and Social Affairs. The application for acquiring the charter is submitted to the Ministry of Labor and Social Affairs. When the work of the organization or association is not within the Ministry's field of competence, the application is referred to the relevant authority. The latter studies the application and refers it back to the Ministry of Labor and Social Affairs to be given legal course.

B. The decree granting the public utility character can be repealed at any time by virtue of a justified decree issued by the Council of Ministers upon the recommendation of the Minister of Labor and Social Affairs.

C. The government may exceptionally grant the public utility charter to associations established and run by individuals, by virtue of the decree by the Council of Ministers, provided they meet the requirements stipulated in Article 2 of this legislative decree.

**Article 4:** Control over public utility organizations

A. Public utility organizations are subject to the control of the “Monitoring Board of Public Utility Associations” referred to in this legislative decree as the “Monitoring Board”.

The Monitoring Board is established by a decree of the Council of Ministers, which appoints its members, defines its functions, and sets its working methods, upon the proposal of the Minister of Labor and Social Affairs.

B. At the end of each year, each public utility association shall present a report to the Monitoring Board, in which it lists the achievements and activities conducted in that year, in addition to its annual budget, its agenda for the coming year, and the areas and ways the resources allocated for achieving its objectives were spent.

C. Using the benefits inscribed in Article 5 of this legislative decree is legally suspended in all the public utility organizations that do not present the aforementioned report in Paragraph B of this article one year and three months after the date of submitting the last presented report. The Monitoring Board may thus suggest the withdrawal of the public utility charter, when necessary.

D. The Monitoring Board must suggest the repeal of the public utility charter when:

1. The association infringes the laws.
2. The association violates the objectives for which it was granted the public utility charter or digresses from them.
3. The association fails to meet the objectives for which it was granted the public utility character for two consecutive years.

E. When deemed necessary, the Monitoring Board shall recommend that the public utility association be referred to the appropriate judiciary.

F. Public utility organizations are also subject to the a posteriori control of the Court of Audit.

**Article 5:** Benefits enjoyed by public utility organizations:

A. Public utility organizations enjoy the following benefits:

1. Donations and grants awarded by the government, municipalities, and public institutions.
2. Tax and fee exemptions that apply to public institutions.

B. The donations and grants conferred to public utility organizations by enterprises and individuals that are liable for income tax are considered expenses that can be discounted from taxable profit, in accordance with the provisions of Article 7 Paragraph 9 of Legislative Decree No. 144 dated 12/6/1959. As for the percentage of the aid and grants deductible from the profits, it is to be defined by a decree issued by the Council of Ministers upon the recommendation of the Minister of Finance and the Minister of Labor and Social Affairs.

C. The donations conferred to public utility organizations and the testaments issued in their interest are exempt from transfer costs and any other tax or fee, including municipality charges.

**Article 6:** The organizations and associations that have been granted the public utility charter before the issuing of this legislative decree do not benefit from its provision unless they reapply for that condition within a year from the issue date of this decree.

**Article 7:** All the provisions that are in contradiction or that are inconsistent with the provisions of this legislative decree shall be annulled.

**Article 8:** This decree shall be enforced upon its publication in the Official Gazette.

*Issued by the President of the Republic*

**Elias Sarkis** (Signed)

*Prime Minister*

**Selim Hoss** (Signed)

*Baabda, the 30<sup>th</sup> of June 1977*

*Minister of Finance*

**Farid Roufayel** (Signed)

*Minister of Labor and Social Affairs*

**Dr. Assaad Rizk** (Signed)



**Foreign Associations**  
**Decision No. 369 L.R. dated 21 December 1939**

The French Republic's High Commissioner decrees the following:

**Article 1:** No foreign association may be established or may function in Lebanon and Syria without a prior permit issued by the Deputy High Commissioner.

A foreign association may not have representation in Lebanon or Syria without a special permit.

**Article 2:** The permit may be granted for a temporary period of time or renewed periodically. Conditions may also be imposed upon it.

The permit may be withdrawn through an order issued by either the high commissioner or his deputy at any time.

**Article 3:** All existing foreign associations must request the permit imposed in Article 1 within one month of the publication of this decision.

**Article 4:** Foreign associations, regardless of their form or mission, are composed of groups of individuals with the capacities and characteristics of associations and which are based abroad, function in Lebanon or Syria but are affiliated to foreign associations, are run by foreigners, or have foreigners consisting of at least one quarter of their membership.

The Lebanese or Syrian political associations whose objectives exceed Lebanese and Syrian frontiers and are affiliated to foreign bodies in their work are also governed by the provisions of this decision, and are thus considered foreign associations.

**Article 5:** The high commissioner's deputies may call upon the directors of each association in Syria or Lebanon to present all the information related to its headquarters, its true objectives, and the nationality of its directors and board members within a one month period.

**Article 6:** In order for the permit application to be accepted, it must include the association's name, objectives, location, and the names, professions, addresses, and nationalities of the members and all those entrusted with governing the association and managing its funds.

Two copies of the association's statutes and bylaws must be attached to the application.

**Article 7:** A permit issued by the deputy high commissioner must be acquired prior to any amendment of the statutes or bylaws. The deputy high commissioner must be notified of any change in the location of the association and any change in its formation by reason of resignation, death, or other grounds, within eight days.

**Article 8:** Foreigners residing in Lebanon or Syria and who are members of an association must hold the identity card issued for foreigners, aside from the exceptions stipulated in Article 1 of Decision No. 215 L.R. of the 14<sup>th</sup> of September 1935.

**Article 9:** The associations which have not been granted permit or whose permits have been withdrawn must immediately discontinue their functions and liquidate their funds within a period of one month from the date of receiving notification of the rejection or withdrawal of permission.

**Article 10:** If a foreign association does not request a permit under the conditions established above, it is ipso jure dissolved regardless of its form or mission.

The dissolution is sustained by an order issued by the deputy high commissioner.

**Article 11:** The funds of the foreign association whose dissolution has been initiated under the aforementioned conditions are to be liquidated in court.

The funds of the foreign association whose permits have been rejected or withdrawn are also liquidated in court if they are unable to conduct the liquidation within the timeframe defined in Article 9.

**Article 12:** The judicial authority disperses the funds of the foreign associations dissolved under Article 10. The returns from any sales of assets are donated to other charitable organizations appointed by the same authority that ordered the dissolution.

In the case stated in paragraph 2 of Article 11 and in the case of the self-dissolution of an association, its funds are to be disposed of in accordance with its statutes. If no similar clause exists in the statutes, the funds are to

be disposed of in accordance with the decision of the association's general assembly; and on the condition that the disposing of the funds is made with charitable intentions.

**Article 13:** Any person committing the following shall be sentenced for between six months and three years of imprisonment and/or a fine ranging from five to three hundred Lebanese or Syrian Pounds:

- Governing or participating in governing any unlicensed foreign association.
- Not abiding by the orders stipulated in Article 5, or presenting false claims.

Any person committing the following shall be sentenced to between three months and two years and/or a fine of two to one hundred pounds:

- Participating in the works of dissolved or unlicensed foreign associations.
- Violating the provisions of this decision in any way.

**Article 14:** The violations stated in this decision and all other violations related to the work of foreign associations are within the jurisdiction of the courts empowered to investigate foreign lawsuits regardless of the nationality of the violators.

**Article 15:** This decision shall not be applied to religious associations or foreign associations with the sole objective of a missionary and religious nature.

The provisions of the Law of Associations dated 3rd August 1909, that do not contradict this decision, shall be imposed on foreign associations. The provisions of Decision 146 L.R dated 4<sup>th</sup> of July 1934 and Decision 172 L.R dated 3<sup>rd</sup> of August 1934 not contradicting this decision shall also be imposed on foreign youth associations with sports objectives.

**Article 16:** The Secretary General of the High Commissariat has the authority to enforce this decision.

*Beirut, 21<sup>st</sup> of December 1939*  
*The High Commissioner*  
**G. Pieu** (signed)



## Section III of the Penal Code

### I. Malevolent Associations

**Article 335:** Amended by virtue of legislative Decree No. 112 dated 16/9/1983

If two or more individuals establish an association or reach an oral or written agreement to commit crimes against others, against funds, against the government or its civil, military, financial, or economic institutions, they shall be sentenced to temporary hard labor. If the crime is attempted murder, the sentence shall be of at least ten years hard labor.

Any person divulging information on the association, the agreement, or the persons involved in the crime is exempted from serving a sentence.

**Article 336:** Any three or more individuals running armed street gangs in cities and/or the countryside, with the intent to rob passersby or to commit other acts of thievery are sentenced to at least seven years hard labor. If the above acts are actually committed, the sentence increases to a life sentence of hard labor.

Any person committing murder, attempted murder, torture, or barbaric acts is sentenced to capital punishment.

### II. Clandestine Associations

**Article 337:** Any association or community having the capacity of association is deemed clandestine if its objectives abuse the law and if its functions (or some of its functions) are conducted in secret.

The associations or communities whose objectives have been proved to have abused the law and which have not informed the government of their statutes, names and positions of members, their meeting topics, property statements, and sources of income, or which have provided the government with false or incomplete information are also considered clandestine.

**Article 338:** amended by virtue law 239 dated 27/5/1993

Each and every clandestine association shall be dissolved. Their administrative and executive personnel shall be sentenced to between six months and two years imprisonment and fined between one hundred thousand and one million Pounds. The other members of clandestine associations shall be sentenced to half of the aforementioned sentence.

**Article 339:** If a member of a clandestine association commits a crime in the name or on behalf of the association, the members attending the meeting, in which the decision to commit the crime has been decided, are considered instigators of the crime; thus, they shall be penalized as stipulated in Article 218.

Any member of the association who is found at the crime scene at the time it was committed shall be considered an accomplice; thus, he shall be penalized as stipulated in Article 220.

## The International Covenant for Civil and Political Rights

(Ratified by Lebanon by virtue of Decree N°. 3855 of 1 September 1972)

### Article 22:

1. Everyone shall have the right to freedom of association with others, including the right to form and join trade unions for the protection of his interests.
2. No restrictions may be placed on the exercise of this right other than those which are prescribed by law and which are necessary in a democratic society in the interests of national security or public safety, public order (ordre public), the protection of public health or morals or the protection of the rights and freedoms of others. This article shall not prevent the imposition of lawful restrictions on members of the armed forces and of the police in their exercise of this right.
3. Nothing in this article shall authorize States Parties to the International Labour Organisation Convention of 1948 concerning Freedom of Association and Protection of the Right to Organize to take legislative measures which would prejudice, or to apply the law in such a manner as to prejudice, the guarantees provided for in that Convention.

## Associations of Professionals and Craftsmen:

Decision N°. 294 L of 20/12/1934

The French Republic's High Commissioner decrees the following:

**Article 1:** Associations of professionals and craftsmen may only be established by individuals practicing a single profession, similar crafts, or related crafts and cooperating for specific purposes and outcomes, by virtue of the provisions of the Ottoman law issued on 29th of Rajab 1327 AH and 3rd of August 1909.

**Article 2:** All directors and heads of associations violating the aforementioned provisions shall be penalized as stipulated in Article 13 of the Ottoman law dated 29th of Rajab 1327 AH and 3rd of August 1909. In addition, the courts may issue a decision to dissolve these associations.

**Article 3:** The associations of professionals and craftsmen functioning at the time of the issue of this decision must immediately implement its provisions; else they shall be subject to the penalties stipulated in the previous article.

**Article 4:** The Secretary General of the High Commissariat has the authority to enforce this decision.

20<sup>th</sup> December 1934

**De Martel** (Signed)

## Documents To Be Submitted Annually by the Association

By virtue of Decree N°. 10830 dated 9/10/1966, each association must submit the following documents to the Ministry of Interior - Department of Administrative and Political Affairs, before the end of January of each year:

1. An income statement of the preceding year.
2. A list of the names of the association's members who have settled their annual subscription fees according to the association's financial year (3 copies signed by the president and the secretary general of the association, and stamped with its seal).
3. The current year's draft budget (3 copies signed by the president and the secretary general of the association, and stamped with its seal).

### In case of administrative board elections:

4. Notification informing of the holding of such elections, addressed to the Department of Administrative and Political Affairs at the Ministry of Interior, signed by the president and secretary general of the association, and stamped with its seal.
5. The minutes of the election of the new administrative board, which must include:
  - a. The date on which the call for elections took place.
  - b. The date of the elections.
  - c. A list of the names of the members who have settled their subscription fees and who are eligible to vote.
  - d. A list of the names of members participating in the electoral session, signed by the voters (quorum must be of at least half plus one).
  - e. The number and names of individuals running for administrative board elections.
  - f. The elections' results and names of winners.
  - g. Minutes of the distribution of positions of new administrative board members.

### The documents required for certification are:

1. An application signed by the president and the secretary general of the association and stamped with its seal.
2. When requesting to authenticate a certificate, the copy must be signed by the president and the secretary general of the association and stamped with its seal.

**Summary of the decision issued by the Council of State (Shoura)  
revoking a proclamation by the Ministry of Interior, reiterating freedom  
of associations and individual rights, and prohibiting the misuse of power**

The Council of State (Shoura) issued a decision revoking a proclamation issued by the Ministry of Interior in 1996 contesting the freedom of associations and the 1909 law.

The significance of the decision is that it was issued upon a petition submitted by the association "ADDL" in 1996. The Council revoked the proclamation no. 17/4/S addressed by the Ministry to "all associations affiliated to the Ministry of Interior". This proclamation was issued on 16/1/1996 and clearly violated the freedom of association, which is guaranteed by the constitution, and the 1909 Law of Associations. ADDL and all the other Lebanese associations abiding by the 1909 law benefit from this decision.

The decision of the Council of State (Shoura) N°. 135/2003-2004 dated 18/11/2003 was issued by the First Chamber (and it was notified to ADDL on 11/12/2003). The First Chamber is headed by the Council's President, Dr. Ghalib Ghanem, and its members are the counselors, Judge Daher Ghandour and Judge Carmen Attallah Badawi. The decision was issued upon the examination of the qualified counselor and the government commissioner.

This decision resulted in revoking the obligations issued in the Ministry's proclamation that are not stipulated in the Law of Associations or its amendments. Such instructions include, "notifying the Ministry of Interior of any elections conducted by the association at least one month in advance, in order for it to study the association's conditions, examine the names of members, and appoint a civil servant to supervise the elections according to the electoral list provided by the association" and "notifying the Ministry of Interior of any amendment or change in the statutes, the bylaws, and the administrative board under penalty of not recognizing any amendment implemented without the authority's knowledge, control, and endorsement". In addition, the proclamation also states that the associations not complying with the proclamation shall have their notifications withdrawn. The Council of State's decision states that "[...] The contested proclamation has stipulated new grounds for the withdrawal of the notification not stated in the Law of Associations; notably in the issue of conducting elections and declaring their results, which are issues related to the rights of individuals and public freedoms guaranteed by the Constitution and the enforced laws. Therefore, the proclamation infringes the law and misuses power, so, it shall be revoked due to lack of legal grounds".

The Council of State's decision also confirmed the following:

1. As to the freedom of associations: "...The freedom of assembly and association are one of the fundamental freedoms guaranteed by the Lebanese Constitution and set within the limits of the Law in Article 13. Hence, there must be no restrictions for forming associations and their dissolution can only be carried out through a legal text. Neither the authorities nor the judiciary are entitled to interfere in their establishment process".
2. As to unlicensed associations and the required notification: "... An association is established by the will of its founders through reaching an agreement to invest their constant, continuous, and set goals/objectives and to implement their knowledge and activities in this regard. At this stage, the role of the authorities is limited to accepting the statement imposed by the law, granting the concerned parties a notification proving that the processes stipulated by the law have been conducted, and attaching the presented documents after the association has been examined, along with its objectives, and work methods. This notification does not mean that the Ministry of Interior has established the association, for it is established by the will of its founders and this does not require a permit."
3. As to the legal status and when to acquire it: "... The petitioning association enjoys the provision of

Article 8 of the Law of Associations that states that it is eligible to stand before the courts upon receiving the required documents as stipulated in Article 6 of the same law. The Ministry of Interior is legally obligated to issue a notification without any delay; therefore, it does not enjoy any discretionary power". ADDL had submitted its founding statement and the required documents through a bailiff at the Ministry of Justice appointed through a power of attorney. It only resorted to this bailiff once the Ministry of Interior had refused to accept the documents it had submitted – behavior that is a clear infringement of the law."

4. As to the conditions and procedures of dissolving associations: "... The authorities' capacity to withdraw the notification of the licensed associations is limited to specific procedures and processes that can only be conducted after proving the association's diversion from the objectives and goals for which it was established. This jurisdiction serves to ban and prohibit the establishment of clandestine associations with illegitimate objectives.

## Introduction

This chapter aims to inform associations of the different practical methods and examples that can be used to improve their governance and to clearly define their relation to the relevant authority.

Any association is established using two texts – statutes and bylaws. These and the control conducted by the appropriate authority (i.e. Ministry of Interior and Municipalities) accompany the association throughout its stages, and when needed.

In this chapter, the internal structure of associations will be tackled including the statutes and bylaws, the roles of the administrative boards and the general assemblies, as well as administrative and local control.

### First: The Statutes and Bylaws

#### 1 Freedom

The freedom of setting statutes and bylaws is a natural consequence of the constitutionally protected freedom of an association. In other words, founders of associations are free to adopt the frameworks they consider suitable. The only restriction to this freedom is that there must be no infringement of public order or Lebanese legislation (such as if the statutes state that an association's objectives make reference to state unity, coexistence, individual rights, public rights, or other constitutional and legal bans).

Actually, the freedom of setting bylaws and statutes springs from the legal nature of an association, since it is an agreement governed by the freedom to enter into contracts. In other words, the contracting parties (the founders) are the "ones that set the rules".

#### 2 What are the statutes and what are its major clauses?

The statutes make up the constitutive framework or the contract which expresses the will of the founders to assemble around one idea; that of the association, its objectives, and guidelines. The Law of Associations does not include any definition whatsoever of the statutes. It only denotes that each association must set its own statutes which should include:

- \* The association's name.
- \* Its objectives and field of work.
- \* Its general assembly and administrative board.

Yet, statutes must by de facto include:

- \* The procedures of acquiring and renouncing membership in the association.
- \* The association's income and revenues.
- \* The means by which its administrative board and general assembly are formed.
- \* The procedures of amending its different regulations.
- \* The dissolution of the association.

It is advisable to adopt statutes that are half-way between in-depth detail and an extensive summary. Using one that is too detailed may slow down or even halt the association's work, and may require further amendments; while adopting one that is too brief and general may create conflicts due to lack of precision and clarity. Good statutes are clear, uncomplicated, and not too detailed. The details of the minutes should be mentioned in the association's bylaws, which play a larger role in organizing its internal activity according to the specific nature of each association (see the item below).

**The most significant item of the statutes is perhaps that which defines the association's objectives.** This item requires the participation of all the founders, because all the association's activities revolve around it. The objectives included in the statutes should not violate the public order of Lebanon nor Lebanese legislation. This is reiterated in the 1909 Law, specifically in Article 3, which states, "It is prohibited to establish associations on illegitimate grounds that contradict the provisions of laws and public mores, that disturb the peace of the Empire, that aim to change the standing form of government, or that aim to politically separate the different Ottoman entities. They are not to be granted a notification and they are to be dissolved and banned by a decree issued by the Council of Ministers". Article 4 also stipulates that "[establishing] political associations of a nationalistic nature or dictum is forbidden". Article 6 prohibits the establishment of clandestine associations and Article 12 prohibits the involvement in associations "that aim to obstruct public interests". In addition, a multitude of articles in the Penal Law confirm the above. Otherwise, the freedom of associations consists of the freedom to define their objectives. Thus, the relevant authority has no right to refuse any document presented by an association working in the field of human rights, environment, or politics at large (*See Chapter I*).

### 3 What is a Bylaw?

The 1909 Law does not stipulate bylaws as a prerequisite. However, associations usually establish a bylaw to complement their statutes. In itself, this is quite useful and effective, especially since every association's internal functions and regulations require further detail and clarification so to avoid any misunderstanding or conflict in the governing of the association, its boards, general assembly, and inter-member relations.

The more the bylaw's texts are adapted to the objectives and activities of the association, the more significant they become; thus, the bylaw must clearly tackle the following:

- \* Issues and conditions of membership: in specialized associations, it is recommended to have specialists and experts as members.
- \* Types of membership: **active members** (who actively and constantly participate in all the association's activities and meetings), **member/friends** (whose personal circumstances do not enable them to participate in all the activities, so they enjoy partial participation), **supporting members** (who support the association both financially and morally but who rarely participate in its activities).
- \* The duties of the administrative board and the general assembly must be clearly listed so as to avoid any conflict in functions; mentioning that the general authority is that of the general assembly in cases of a lack of precision or ambiguity.
- \* The process of establishing additional bodies, as these may prove beneficial. They could be in the form of a committee of delegates in large associations, or a specialized commission in multi-interest associations.
- \* Issues concerning financing, member subscriptions, and the conditions of accepting donations or external funding.
- \* The mechanism of rotation of power by establishing an electoral process.
- \* The mechanism of internal accountability: the bylaw must define the mechanisms of monitoring the work of the board of directors or the administrative board, which can be done either by the members or by an independent body (such as the board of trustees).

- \* Managing the association's funds: the person entrusted with funds (usually the association's president), the spending mechanism, and managing the funds. Financial management often requires the signatures of at least two members of the administrative board (usually the chairperson, treasurer, and/or accountant).
- \* The duties of each member of the administrative board who assumes specific tasks. This helps to avoid any conflict in responsibilities and to hold them accountable.
- \* Other issues that address the type, nature and activity of the association.

In case of vagueness or ambiguity of the bylaw, it is recommended that another regulatory text be adopted. Some suggest the bylaws of the Lebanese Parliament<sup>5</sup> as a model.

#### 4 "Model" Bylaws

Model regulations are used to help define the general framework of an association. They are useful if the following three conditions are met:

- That they truly are 'standard'; that is, they must be free of any items contradicting the principle of
  - \* freedom of associations.
- That the founders adapt them to suit the nature and details of their association.
- \* That they are open to amendments. Since they are not final, items can be added, cancelled, or
  - \* amended.

In other words, these regulations are not imposed on the association. The relevant authority (the Ministry of Interior) cannot compel the use of its regulations or force associations to amend theirs. After all, the freedom of associations includes the freedom to set rules and regulations.

#### 5 How to amend the regulations of an association?

The statutes and bylaws of an association may be amended at any time. However, the amendment must follow the process concerning the authority (usually the general assembly), quorum, and the required majority as defined in the statutes.

This kind of amendment does not require legalization by the relevant authority, although the association must inform the authority of such an amendment. Article 6 of the Law of Associations stipulates that associations must "immediately inform the government of any amendment or alteration in its statutes, administrative board, or location". It goes on to add, "This amendment or alteration shall be implemented on a third party as of the date when the government is informed". This means that the amendment comes into force as of the date when the general assembly adopts it. Consequently, the amendment of regulations is similar to the notification process: neither needs the approval of the relevant authority, but the association is required to inform the latter.

If the association fails to inform the relevant authority, it is fined and the amendment cannot be implemented by a third party (banks, other associations, etc) unless the authority is informed of the amendment (*See Chapter I*).

If the relevant authority refuses to receive and register the amendment, the association may resend the documents either through registered mail or a notary public. Therefore, the association would perform the obligation of informing the relevant authority (*See Chapter I and the decision by the Council of State*).

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5. Issued on 18/10/1994; amended and published in the Official Gazette on 21/10/2003, issue n°. 52, p. 6047.



## Second: The General Assembly

### 1 Its Members

The 1909 Law does not refer to the general assembly as a fully standing entity. This is because the general assembly is formed by the association's founders and the members of the association at a later stage. Different associations use different names to refer to their general assembly, such as: 'the general council', 'the national assembly', etc. Despite the differences in names, a general assembly should be made up of the association's members. It remains the highest standing authority in the association and the source of its rules and regulations.

### 2 Its Directives

Since there is no clear text defining the duties of the general assembly and since it is made up of all the association's members, its duties include everything that is beyond the authority of the administrative board (similar to the closest type of organization, joint stock companies). Some statutes distinguish an ordinary and an extraordinary general assembly.

- \* **The Ordinary General Assembly** is the periodic meeting of the general assembly as defined in the statutes (and is usually held annually). The ordinary general assembly discusses the association's activities, the work of the administrative board, and ratifies the budget.
- \* **The Extraordinary General Assembly** is an exceptional meeting of the general assembly or the assembly of a specific number of members or of the administrative board, when needed, in order to discuss a certain issue, conduct the electoral process, or conduct the dissolution of the association.

The tasks of the general assembly are as follows (noting that the law does not state them all):

- ▶ **A. The Ordinary General Assembly:**
  - \* Evaluating and discussing the work of the association, the administrative report, and the financial report of the administrative board.
  - \* Adopting the audited accounts of the previous year and the outstanding debts.
  - \* Approving the budget for the coming year.
  - \* Electing the members of the administrative board.
- ▶ **B. The Extraordinary General Assembly:**
  - \* Amending the statutes and/or the bylaws.
  - \* Dissolving the association.
  - \* Discussing any urgent matter.

## Third: The Administrative Board

This board may also be called the 'executive board', 'executive office', 'central commission', etc.

### 1 Its formation

The administrative board is composed of a number of individuals as defined in the statutes. Legally, the board must be made up of at least two individuals, but some statutes necessitate a minimum of five members.

The current law does not impose any restrictions on the association to its right to choose the members of its administrative board. The members of the general assembly choose these members through a direct vote.



Some associations have different kinds of memberships (honorary, friends, etc.) that prevent some members from running for a seat on the administrative board. Some other associations even set 'restrictions' on their members, depending on their objectives and areas of work. For instance, one must choose between being a member of the administrative board and being a member of parliament, a political party, or even membership in the administrative board of a similar association.

## 2 Its Meetings

The administrative board meets periodically (weekly or monthly depending on the nature of its work) and on exceptional occasions when needed. Generally, the chairperson calls the meeting and sets the agenda, but a number of other members may call for the meeting and even add items to the agenda.

## 3 Its Functions

The administrative board enjoys many duties in governing the association when the regulations do not state otherwise. The board also governs the association independently from the general assembly, even if it is under the latter's supervision and accountability.

In fact, the members of the administrative board, notably its chairperson, vice-chairperson, secretary, and treasurer who constitute the administrative board's 'office' or 'bureau', undertake the executive functions. This format is highly effective when the administrative board consists of more than ten members.

### A. The chairperson and the members: (constituting the 'bureau')

#### 1. The chairperson: (also called 'secretary general', 'dean', 'coordinator'...)

- \* Chairs the association, represents it (in court or elsewhere), and signs all deeds, contracts, and papers he/she is entitled to conclude on its behalf.
- \* Hires and dismisses staff and personnel in the association (some regulations grant this capacity to the administrative board as a whole).
- \* Calls for meetings and sets their agendas.
- \* Heads the administrative board meetings.
- \* Heads all the meetings of the general assembly except for the one held to elect a new administrative board (this meeting is usually headed by the eldest or oldest member of the association).

#### 2. The vice-chairperson:

- \* Plays a vital role in the absence of the chairperson. The vice-chairperson completely and fully replaces the chairperson in all functions and competences.
- \* In case of the chairperson's presence, the vice-chairperson then acts as a member of the administrative board. Yet, he/she must closely follow its work and matters, in order to be able to replace the chairperson when needed.

#### 3. The secretary:

- \* Registers and organizes the minutes and records of all the meeting sessions and decisions of the general assembly and the administrative board.
- \* Receives the incoming mail and co-writes and signs the outgoing mail (usually with the chairperson).
- \* Addresses invitations and undertakes the responsibility of notifying the stakeholders of new decisions.

#### 4. The treasurer:

- \* Is entrusted with managing fixed and movable funds.
- \* Collects and follows-up subscription fees.
- \* Prepares the draft budget and the accounts of the association.
- \* Collects the money, remittances, and bills of the association.
- \* In high-income associations, the treasurer might be asked to present a financial record, list of land ownership, or bank bond to be set by the association.
- \* Deposits the association's funds in banks and manages them according to the instructions and decisions of the administrative board.

#### **B. Representative of the Association to the Government:**

This could be the president of the association or any other member of the administrative board. He/she handles the procedural relationship with the relevant authority. Being the association's representative does not make him/her responsible for the association's activities in court.

#### **C. Other Committees:**

The bylaws of associations generally appoint specialist committees or sub-committees to cooperate with the administrative board in managing the association's affairs, projects, and activities.

These committees are:

- \* Either permanent, defined in the bylaw, and are established either by election or appointment by the administrative board or the president of the association;
- \* Or ad hoc, established especially to execute a specific project, to participate in a certain activity, or to conduct a certain task charged by the administrative board or the president of the association.

It is worth mentioning that the bylaws of associations that include a relatively large number of members usually includes an intermediary body between the general assembly and the administrative board. This committee may be called 'committee of delegates', 'committee of intermediaries', or other. The reason for forming this committee is generally to avoid the influence of new majorities within the association's decision-making processes resulting from large numbers of new subscriptions (a perfectly legal step). The intermediary committee is constituted of a number of delegates from different branches, sections, or departments of the general assembly, allowing a just representation in order to fairly assume its tasks (which may include electing the administrative board). This also ensures that the number of members in one branch do not directly influence the formation of the administrative board.

#### **D. Staff and Personnel:**

Despite the spread of volunteer work, a growing number of associations are unable to function and conduct their activity without the use of experts and dedicated personnel to oversee and follow-up their activities. There are two types of staff:

- \* Consultants or Experts: They assume definite and specific tasks. Therefore, they are not employees, so they do not abide by the Labor Law.
- \* Full-timers: They assume administrative or technical functions, are subject to the Labor Law, and are entitled to social security.

In addition to the president and the administrative board, some associations employ an 'executive officer' to manage the personnel and the daily tasks. It is recommended that this executive officer participates in the

administrative board meetings and discussions even if he/she is not member of that board. In this case, he/she is not entitled to vote.

It is also advisable for large associations, which have a large number of personnel, to set a special regulation to govern them or make use of similar regulations for companies and institutes. These regulations and matters relating to the issue of contracts can be adopted by the general assembly.

#### 4 Indicators of a Sound Administrative Board:

A basic condition for an association to achieve its objectives is to have an effective administrative board. The following indicators, in the form of a checklist, may help to assess the performance of an association's administrative board:

- \* **The Strategic Plan:** Does the administrative board have a clear plan of the objectives it means to achieve? Is this plan related to a relevant agenda? Does it take a certain priority into account? Does it balance the projects with the human, financial, and funding capabilities of the association? Does it complete the strategic plans set by the preceding administrative boards, or does it merely review their content?
- \* **The Working Tools (human resources and the technical/logistical elements):** Is the administrative board aware of the qualifications, competences, and expertise of its members? Does it use these capabilities? Has the administrative board established truly active specialized committees? Are all members being included in the activities and are all the roles justly distributed and rotated? Are responsibilities being delegated in a way to ensure participation?
- \* **The Effectiveness of Meetings (the agenda and invitations):** Are the meetings of the administrative board prepared thoroughly? Are there discussions on setting the agenda? Is the agenda sent to all board members in due and sufficient time for them to review it? Are the necessary documents attached to the sent agenda to allow the members to form a clear idea of its items?
- \* **The Effectiveness of the Meetings (the meeting sessions):** Do the sessions start at the defined times and are there times set for ending the meetings? Is there a session procedure (taking the floor, duration of each intervention, and so on)? Is the agenda respected? Are the items clearly and conclusively adopted (ratified, rejected, postponed, followed-up...)? Are minutes taken? Are the minutes certified?
- \* **Follow-up:** Do the administrative board's chairperson, secretary, and project head follow-up the project closely? Are the deadlines met? Are the periodic reports on projects and activities reviewed? Do administrative board meetings discuss issues raised in previous meetings?
- \* **Accountability:** Do the members of the administrative board hold their chairperson, secretary, treasurer, and members entrusted with specific tasks accountable, and are their performances assessed? Do they submit periodic reports on their achievements?
- \* **Periodic Assessment:** Does the administrative board conduct a periodic internal assessment of its performance? Does it look into its work mechanism, priorities, strategic and periodic plans? If not, does the general assembly do so at least once a year? Is the work of the administrative board discussed or is endorsing the accounts and outstanding debts of the administration just a formality?

### Fourth: Controls

The work of an association undergoes three kinds of controls:

- \* **Internal control** conducted periodically and when needed, by the administrative board to control its own work, and by the general assembly to monitor the work of the administrative board.

- \* **Administrative control** conducted by the relevant authority.
- \* **Judicial control** conducted by the courts in particular circumstances.

Supervising the work of associations is essential in some cases to ensure their sound performance. Although legislators do not require a prior permit for the establishment of associations, they make the performance of associations the standard as to whether they are functioning under the law or not.

## 1 Administrative Control

The 1909 Law and the Law enforced by Decree N°. 10830 dated 9/10/1962 set obligations on associations towards the relevant authority and imposed the authority's control.

The **obligations** are:

- \* Bookkeeping (see item A below)
- \* Annually informing the competent authority of certain documents (see item B below)
- \* Informing the relevant authority of any amendment to the regulations and the administrative board

**Control** takes place in particular and specific cases and it is always conducted a posteriori, never a priori. Although the task of control is legally entrusted to the ministries of interior and justice, the Ministry of Interior actually assumes this task (Article 19 of the 1909 Law states: "The Ministries of Justice and Interior are entrusted with the enforcement of the present Law").

The Law lists a number of obligations, which are generally related to the association's members, administrative board, decisions, and financial issues.

- **A. Bookkeeping:** Each association must keep four sets of books:
  - \* The first must include the names of the members, their full identity, and the date of entering the association.
  - \* The second must contain the decisions, correspondences, and notifications of the administrative board.
  - \* The third must include the association's income and expenditure in kind as well as in cash.
  - \* The fourth is numbered and is used to register all amendments of the regulations concerning the association, the administrative board, and location of its headquarters.

The secretary generally holds the first, second, and fourth books, while the treasurer holds the third book.

- **B. Annually Informing the Relevant Authority:** Since 1962, all associations have been required to submit the following documents in January of each year to the Ministry of Interior:
  - \* A list of the names of all the members, signed by the secretary and the chairperson.
  - \* A copy of the annual budget and the accounts, signed by the secretary and the chairperson.

If an association fails to do this, it will be fined an amount to be decided by the relevant authority, considering that fines should only be imposed by virtue of a law issued by the Parliament.

- **C. Informing the Relevant Authority of any Changes:** In addition to the annual documents presented to the appropriate authority, each association is obliged to inform the authority immediately of any change or amendment to its regulations, administrative board, or location of its headquarters. If an

association fails to do so, the amendment or change cannot enter into force towards third parties until the association suitably notifies the relevant authority.

The authority verifies whether the association has respected the aforementioned legal obligations or not.

- \* For bookkeeping and the annual declaration, the association is only fined a penalty if it fails to fulfill its obligations. No other measures, such as dissolution or confiscating the notification, are taken.
- \* The relevant authority may request to review all the association's books and registers at any time.
- \* In addition, the police have the right to enter the meeting places of the association in certain cases, on the condition that they acquire a prior warrant. In this case, the procedures governing the work of the judiciary police are followed.

## **2 Judicial Control:**

The judicial control of associations comes in many forms:

- \* In the event of conflict between the association, the administrative board, or its members, the courts will examine the internal governance of the association, its accounts, and the responsibilities of its administrators.
- \* Judicial control is most apparent in the penal prosecution of clandestine associations and gangs.
- \* The control of the administrative judiciary (the Council of State) is that of the relevant authority and the associations alike. The administrative judiciary closely monitors the legality of the decision issued by the relevant authority to dissolve an association (by a decree from the Council of Ministers). It also ensures that the decision to dissolve is taken in the event of two exceptional situations. Therefore, it examines:
  - > To what extent has the association infringed on the law, violated codes of ethics, disturbed peace, affected the integrity of the State, attempted to alter the government, or divided the different state bodies.
  - > To what extent the members of political associations "were conclusively sentenced for committing crimes against state security".

These are the only two cases for the Council of Ministers to dissolve an association<sup>6</sup>.

In addition, when an association commits a grave violation of the enforced law, its activities may not be suspended without a court order of a precautionary nature.

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*6. P.S: a notification is needed to establish an association, while the decision of the Council of Ministers is required to dissolve it. This confirms the basic freedom of association.*





## Introduction

**N**GOs today face difficulty in attracting the necessary financial and human resources needed to implement their activities. The number of volunteers is in decline while donors and funding bodies are placing greater demands on associations to prepare strategic business plans that include a clear vision, mission statement, strategic objectives, and tangible results.

What is strategic planning? Who sets the strategic plan? What are the basic stages of strategic planning? What does it encompass? How is the final draft laid out?

This chapter tries to answer these questions. It tackles the definition and the importance of strategic planning, defines the different aspects involved, sets the timeframe for strategic planning, and discusses the subsequent processes to be followed.

### First: What is strategic planning?

Planning is the method adopted by associations to clarify their vision for the future and to facilitate their decision-making. Strategic planning, on the other hand, "is a disciplined effort to produce decisions and actions that guide and shape what the organization is, what it does, and why it does it." (Bryson 1995)

Strategic planning is similar to long-term planning as they both cover a period of several years. However, strategic planning requires that NGOs analyze their current situation and link this to their working environment. It helps the leaders and administrators of the association set plans and activities that will help in overcoming challenges. The effective implementation of the strategic plan helps the NGO improve its position and enhances its level of performance.

### Second: Stakeholders in Strategic Planning

Strategic planning requires the coordination and cooperation of several parties. For this reason, each NGO must carefully select every individual concerned with its planning and identify their roles and functions.

Some possible basic roles are:

- 1. The Coordinator of Strategic Planning:** This role is generally assumed by the NGO's executive director or any member of the administrative board. The coordinator must enjoy the full trust and respect of the members of the administrative board as well as the planning team. Although the coordinator does not have to be a strategic planning expert, he/she must understand its importance and be fully prepared to coordinate and follow-up on the process.

- **2. The Plan Editor:** Strategic planning should include an individual who documents all the decisions and the outcomes of meetings. He/She must draft these clearly and consistently. The basic tasks of the editor are: taking the minutes of the meetings, summarizing the proposals and recommendations, drafting the plan of action, sending this to the planning team for revision, and adding all the resulting comments to the plan.
- **3. The Planning Facilitator:** This could be any member of the administrative board or any individual from outside the NGO, with the condition that he/she is a strategic planning expert. The facilitator's tasks are: suggesting an agenda for the meetings, informing all stakeholders of the latest developments and of forthcoming meetings, alleviating conflicts among and between the different stakeholders, and suggesting practical steps to be followed in the planning process.
- **4. The Planning Team:** The team is composed of individuals who are sufficiently capable of identifying the challenges and proposing the best choices for the NGO. The planning team may be made up of the executive director and either all, or some, members of the administrative board. In addition, members of the general assembly, employees, or representatives of the beneficiaries may also be part of the planning team. Ultimately, the planning team must effectively represent all the stakeholders and be recognized and supported by the NGO's leaders.
- **5. The Administrative Board:** This gives the final approval of the strategic plan and its use in guiding the NGO's policy, decisions, and activities. When the administrative board does not actively participate in the strategic planning process, it must grant prior approval of the plan and should be periodically informed of its achievements and recommendations. However, the administrative board's participation in the strategic planning process is extremely important and highly recommended. The process of developing a strategic plan is a special opportunity to engage the administrative board in an active role in shaping the organization's future.
- **6. The Staff:** The staff of an NGO and its executive director possesses the sufficient experience and information needed to establish and develop the planning process. After all, they will follow-up the execution of the plan of action on a daily basis. It is extremely important to inform and involve members of staff in the planning process, if possible. Large NGOs focus on involving employees in the process of strategic planning, while their representation in smaller NGOs is limited to the executive director and the planning team.
- **7. The Beneficiaries:** Representatives of the individuals and institutions benefiting from the NGO's services may also be involved in the planning process. The NGO can decide on the level of participation required. Some NGOs choose representatives of the beneficiaries while others prefer holding consultative meetings to discuss the planning process.

## Third: The Goals of Strategic Planning

By the end of the strategic planning process, the planners will be able to:

- 1. Develop a clear vision of the NGO, its mission, goals, and objectives starting with its ability to deliver and the duration required to implement the plan.
- 2. Communicate the NGO's objectives to all stakeholders.
- 3. Encourage its different partners to adopt the strategic plan.



- 4. Lay the foundations and establish indicators for measuring the status quo and progress of the NGO and report to the stakeholders on its performance.
- 5. Benefit from all the available resources and use them to draft and reach the desired goals.

## Fourth: The Timeframe for Strategic Planning

### 1 When should an NGO set a strategic plan?

- **A. Upon its Establishment:** When the NGO decides to launch its work for the first time, strategic planning takes on a fundamental importance. In addition to the strategic plan, the NGO must have complementary marketing, financial, and administrative plans.
- **B. Every Three Years:** Each NGO must review its strategic plan at least once every three working years.

### 2 The Strategy

Each NGO that has a strategic plan must review, evaluate, and amend its plan of action when needed; especially in the following cases:

- **A. The Plan of Action and the Annual Budget:** After finalizing the strategic plan, the planners must prepare the plan of action and the financial budget for the coming year, on an annual basis. This process enables the NGO to evaluate its performance, identify the resources needs to achieve future objectives, and amend the strategic plan accordingly.
- **B. The Changing Environment:** If the NGO works in an unstable environment, it must review its strategic and annual plans once or twice a year.
- **C. The Stable Environment:** If the NGO works in a stable environment and is able to face all challenges, and meet all deadlines, the planning process can take place once a year as a specific part of the plan of action. This should involve a thorough revision of the NGO's goals, responsibilities, calendar, budget, etc.
- **D. During the Execution of the Plan of Action:** The administrative board must monitor the rate of progress during the execution of the plan of action. The timeframe here is important, allowing the NGO to compare its performance with the changes taking place in the wider sector.

## Fifth: The Strategic Planning Process

Opinions vary concerning the strategic planning process and its different stages. This section presents six practical steps for strategic planning. These steps are not exhaustive, and may vary in different theories and references.

### 1 Stage One: Preparation

The strategic planning process requires the NGO to invest time, effort, and resources. It must first ask itself why it is conducting the strategic planning process and whether it is ready to do so. In order to answer these questions, the NGO must first take the following preparatory steps:

- **A. Prepare a list of the major obstacles and challenges**  
This list informs all the stakeholders involved in the planning process and encourages reflection for the next stage. This is a preliminary list, and does not have to include all issues or details. This list merely sets an initial framework for planning.

### **B. Define the deadline for adopting the strategic plan**

The planning process demands plenty of effort within a timeframe that can vary between several weeks to several months. For this reason, the administration must set a deadline for adopting the final strategic plan.

### **C. Allocating sufficient time for planning**

The planning team must set specific times for its meetings. These could be held for a few hours every week, or every three or four weeks. A full day or weekend could even be allocated. For relatively small NGOs, the preparatory stage should generally last no longer than three months.

The editor of the plan of action must dedicate a larger portion of time to planning, because he/she has the responsibility of drafting the decisions and recommendations as well as the amendments.

### **D. Assessing the need for a facilitator**

The persons responsible in the NGO have to decide if they need a facilitator, and whether that person should be a member of the NGO. The team also has to decide the kind of strategic planning experience required to settle conflicts, guide the general work path, and suggest practical steps.

### **E. Defining the stakeholders involved in the planning process and their roles**

### **F. Finding a suitable meeting place**

Holding the planning meetings in a location outside the regular workplace will encourage people to think outside their traditional mindset.

At the end of the preparatory stage, the NGO should have a plan of action which includes:

1. A clear agreement on the forthcoming strategic planning process.
2. A methodology to be adopted.
3. A list of the resources to be used.
4. A list of the stakeholders and their allocated roles.
5. A calendar of the planning process.

## **2 Stage Two: Setting the NGO's Mission and Vision**

The mission of the NGO is its purpose, while the vision is its dream.

The mission is defined, realistic and clear. It describes the purpose of the NGO and its work and responds to the following questions:

- A. What does the NGO aim to achieve? Why was it established?
- B. Who are the beneficiaries of its work?
- C. What are the suggested working methods and activities to achieve its goals? What services does it provide and how?

A vision is vast and multi-faceted. It contains all the NGO's hopes and dreams, indicates how the NGO would like to be viewed by others, and reveals its future working method.

One vision can be shared by several NGOs, but their functions will vary according to each NGO's priorities and their means of achieving their goals. For instance, the vision of women's organizations is usually to empower women; some might focus on the legal aspect, others on the social aspect, economic aspect, training, or skills development, etc.

### The NGO's vision

- > is medium and long term (2-5 years).
- > is expressed in one or two sentences.
- > describes a constant and defined future period.
- > is understood by many segments and on many levels.

### The NGO's mission

- > gives directions.
- > expresses the NGO's values and summarizes its reasons of existence.
- > is brief and binding.
- > defines the objective of the NGO
- > is easily understood and communicated to all the members of the NGO.
- > encourages the staff of the NGO and unites them on a common goal.

> At the end of the second stage, the NGO will have a future vision and mission.

## 3 Stage Three: Assessing the NGO's Environment

The strategic planning process is based on a clear understanding of the characteristics and changes in the environment of the NGO's work. In other words, analyzing the NGO's position helps it to make a clear assessment of its activities in order to define where it stands.

Studying the NGO's external environment will help it develop a strong record of information that will be useful in decision-making. In addition, this record will help the NGO identify and understand key challenges and issues that lie ahead.

Analyzing the working environment of an NGO includes the following two steps:

### ➤ A- Gathering Perceptions of internal and external stakeholders

It is important to define where the NGO stands in the opinion of stakeholders, whether internally or externally. The '**SWOT**' analysis technique is considered the simplest and most effective way for this analysis. The technique is divided into four main parts:

- S = Strengths** (The internal strengths of the NGO).
- W = Weaknesses** (The internal points of weakness).
- O = Opportunities** (External factors helping the NGO advance).
- T = Threats** (External risks that might threaten or hinder the NGO's work).

This technique allows NGOs to collect information on the following:

- > The capacities of staff and governing board.
- > The quality of its programs.
- > The reputation of both the organization and its individual programs.
- > The management and financial systems.
- > The office facilities and its equipment.

After collecting and analyzing this information, the planning team is able to:

- > Identify the weaknesses of the NGO in order to repair them.
- > Identify the strengths that could be invested in the strategic plan.
- > Classify the external factors - political, economic, social, technological, demographic, and

legal. All these factors could develop the NGO (opportunities) or not (threats). If the opportunities are not identified or understood, they could turn into risks. Likewise, if the NGO is able to deal with threats, it may be able to turn them into opportunities.

### 1. Gathering perceptions of internal stakeholders

The opinions, comments, and suggestions of the NGO's administrators and staff can be collected through opinion polls, phone calls, personal interviews, meetings, etc. Some NGOs even organize discussions between administrators and staff, while others prefer to hold these discussions with each party separately.

Once the information has been gathered, it should be categorized and documented, either by source or by subject, in order to present the findings and use the results at a later stage.

This documentation will help create a list of the strengths, weaknesses, opportunities, and threats as seen by those inside the NGO.

### 2. Gathering perceptions of external stakeholders

The external parties involved in the activities of an NGO consist of beneficiaries, donors, local leaders, partners, possible allies, etc. Their opinions may be collected through phone calls, questionnaires, group discussions, field inspections, etc.

The information collected helps to identify activities that have been successful, activities that need improving, and local needs that have yet to be tackled. Furthermore, external stakeholders could also be asked for their opinions concerning the future of the NGO.

The information collected presents the opinions of the NGO stakeholders and all the strengths, weaknesses, opportunities, and threats.

## ➤ B. Assessing the NGO's Programs

Assessing the practicality, effectiveness, and sustainability of the NGO's programs is a major element of studying its position. This assessment provides the planning team with the following information on:

- > Whether to continue or terminate specific programs.
- > Whether to maintain the same level of work, or to expand, change, or mass-market the program, etc.
- > Assessing the results of the programs and their methods of delivery.
- > Assessing the success of the program in achieving its objectives.
- > Assessing how well the program has been governed internally, as well as staff performance.

Assessing the programs depends on:

- > **Qualitative information:** This is the opinions of others. It can be collected in the form of interviews, focus groups, or meetings, as well as field inspections, revisions of publications, unofficial comments, surveys, and opinion polls.
- > **Quantitative information:** This comes from the reviewing of records, statistics (both descriptive and analytical), inspection results, etc. This facilitates the gathering of information and is less open to interpretation since the information can be easily seen, measured, compared, and statistically redistributed.

At the end of the third stage, planners will have:

- > A qualitative and quantitative database that facilitates decision-making.
- > A list of the major challenges to be overcome.
- > A list of the top priorities and issues to be dealt with.

#### **A list of the Stakeholders in NGO Activities**

- > The beneficiaries of the activities.
- > Official, national, and local authorities.
- > NGO members.
- > NGO staff and personnel.
- > NGO volunteers.
- > Members of the Administrative Board.
- > Representatives of local businesses.
- > Trade unions and syndicates.
- > Religious authorities.
- > Funders and donors.
- > International Organizations.
- > Other NGOs.

## **4 Stage Four: Setting Priorities**

Studying the sector enables the planning team to identify the basic challenges and opportunities facing the NGO. During meetings, planners can discuss the different individual and group ideas from the field so that they can complete and amend the available information and assessments. This enables them to set deeper priorities and conduct strategy development of the NGO more efficiently.

Based on the above, in the fourth stage, the following is formulated:

- **A.** The achievement and expected goals of the organization.
- **B.** The suggested strategy to achieve each goal.
- **C.** The specific objectives for each strategy.

Effective objectives are characterized by being **SMARTER**:

- S = Specific**
- M = Measurable**
- A = Acceptable**
- R = Realistic**
- T = Timely**
- E = Extending the capabilities**
- R = Rewarding**

By the end of the fourth stage, the objectives, goals, and strategies to be achieved will have been designed.

## **5 Stage Five: Drafting the Strategic Plan (See Annex N°. 2)**

Arriving at this stage, the functions will have been formed; challenges and issues identified; and the objectives, goals, and strategies set.

Next comes Stage Five. This involves drafting and formulating all these ideas. The executive director usually undertakes this task. He/She will cooperate with the editor and facilitator, who have closely followed up on the preparatory stage.

Stage Five is made up of the following steps:

- > Formulating the final draft of the strategic plan.
- > Submitting it to all the deciding parties (the members of the administrative board and senior staff) for revision within a specific timeframe.
- > Allocating the time and effort to comment on the different ideas and proposals Taking the different comments and amendments into consideration (discarding any might later influence the strategy set by the planning committee).
- > Finalizing the strategic plan.
- > By the end of the fifth stage, the strategic plan will have been drafted.

## **Stage Six: Implementing the Strategic Plan**

After finalizing the strategic plan, a plan of action must be set for the coming year. This plan includes:

- > **An operational plan**, including a calendar of activities, and the allocation of tasks and responsibilities (who does what, how many persons will be involved, and where will it take place?)
- > **An annual budget**, including the projected cost of implementing the strategic plan.
- > At the end of the sixth stage, an operational plan and an annual budget will have been prepared.

## Summary of the basic stages of preparing a strategic plan:

	DEFINED STEPS	EXPECTED OUTCOMES
STAGE ONE	<ul style="list-style-type: none"> <li>- Ensure readiness to plan.</li> <li>- Choose participants.</li> <li>- Summarize history and profile of the NGO.</li> <li>- Identify necessary information.</li> <li>- Draft the proposed plan of action.</li> <li>- Define reasons for planning.</li> </ul>	Agree on the readiness of the NGO to conduct such a plan and set a schedule for strategic planning.
STAGE TWO	<ul style="list-style-type: none"> <li>- Draft the NGO mission or revisit the previous one.</li> <li>- Draft a vision for the NGO.</li> </ul>	Draft mission statement.
STAGE THREE	<ul style="list-style-type: none"> <li>- Update needed information.</li> <li>- Link the previous strategy to the current one.</li> <li>- Collect input from internal stakeholders.</li> <li>- Collect input from external stakeholders.</li> <li>- Collect information on the effectiveness of programs.</li> <li>- Identify the basic issues or further questions that will help the planning.</li> </ul>	A list of the basic issues requiring immediate action by the NGO, in addition to a database that will assist planners in selecting priorities and strategies.
STAGE FOUR	<ul style="list-style-type: none"> <li>- Analyze the relationship between the strengths, weaknesses, opportunities, and threats.</li> <li>- Set the goals and objectives.</li> <li>- Select the content of future strategies.</li> </ul>	Agreement on strategies, long-term goals and specific objectives.
STAGE FIVE	<ul style="list-style-type: none"> <li>- Draft the strategic plan.</li> <li>- Distribute the draft plan for revision.</li> <li>- Adopt the final strategic plan.</li> </ul>	A strategic plan.
STAGE SIX	<ul style="list-style-type: none"> <li>- Set an annual operational plan.</li> <li>- Set an annual budget.</li> </ul>	A detailed annual operational plan and an annual budget.

## **References:**

1. Michael Allison. Jude Kaye. 1997. **Strategic Planning for Nonprofit Organizations: A Practical Guide and Workbook.** *John Wiley & Sons, Inc.*
2. The Center for Development and Population Activities (CEDPA). 1999. **Strategic Planning: An Inquiry Approach.** *Washington, DC: CEDPA.*
3. Canadian International Development Agency (CIDA). 1997. **Strategic Planning: A Guide for Canadian NGOs.** *Quebec, Canada.*



## Introduction

The success of NGOs in achieving their missions depends on a set of working principles and regulatory foundations. They require that the NGO communicates with society and involves groups of internal stakeholders in decision-making processes, implementation, and assessment of programs. In addition, they require the NGO to be independent of political authorities and donors and have respect for current legislation.

This chapter recommends certain principles and regulatory platforms across four topics: (1) identifying the needs of society; (2) managing the NGO's internal democracy and improving its performance; (3) using suitable tools to measure the level of professionalism in the NGO and its relationships with others; (4) transforming the working principles into activities and programs that are administratively effective and professional and that interact with society and its causes.

The chapter also includes a list of texts and websites related to the codes of conduct and bylaws that regulate the work of NGOs and assess their level of professionalism.

### First: Relationship with Society

Regardless of their specialization, every NGO is part of a human context made up of unique interests and expectations. NGOs are not isolated from other parts or fields of society. On the contrary, this involvement is a major element of an NGO's work in the public domain. The reason for this is based on several principles, the most important are:

#### 1 Commitment to Issues of Citizenship

Relating to people, understanding their cultures, issues, and priorities, as well as meeting their needs are all basic requirements. They cannot be discarded by any NGO committed to improving social issues. However, NGOs are not expected to work across all fields of society; their specialization should be specific to their mission and regulations. After all, the needs of each part of society are many, and their priorities are different. The role of an NGO is to apply its expertise and programs to specific priorities, and then adapt its performance accordingly. Cooperation and coordination among a network of NGOs working in a field is a major tool for improving the efficiency and effectiveness of dealing with different issues and priorities.

#### 2 Involving Society in the Planning and Execution of NGO Programs and Projects

Each NGO must try to involve society in proposing, developing, and designing its programs and projects. When members of society feel involved in an NGO's work, they are more likely to adopt its programs. They can, thus, ensure their continuity and sustainability. This helps fulfill the concept of development, accountability, and participation in public affairs.

Furthermore, public participation in suggesting projects improves the NGO's relationship with its donors. This is an important issue, especially regarding the NGO's credibility and position in society.

### 3 Encouraging Volunteer Work

Volunteer work in NGOs is the realization of the spirit of citizenship and a form of organized collective work. Volunteer work is a pillar of social integration and those who undertake it are making a conscious decision to work for the sake of the public good.

Therefore, volunteer work does not only have a moral value, but it is also an act of citizenship par excellence and the starting point for an active and dynamic civil society that can accompany a democratic political life.

These important prerequisites for a constructive relationship between an NGO and its social environment cannot be achieved without applying the principles that govern and accompany its progress.

- **A.** A commitment to citizenship activities must be conducted independently from the strategic planning. This allows programs to be adopted that are highly influential at multiple levels, and are capable of being developed to fit the changing circumstances. It is a commitment to a principle that can be incorporated into more professional programs, projects, administration, and scientific specializations.
- **B.** Involving the public in project proposals and program development should not lead to a repetition of activity; otherwise this could weaken the effectiveness of an NGO's work and its influence on society. Such repetition could also lead to depression and the feeling of helplessness among the public and volunteers.
- **C.** Working with the public requires total respect of the principle of independence from political authorities (and donors). It safeguards credibility and determines that the legitimacy of the NGO's work is derived from society and is in accordance with current legislation.

## Second: Internal Relations, Laws, and Training

The internal relations of an NGO complement those mentioned above. They are built on the principle that the NGO belongs to its social environment and can express its issues.

Internal relations include a code of conduct and a set of regulations that structure the NGO's work and its functions. The concept of NGO internal democracy is as follows:

### 1 Respecting and Practicing Internal Democracy

Democracy within an NGO requires sovereign statutes and internal bylaws. These are the legal references for members. They define the NGO's objectives, work, and regulations. (*See Chapter II*)

These internal regulations determine the terms and conditions of membership, structure the electoral process of administrative boards and chairpersons, and set the ground for staging general assemblies.

The most important aspect is the commitment of the members to democracy throughout their work. This is based on:

- **A.** Rotation of power through periodic elections: This means that the administrative boards of NGOs must serve limited terms of office. This should be followed by allowing new nominations of members, elections, and handover. This requires training for as many members as possible to perform different tasks and be able to assume senior positions on the principle of participation in the decision-making process as well as the general concepts of change and continuity.

- **B. Transparent decision-making:** Administrative and practical decisions should not be taken in secret or in closed meetings. Members of the NGO and the wider social sector need to be informed of these decisions; especially those related to programs, projects, and activities of interest that may meet their needs and solve their problems.
- **C. Financial Transparency** is the ability to disclose the NGO's financial budget through statements and annual financial reports. These will inform the members and the public of the sources of income and the types and amounts of expenditures.
- **D. Accountancy mechanisms** must be used by the administrative boards. They must assume responsibility for all the NGO's public activities and allow members to discuss the decisions and project plans, assess work, and object to or refuse actions. The internal bylaws usually establish the system used for elections, regulate the means used to resolve conflicts, and reach decisions relating to suspended issues.
- **E. Involving NGO members** during the periodic general assemblies in setting programs and examining issues is recommended. Specialized commissions can be established to attract members, involve them, and reinforce their performance and activity. This ensures good communication with society so that a wider viewpoint can be taken into consideration. It also encourages society to suggest projects and contribute to the planning process.

## 2 Respecting the Competences and Expertise within the NGO

In addition to the points mentioned above, it is also important to adopt the principles of competence and expertise when proposing, designing, implementing, and evaluating programs. Having a range of experiences within and around the NGO helps maximize the benefits of such principles.

- \* Competence is a basic requirement for implementing programs efficiently and in a cost effective manner. Those with the most suitable abilities and skills are allocated to each program, along with the appropriate resources. Therefore, it is important to have the necessary expertise on board when assigning tasks.
- \* Research should also play a role and be used in implementing programs. In order to double the effectiveness of the NGO and strengthen its credibility, it is important to deliver programs in response to the findings collected from field data.
- \* The ability to launch initiatives, planned in stages and set according to long-term plans, is important when empowering members of an NGO. It enables them to participate in establishing activities and allows the public to follow-up and assess such initiatives.
- \* The two main pillars of planning are estimating the cost of a feasibility study as well as the financial and human resources required for certain activities. In addition, it is important to estimate the influence of the NGO's work in its social environment.
- \* It is also important to provide training and guidance to both staff and volunteers, and periodically recruit new staff and volunteers in order to add new members to the team.
- \* It is important to diversify the NGO's membership as much as possible; to include both sexes, different age groups, ranges of specialization, and social segments. This helps to balance the representation of society and reflects positively in the project planning process.
- \* The capacities to evaluate, revise, and learn from successes and failures will raise the level of professionalism, enable learning through experience, and enrich the capabilities of volunteers.

## 3 Continuous Training and Guidance

Training is a key aspect in developing the work of an association and raising its level of performance. Training refers to the internal skills (leadership, community mobilization, governance, and conflict resolution); the

relationship with the outside world (public relations and the media); and the preparation, implementation, and assessment of programs and projects (planning, follow-up, delegation, evaluation, etc).

Training is not only based on experience, it also includes communication skills and social, financial, and administrative expertise. Continuous training is important for the progress and development of proficiency and skill, especially if they are adapted to the needs of people and society. NGOs should instruct their trainers and conduct training sessions for all their members.

#### 4 Linking the Internal with the External

The tasks of NGOs fluctuate between communicating with society and implementing a framework of internal democracy. To improve its conditions, results, and make its volunteer work an act of citizenship, an NGO should assess its internal situation, ensure honest communication, and respect its working principles.

### Third: Measurement Tools for the Professional Principles of NGOs

The following list helps NGOs in evaluating their situation and ensuring that the aforementioned principles are implemented.

The list is divided into two sections: The first is relational and regulatory, while the second is operational (related to programs and activities). The detailed list clarifies and simplifies the general principles.

#### 1 Regulation and Internal and External Relations

- **A.** The statutes define the NGO's objectives and nature of its work, while an internal bylaw sets the NGO's structure, the eligibility of members, and the competences of its office, members, general assembly, administrative board, board of trustees, etc. The internal bylaw also denotes the financial laws of the NGO and its relationship with all other NGOs and associations whether public, private, local, or international (*See Chapter II*).
- **B.** State the conditions of membership in the internal bylaw without discrimination based on religion, race, gender, nationality, or social class.
- **C.** Update the list of members on a regular basis. This safeguards and protects the rights of members during the voting process concerning decisions, budgets, project proposals, and the periodic election of specialized boards.
- **D.** Adopt codes for the conduct and work for each specialization to ensure the sovereignty of the law and equality in rights and obligations.
- **E.** Adopt a scale for salaries and wages as well as a clear job description for every NGO employee. A job description should define the responsibilities, competences, and work of each employee. In addition, principles should be adopted that promote voluntary work, reward active volunteers for their performance and dedication, and offer continuous training and development opportunities.
- **F.** Strengthen the relationship between volunteers and staff, so that internal competition is avoided and discrimination is stamped out.
- **G.** Respect the distribution of salaries and administrative expenses in the NGO budget, and do not exceed its agreed upon and recognized limits.
- **H.** Issue periodic and special reports that inform members as well as the public of the NGO's activities, projects, and budgets, or generate feedback on proposed public issues relating to the NGO's expertise.
- **I.** Hold periodic and emergency meetings of the administrative board and general assemblies to discuss updates and regulate the work cycle.

- **J.** Establish an administrative board or board of trustees that is clearly responsible for specific competences and tasks, such as reviewing the general assembly's policies, programs, and budgets, or following up on international contacts.
- **K.** Conduct a periodic audit of the NGO's accounts and budgets.
- **L.** Build public trust in the NGO by publishing financial and program reports. To improve credibility, inform the public of the NGO's fulfilled objectives.
- **M.** Use donated funds in accordance with the set objectives, and inform donors of any change in their use.
- **N.** Build a full partnership with all national and international donors. This will reinforce financial support and help establish long-term contributions to the NGO's activities and programs that do not influence the objectives set in accordance with local needs or current legislation.

## 2 Proposing and Executing NGO Programs and Projects

- **A.** Respect the history, cultural, and social characteristics of the people in the NGO's surrounding area. Set policies and programs that take into consideration their issues, priorities, and actual needs.
- **B.** Implement policies and projects that focus on development rather than mere service.
- **C.** Focus on programs that address different social segments and conditions and contribute to empowering these segments and increase their participation in civil society.
- **D.** Periodically review programs and policies in order to assess their success in achieving set objectives.
- **E.** Provide assessment tools in order to measure the success and failure rates of different projects and programs based on their impact on target groups.
- **F.** Create a mutual relationship with the public during the delivery of programs and activities. Train the public to suggest projects, assess activities, and appreciate the NGO's work within the public domain. This helps them feel appreciated and involved.

### **Conclusion:** Translating Principles into Programs and Activities

The major working principles of an NGO are networking with similar organizations (group work, participation, and sharing experiences) and promoting equal and peer-to-peer relations (built on respect for the law and public interest) with the private and public sectors. These reflect the union between society and internal democracy in improving performance and building sustainability.

With this in mind, a number of experience-based activities in this field are suggested:

## 1 Citizenship Campaigns

These are campaigns focusing on specific causes. They are organized by NGOs in collaboration with citizens in order to form lobby groups, realize demands, or, at least, launch national debates. These campaigns may use petitions, enter into correspondence with the relevant and specialized authorities, or assemble public delegations to visit the responsible officials.

## 2 Cooperating with Research Centers

Working with research centers and conducting activities and programs based on studies can benefit both parties: theoretical research joins with practice (society, work area, field of activity). This enables NGOs to answer specific needs. It also helps them to see reality as it is, to better assess their performance. In addition, it enables the public to appreciate the importance of having a deep understanding of data and the impact of public policies.

### **3 Using National and Local Media to Spread Awareness and to Lobby**

The media is a nationwide communication tool. The NGO's ability to effectively use the media in order to generate interest in its causes is vital for its success. The media reflects reality, and it can be used to exert pressure on the relevant authorities to settle demands, enforce laws, or adopt suitable policies. Likewise, it is important for the media to form alliances with NGO's, because they can gain higher credibility by covering public issues.

NGOs that function in specific areas also need to work with local media that cover the same public issues and geographic area and are easily accessible and used by the general public (such as local newspapers). If no local media is available, the local NGO can launch periodicals, statements, publications, posters, or even use banners.

### **4 Coordinating with the Municipal and Mohafaza Councils**

Locally elected councils are the first circle of democracy. They are the closest to the public and are in direct contact with people's issues and concerns. Undoubtedly, cooperating and coordinating with these councils is the first step towards reinforcing the cooperation with other authorities. This cooperation can also be used to influence them and bring them closer to the concerns and priorities of civil society.

### **5 Forming Local Committees**

Forming local committees of NGO representatives, trade unions, political parties, research centers, mayors (or their representatives), MPs, and prominent businessmen in each area is another efficient communication tool. This tool aims to establish more equitable and fair public legislation. Similar committees could coordinate between civil society and the public and private sectors at national, regional, and international levels. They could also create means of maximizing an NGO's influence and increase the available local human and financial resources in programs, projects, and activities.

### **6 Establishing Economic, Social, and Political Observatories**

Observatories (where specialized working groups focus on the same issues) are important for training on control, assessment, accountability, database building, and archive development. They can review economic and social data, and identify the positions of political authorities, unions, and economic bodies. They can also help people and NGOs form sound opinions and make mature choices when dealing with politicians. They can build familiarity among politicians about being accountable for all their acts and positions. In addition, observatories help to strengthen the relationship between NGOs and the general public.

### **7 Setting Curricula and University Activities**

One of the most important roles for NGOs is to influence the young and students. Building a nation's future and recruiting activists and staff for organizations are best achieved in schools and universities. This can be done by organizing sessions, lectures, activities, camps, and clubs that address and are tailored to students. All these activities should introduce the concepts of civic education into the participants' culture and conduct.

Such programs can be coordinated with parents and guardians, under the supervision of educators.

These are certainly possible in Lebanon, but they often tend to be spontaneous and uncoordinated. The challenge for NGOs is to make these activities truly organized events, linking high expertise and deep experiences, allowing people to choose what suits them and discard what does not.

All associations are asked to reflect and ponder upon the means of developing their performance, reinforcing their work, and communicating with their public.

### **List of helpful documents and websites:**

1. Kiwan, Fadia. **"Forming a Code of Conduct for NGOs"**. Beirut, ESCWA, December 2003.
2. Majed, Ziad. **"Good Governance in Civil Society"**. BOUNIAN program, January 2004.

### **Websites:**

- 3 - [www.undp.org](http://www.undp.org)
- 4 - [www.civicus.org](http://www.civicus.org)
- 5 - [www.oneworld.org](http://www.oneworld.org)
- 6 - [www.liberal-international.org](http://www.liberal-international.org)
- 7 - [www.idea.int](http://www.idea.int)
- 8 - [www.foundation.norvatis.com](http://www.foundation.norvatis.com)
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- 12 - [www.crdaethiopia.org](http://www.crdaethiopia.org)
- 13 - [www.acfoa.asn.au](http://www.acfoa.asn.au)
- 14 - [www.mdnonprofit.org](http://www.mdnonprofit.org)
- 15 - [www.ngocenter.or.eg](http://www.ngocenter.or.eg)
- 16 - [www.ccong.org.co](http://www.ccong.org.co)
- 17 - [www.kettering.org](http://www.kettering.org)
- 18 - [www.sida.org](http://www.sida.org)
- 19 - [www.cida.org](http://www.cida.org)
- 20 - [www.usaid.org](http://www.usaid.org)
- 21 - [www.alliance21.org](http://www.alliance21.org)





## Introduction

Successful institutional work should be organized on all levels: finance, administration, production, and organization.

One of the basic foundations for NGOs is the adoption of systematic financial management. NGOs are non-profit organizations. They base their goals on the services they provided through programs. Once the goals have been agreed upon during the program planning stage, financial management techniques can then be applied to ensure that there are sufficient funds to efficiently fulfill the planned goals. It is also important to follow a set of accounting principles and bookkeeping techniques that are in accordance with international standards. Proper and accurate accounting practices, reflecting the financial condition of an organization, are an efficient tool to manage financial and administrative matters.

This chapter explains the financial foundations of NGOs. First, the chapter examines the accounting structure of NGOs and demonstrates how their budgets are prepared. This is followed by a section on the different types of taxes and auditing criteria. Finally, it proposes a set of models that can be adopted in the financial process.

It is worth noting that this chapter principally refers to large NGOs, while the fourth part focuses on smaller organizations.

### First: The Accounting System Structure

**Budget:** The budget is the future financial plan of an NGO; it is the work plan for a limited period of time and is translated into monetary amounts that include the income (in-kind or monetary) and the expenditures (direct or indirect).

A budget reflects the future plans of an organization. Each of the latter has a set of general goals, future plans, and working programs that should be translated into figures and executive plans, called financial plans or budgets. The budget predicts income and expenditures within a limited time-period and is broken up into items that can be compared directly with the actual income and expenditures.

### 1 Budgetary Policy

The following key points are used in the preparation of a budget:

- \* Involvement of the executive board in preparing the budget (main goals and future plans).
- \* Involvement of members of the general assembly.
- \* Consideration of internal and external factors that shape the preparation of the budget. These can be identified through a situational analysis.
- \* Use of historical and current financial data for a more realistic preparation of the budget.

- \* Consideration of the volume of present projects and the expected level that they might reach in the future.
- \* Extrapolating future changes in costs (rate of inflation).
- \* Any unexpected circumstances that could cause additional expense.

## 2 Creating the Budget

### A. Timing of the Budget

The budget should be prepared at least two to three months prior to the beginning of the financial year. Normally, budgets are prepared for a whole year or for the period of a specific project. A detailed budget should be prepared on an annual basis, but a general budget can be set for the next three years (i.e. the general outlook). This will give the NGO's administration a clear view of future activity.

### B. Preparing the Budget

The budget is made up of two basic elements:

**Income:** Sources of income should be determined. Income can be either internal or external. External income can be donations or revenue. Donations can be financial or in kind.

The main sources of income are:

- > Donations.
- > Annual membership fees of existing members.
- > Membership fees of new members.
- > Funding for special activities.
- > Fundraising campaigns.

**Expenditures:** This represents expenses and costs, direct or indirect, based on the organization's strategy.

## 3 Types of Budgets

There are two types of budgets:

### A. General Budget:

The general budget is divided into expected revenues and expenditures for a specific period of time. These are defined according to separate line items (or different topics), where similar items are joined together in one category.

The category of 'income' (or revenue) can be divided into different classifications:

- > Membership fees
- > Contributions
- > Government grants
- > Other grants
- > Service charges
- > Special occasions

While the category of 'expenditures' can be listed as follows:

- > Operational costs
- > Remunerations (salaries, wages, and benefits)
- > Equipment
- > Tools
- > Transportation
- > Administrative expenses (rent, electricity and water bills, stationary, phone and fax bills, mail, etc)

It is important to prepare the budget using the same codes and divisions that are used in the accounting books (chart of accounts). This will facilitate comparison between the budget lines and the actual expenses.

One of the problems with this kind of budget is that the finances are set for the NGO as a whole. It does not distinguish between the revenues and expenditures of each program or project. So, if one program is successful while another is less successful, or if one program is cost-effective while another is less effective, the general budget would not show this imbalance.

#### **B. The Program or Project Budget**

The NGO can set a separate budget for each project or program. This budget uses the system of line items and categories as in the master budget, but the revenues and expenditures are defined separately for each program or project. In essence, these budgets summarize the overall revenues and expenditures of an NGO.

A program or project budget provides more detailed information than a master budget. It allows the incomes and expenditures of each program or project to be compared with others; making the assessment and follow-up of programs or projects easier. However, this type of budget requires many different books or charts and makes the NGO's accounting system more costly. It also requires more statements of account, because each project or program needs its own particular statement, in addition to the general statement of the NGO. The NGO must decide whether or not the advantages of this type of budget are worth the time, effort, and additional expenses.

The distribution of revenues and expenditures follows the same method, and takes the conditions of donated funds into account.

### **4 Budget Approval**

Every NGO, regardless of its size or activities, should prepare an annual budget to be presented to the administrative board and approved by the general assembly. Following the approval of the general assembly, the administrative board may amend the annual budget once the motives have been justified (*See Annex 3*).

### **5 The NGO Accounting System**

The NGO accounting system should follow generally accepted international accounting principles. It should take the form of a double accounting system, meaning that all payments and receipts should be registered in the association's accounting books. Accounting documents can be classified as follows:

#### **A. Receipts:**

Receipts are either cash or in kind.

**(1) Cash Receipts:** For all cash funds received from third parties, a receipt should be issued for all transactions regardless of type or source (see Annex 4). The receipt should be signed by the treasurer (cashier).

The details of a receipt should include:

- > Serial number.
- > Three copies of the receipt: the first is the original sent to the concerned party, the second copy is sent to the association's accounting department, the third copy is kept to record the serial number.
- > Receipts should show the following details (sample attached): amount – date - received from - description of the amount received and for what purpose - details of amount received (cash, check, transfer) - the signature of the treasurer (cashier).
- > The treasurer deposits the amount paid in the relevant bank account in return for a bank advice slip. This slip is sent to the accounting department and is registered in the accounting system.

**(2) Receipts in kind:** Goods are usually received by the storekeeper of the warehouse. He/She will prepare a store receipt voucher detailing the goods received (quantity, description, date and signature). It is important that all income in kind is given a monetary value with a copy sent to the accounting team. It is then registered in the accounting books. The person in charge of the warehouse should then enter the donations on special warehouse cards indicating the source of the donation.

## **B. Payment voucher:**

Every payment should be made through a payment voucher (PV) (see Annex 5). There are two types of payments (*See Annex 5*):

**1. Payments to third parties for their services:** These payments are usually made to people in the association (employees) or those who have been contracted on a temporary basis. A request for payment is issued by the person in charge and transferred to the accounts department. The accounting department then checks and prepares the payment voucher along with the check, and places them in the signatory book for signing by the authorized member of staff. Payment vouchers and approved checks should be recorded in the accounting books and given to the treasurer. The treasurer pays the check to the beneficiary who signs the attached payment voucher to confirm receipt of payment. The treasurer will then send the file and documents to the relevant department for filing.

**2. Payments for individual or company invoices:** When the purchase of goods or services has been completed, a copy of the purchase order is sent to the accounts department to ensure that the payment is deducted from the budgeted amount. When the storekeeper receives the purchased goods, he/she will sign the store receipt voucher. A complete file will then be prepared and sent for accounting. It consists of the following:

- > Price quotation.
- > Purchase order from the correct source.
- > Official invoice from the supplier showing the name of the supplier, their address, details of goods purchased (quantity, kind, unit price, total price), and the total value of the invoice. The invoice should have the stamp and the signature of the supplier.

- > Stock receipt voucher signed by the person in charge of the warehouse or the party receiving the goods.
- > Request for preparation of check payment.

The accounts department will check the details of the file received. If everything is in order, it will prepare the check along with the payment voucher and send it to the authorized signatories. Once this is done, the accounts department will record the transaction in the accounting books and send it to the treasurer. The treasurer will pay the check to the supplier who will also sign the payment voucher attached to the check. The supplier is then asked to give a company receipt for the payment received.

**3. Cash payments:** Cash payments usually follow the same procedures except that they are smaller amounts that can be paid from the petty cash fund. They should be approved as necessary through a PV and sent to the treasurer.

**4. Details of the payment voucher:**

- > Serial number.
- > Two copies (original copy to the account department and a second copy for recording the serial number).
- > Payment vouchers should show the following information: amount, currency, date, paid to, details and description of payment, type of payment (cash or check), authorization and approval signatures, and the recipient's signature.

 **C. Accounting transactions:**

Payment vouchers, receipts, and all other transactions are the basis of financial procedures and accounting ledgers. Every event must be documented and accounted for and translated into an accounting transaction attached to all relevant documents. All transactions should be organized and documented according to the date and serial number.

**1. Recording accounting transaction:** Accounting transactions (receipt vouchers, payment vouchers, invoices, journal vouchers) are recorded in a daily journal, arranged chronologically. These are called items. They are supported by one or several documents that prove the authenticity and explain the procedure, thus justifying its recording. It should be followed by a brief explanation on its nature and reason.

**2. Organizing documents:** The accountant is responsible for these accounting documents. They should be kept in order and in a tidy and safe area, in the event that they need to be examined, especially if external auditors are brought in.

Working on financial transactions and keeping records is the accounting activity that leads to good book keeping and having exact and modern records of activities. The records should show the source of funding and the way it was spent, always with the necessary supporting documents.

 **D. Accounting of bank accounts:**

At the end of each month, all bank accounts (through the bank statement) should be reconciled with the organization's accounts, since banks can make mistakes. All deposits should be correctly registered and a check should show as being withdrawn once. During this process of reconciling accounts, all issued checks that are not yet withdrawn should be noted. These are called outstand-

ing checks and they should be indicated to avoid thinking that the organization has more money than it actually does.

**1. Fixed Assets:** Using accounting procedures, the NGO records the income, when received, and the expenditures, when spent. The NGO should enter the purchase of its fixed assets, goods purchased to be used by the organization in conducting its business, in the expense account.

There are two types of fixed assets:

*a-* Intangible fixed assets: Purchases and payments for intangible goods that are used by the association but have a lifetime of more than one fiscal year, such as startup funds, copyrights, patents, etc.

*b-* Tangible fixed assets: Purchases of material goods that have different uses and have a useful lifetime of more than one fiscal year, such as real estate, buildings, heavy equipment, and furniture.

**2. Amortization and depreciation:** Depreciation represents the partial loss on the asset value due to its use in the association's operations or due to a decrease in lifetime. This loss should be recorded in the yearly operational expenses report.

A reserve fund should be allocated to allow for the future replenishment of used assets, in order to sustain the organization's activities. The total amount of depreciation should be equal to the amount needed to replace the asset.

In economic terms, amortization and depreciation allows the organization to spend the capital value of the asset, i.e., the price paid for its purchase.

**a- Reasons for depreciation:** The value of a fixed asset is reduced due to many reasons, namely:

- > Depreciation due to usage.
- > Depreciation due to age of asset.
- > Depreciation due to time.

**b- Consumables:** Depreciation does not affect consumables used by the organization, whose value is reduced due to usage, age, or obsolescence. Therefore, assets whose value does not depreciate cannot be consumed. Depreciation cannot occur on assets such as bank credit, cash box, etc. Generally speaking, an asset should have the following conditions to be consumed:

- > It is being kept by the NGO to be used for its work and not to sell.
- > Its value depreciates due to usage.
- > It is a capital investment in the organization.

In Lebanon, the financial authorities (income tax department) set rates of depreciation for fixed assets in Decrees N<sup>os</sup>. 422 & 423, dated 9/9/1981. These rates are shown in the following table:

CATEGORY	MAXIMUM	MINIMUM
Buildings	2.5%	2%
Furniture and fixtures	9%	7.5%
Vehicles	15%	12%
Electronic Equipment	20%	15%

## 6 Financial Reports:

The budget is based on forecasted events. In effect, with the beginning of the fiscal year and the succession of financial activities, the situation changes from the earlier predictions. In order to understand the financial situation of an association, a financial report is needed. These records should be correct and efficient. They should reflect the organization's real financial position and be transparent since they are tools to be used to plan for the future and decide on financial management strategies to achieve the set goals.

There are several types of financial reports, mainly:

### ➤ A. Trial balance:

The accountant creates a general accounts balance to verify that the items are recorded in the books, that they were transferred to the relevant lines in the "master", and that they are financially correct.

The trial balance is a detailed statement of accounts recorded in the master and transferred from the daily balance. The credit and debit amounts in each account are recorded in this statement, in addition to the balance for the same period, whether positive or negative.

The accountant prepares the trial balance for specified periods of time (1,3, or 6 months), depending on the nature of the organization. The general accounts balance is used at the end of the year to analyze productivity and the financial situation of the organization. It helps to deduce profit or loss and have a general idea of the final balance.

Each transaction is recorded twice in the master, one as credit and once as debit in the opposite line. If credit and debit sums are equal, the accounts are thus correct. The sum of credit accounts and that of debit accounts will be equal.

A side balance of to/from in the trial balance proves that the master records are correct from an accounting perspective. If both sums are equal to the sum of daily balances, then all daily transactions are proven to be transferred to the master.

### ➤ B. Income statement (See Annex 6):

The income and expense statement shows the surplus or deficit resulting from the income and expenditures of the organization. It is a record of all income and expenses, with no exceptions. If the income is higher than expenses, the difference is called a surplus; the opposite is called a deficit. All income is recorded as credit and all expenses as debit.

#### Elements of surplus and deficit:

- \* **Credit/Surplus:** This shows all income received by the organization: donations, membership fees, internal income, rent, interest on capital, and anything that relates to the income of the project or the organization.
- \* **Debit/Deficit:** This shows all expenses incurred by the organization during the budget period (fiscal year, project duration, etc.). It includes: all kinds of purchases for the project; salaries and remuneration for employees, management, and technical staff; rent payable; publicity expenses; transportation; insurance; maintenance; water; electricity; paid interest; travel expenses; bank charges; legal expenses; and payments to lawyers; accountants; auditors; and all that can be logically accounted for as an expense for the project or the NGO, in addition to direct expenses (expenses incurred by management staff working on a specific project and spending their whole shift on that project) and indirect expenses (expenses incurred by management staff working in the main office and running various programs, as well as general management expenses and general common expenses).

## C. Balance Sheet, Assets, and Liabilities (see Annex 7):

**1. What is the balance sheet?** The balance sheet is the amount of the balance of each account in the master at the closing of the fiscal year. The balance sheet shows the values of the assets owned by the association or owed by others and (debit) as well as the value of liabilities (credit). It also shows the value of capital and account balances, thus reflecting the real financial position of the association at the end of the fiscal period.

**2. Elements of the Balance Sheet:** The elements of the balance sheet are in two categories: Assets, showing as debit, and liabilities, showing as credit.

### A. Assets:

> **Current Assets:** They are the money available in the cash and bank accounts; the short-term notes receivable and accounts receivable (i.e. of one year maturity); the closing inventory (if the NGO conducts other projects); pre-paid expenses; and all liquid assets that can be cashed the following year.

> **Prepaid expenses:** These are prepaid expenses made in the current year but can cover expenses and consumption over several periods or years. These expenses should be recorded in the balance sheet under assets.

> **Other Assets:** These are assets that do not reach maturity in the following year. They include the key money and assurances set in the budget at the cost price, as well as the notes receivable and accounts receivables that will not reach their maturity in the coming financial period.

> **Intangible Assets:** These are fixed assets acquired by the NGO for the purpose of achieving its objectives, such as trademarks, patents, and copyrights. They are recorded in the balance sheet at their cost price.

> **Fixed Assets:** These are machines, vehicles, furniture, land, and buildings purchased by the NGO for the purpose of operation or production. Excluding land, these assets are consumed annually at different rates and are set in the balance sheet at their real price (i.e., cost price minus depreciation) as in the annex.

### B. Liabilities:

> **Current Liabilities:** These represent the taxes, accrued expenses, bank credit balances, notes payable, and current payables with a maturity of one year from the date of the balance sheet.

> **Allowances:** These include:

- \* End of service indemnities for those not entitled to social security.
- \* End of service complementary indemnities for employees entitled to social security in order to cover the difference between the remuneration at the time of employment and the remuneration at the end of service.

> **Long-term Liabilities:** These are obligations undertaken by the NGO during the year following the date of the balance sheet. They include: capital accounts, bank loans, and long-term accounts payable. If some of these reach maturity in the following financial year, they must be listed under "Current Liabilities".

> **Owners Equity:** This includes the liabilities to the owners of the NGO, and consists of:

- \* The surplus or deficit from the previous year.
- \* The Capital Account.
- \* The surplus or deficit of the current year.



**3. Preparation of the Balance Sheet:** The following criteria should be adopted for the preparation of the balance sheet:

- > Clear differentiation between assets and liabilities.
- > Clear naming of sections and lines, reflecting the contents.
- > Clear differentiation between debit and credit accounts without compensation between them.
- > Comparison of the present balance sheet to the previous year.

The basic principles of preparing the balance sheet are as follows:

**A.** It must reflect reality and the true situation of the NGO:

It must honestly reflect the balance of all accounts

It must be a result of a meticulous inventory of all financial transactions.

It must not reflect personal opinion nor optimism or pessimism.

**B.** It must be accurate and clear.

**C.** It must be complete.

**D.** It must follow a unified layout to enable comparisons with balance sheets from previous years.

**E.** It must be set in accordance with the accounting policy of the NGO. In case of a change in policy, any amendments and their effects must be clarified in the balance sheet.

#### **4. Cash Flow:**

**A. Cash Flow Chart:** This is the presentation of all monetary funds that come into the association and outgoing payments. The balance (surplus or deficit) is then transferred to the next period as an opening balance. Accruals, deferred charges, and depreciation expenses should not be taken into consideration when preparing the cash flow. The expected cash flow should be prepared on a monthly basis, so that the NGO can predict its liquidity and plan for future deficits.

When all the sums received every month are collected, the liquidity deficit can be disclosed. The balance is then transmitted to the following month or deducted during the current month.

As in the table below, an NGO can monitor surplus liquidity and the timeframe in which it can be invested. It can also predict its liquidity needs for the coming months and take precautions accordingly.

Similar to the budget, the NGO can set up a sub-chart for each of department, branch, and activity in addition to the 'master' chart. By doing this, it will be able to take appropriate financial decisions; whether to invest it or use it to reduce its deficit. The NGO can also negotiate with donors to amend the receivable dates or change their work plan and project delivery rate.

**B. Preparing the Cash Flow Chart** (*see Annex 8*): The cash flow document is an important tool for an NGO, because it allows it to anticipate the amount of cash necessary to cover its expenses. Since it plans the incomes and expenses, it is able to reveal all the expected incoming and outgoing cash during a certain period. This helps the NGO compare the actual incomes and expenses to those expected. In order to do this, the NGO must have sufficient funding sources. It must follow the following steps:

1. In preparing the cash flow document, count the available cash at the beginning of the first month. This constitutes the opening balance.
2. Prepare a list of the possible and expected cash funding sources that could be

used in paying off the expenses for the year. Then calculate the planned or expected monthly incomes.

3. Record all types of expenses, register the planned monthly expenses, and calculate the expenses of each month.

4. After estimating the total planned income and expenses, the work sheet will reflect the total cash planned for expenditure and the total planned revenues.

5. In order to calculate the total amount of cash available for use in a certain month, add the opening balance (in 1) to the total income expected.

6. In order to calculate the total amount of cash available at the end of the month, subtract the total expenses from the total amount of available cash.

7. Enter the cash amount at the end of the month in the first line of the following month. The available cash amount at the end of the month will then become the forwarding balance. It will be the same as the amount available at the beginning of the following month.

**5. Balance Statements:** The balance statement is legally required by the Ministry of Interior from all NGOs. It consists of a table of actual income vs. actual expenses of the closing year and a proposed budget table for the following year. These two statements together with a list of the members of the general assembly should be submitted before 31st January of each year, whereby the ministry will issue an affidavit.

### The Financial Statement of the NGO's work for the Previous Year

(In Lebanese Pounds)

<b>Opening Balance (A)</b>		1,463,000
<b>Add Detailed Income:</b>		
Internal	5,500,000	
External	20,000,000	
Interest	743,000	
<b>Total Income (B):</b>		26,243,000
<b>Subtract Total Expenses</b>		
Detailed Expenses:		
Operational	14,520,000	
Administrative	1,232,000	
Remuneration	9,454,000	
Miscellaneous	1,565,000	
<b>Total Expenses (C):</b>		26,771,000
<b>Balance (Adverse or Surplus): (A) + (B) – (C) =</b>		935,000 (Surplus)

The surplus or deficit is allocated to the beginning of the following financial year and the budget of expected incomes and expenses of that year is prepared accordingly. This is the proposed budget. The proposed budget is prepared by following the same steps as in preparing the financial statement for the previous financial year. The statement shows the income and expenses that are expected for the coming year. The figures usually depend on the estimated budget that the NGO has prepared before the end of the previous financial year.

### 6. Comparing the Budget with the Expenses:

The budget predicts the different kinds of expenditures and includes a record of the actual expenses so they can be allocated to a certain month, quarter, or year. By comparing what was estimated with what was actually spent in the same period, the NGO can form a clear picture of its expenses.

The same comparison can be made between the income and expenses of a certain period with a previous one, or even with the same period in a previous year.

**A. Transparency:** Financial reports must reflect the true financial status of an NGO. Transparency is the only measure that the NGO's administrative board or specialized commissions can adopt to define their situation.

The budget is in reality a series of expectations, but reality may change these expectations at the beginning of each financial period. Income and expenses may take unaccounted for trajectories following the study of financial records. Thus, the NGO should rely on various forms of reports.

#### B. Types of financial reports (financial statements):

- \* **Internal Financial Reports:** These include the income/expenses statement and the statement of financial status (i.e. the fund, what it contains, what has or has not been collected, etc.).
- \* **External Financial Reports:** These are addressed to the government or donors.
- \* **Periodic Financial Reports:** These include:
  - > 'Actual vs. Budget'.
  - > Cash flow expectations.
  - > Program cost analysis.
  - > Bank forms and their matching with the books.
- \* **Annual Financial Reports:**
  - > The final budget.
  - > Annual financier reports.
  - > Accounting reports (submitted to the Ministry of Interior).

#### C. Criteria for Financial Reports: A good financial report depends on several criteria:

- \* It must be brief.
- \* It must contain comparisons (between periods and expectations).
- \* It must be submitted in due time.
- \* It must follow the principles set for it.

## Second: Taxes

Legislative Decree N°. 58 dated the 5<sup>th</sup> of August 1967 (adding Article 8 to the text of Article 5) exempted public enterprises and public interest organizations of an industrial or commercial nature from paying taxes. According to Article 5 (A) of the Decree N°. 78/77, public utility organizations are also tax exempt.

NGOs that are not engaged in a taxable function are not restrained by any of the obligations published in the law, and they are not obliged to submit declarations or undertake bookkeeping. NGOs are only required to inform the Ministry of Interior on an annual basis of the names of members and submit their balance chart and budget (Article 7 of Law 10830/62). If an NGO fails to do so, it will only be fined. (See Chapter I)

## 1 Types of NGO Taxes

Excluding the first category tax (the profit tax); NGOs have to settle many other taxes:

- **A. Second Category Tax (Payroll Tax):** All employees, staff, and personnel working in the NGOs are subject to income tax deductions. NGOs must therefore keep records for each employee, deduct the tax, and pay it.  
This tax is paid quarterly in accordance with statement R10 (See Annex 9) and a note of advanced payment (see Annex 10) must be disclosed within 15 days of the month following the declared quarter.  
The annual declaration of income tax on salaries is declared in February of the following year, in accordance with Statement R5 (see Annex 11).
- **B. Non-residents Tax:** This tax is paid in return for a service conducted by any legal or natural person with unknown workplace in Lebanon (i.e. who does not have a tax number). In this case, the due tax must be deducted and paid to the Income Tax Department in the Ministry of Finance.
- **C. Third Category Tax:** It is the tax on returns of movable capital and capital profit of an NGO. The same methods are used as in payroll tax. Third category tax is paid quarterly in accordance with Statement C2 (See Annex N°. 12) and imposed on all associations, organizations, and NGOs regardless of whether they are tax-exempt or not.
- **D. Indirect Taxes:** The Entertainment Tax: A 5% tax is imposed on subscription fees and admission tickets for events held by charitable organizations, social and cultural associations, clubs, and trade unions for the purpose of fundraising. Each public utility organization undergoes an exemption of this tax for one occasion per year. This exemption is not applied to associations with notifications.
- **E. Taxes on Imported Goods:** Imported goods are subject to customs. If they are of public utility, they are exempt from custom fees through a special authorization.

## 2 National Social Security Fund (NSSF)

Local NGO's functioning or represented on Lebanese territories with employees must abide by the social security law. They must subscribe to the National Social Security Fund (NSSF) within fifteen days of hiring their first employee. They must also register any employee within fifteen days after his/her first day of work.

The employee's subscription to the NSSF is the employer's (the NGO's) responsibility; so, the employee's relation to the NSSF is made through the NGO. The employee benefits from the health plan, family allowances, and end-of-service indemnity. The relation between the employee, the NGO, and the NSSF defines the rights and obligations of the NGO and the employee, and structures the relationship between both as well as their relation with the NSSF.

The social security law requires both Lebanese and foreign employees to subscribe. However, the subscription fees for foreign employees includes health and maternity care insurance plus family allowances no matter

whether they benefit or not. As for end-of-service indemnity, the employer is not obliged to pay the subscription fees to the NSSF, but they must retrieve the end-of-service reserves for foreign employees and the difference of the reserve in the end-of-service compensation for Lebanese employees.

#### **A. Subscriptions to the National Social Security Fund:**

The NSSF sets the subscriptions by:

- \* 8.5% of the wage/salary to the end-of-service indemnity.
- \* 6% of the wage/salary (to a maximum of 1.5 million L.L) to the family allowance branch.
- \* 7% of the wage/salary (to a maximum of 1.5 million L.L.) to the health and maternity care insurance branch.
- \* The employee only settles 2% of his/her wage/salary (to a maximum of 1.5 million L.L.) to the health and maternity care insurance branch.

#### **B. The Relation between the NSSF and NGOs**

The NSSF deals with national social issues. Therefore, it covers civil associations and NGOs. However, since the issue of Law N°. 220/2000 dated 29/4/2001 (the disabled rights law), the current relation is limited to the associations for the disabled. The disabled rights law gives them the right to benefit from some of the fund's grants. They include:

- 1) Disabled children of all ages benefit from NSSF grants. They are terminated when the disabled person starts working and receives compensation.
- 2) Public and private institutions are obliged to hire a few disabled individuals; public sector institutions must give 3% of their positions to disabled individuals.
- 3) Private institutions are obliged to employ one disabled individual if their institution has between 30 and 60 employees; a quota of 3% of the workforce if more.

If the institution fails to do so, it must pay the Ministry of Finance a yearly amount of money equal to double the official minimum wage for each disabled individual not hired. However, any institution that has presented an application to the National Employment Office requesting to hire disabled individuals may be exempt from paying this fine.

The law entrusts the NSSF to enforce this law, and warns against discrimination. Associations for the disabled and social service institutions are entitled to a reduction of 15% on their subscriptions or the fixed sums be paid to the different branches of the NSSF (excluding the end-of-service branch).

## **Third: Audit**

Auditing is the systematic examination of financial statements, records, and related operations in order to determine the adherence to generally accepted accounting principles, management policies, or stated requirements.

### **1 Types of Audit**

**A. Financial Audit:** It is the review of the issued financial reports and is performed in accordance with generally accepted audit standards. It is also known as an 'external audit' and is conducted by a person from outside the NGO. The external auditor must be transparent, objective, and experienced. This audit confirms the soundness of accounting practice and the financial information contained within the financial reports.

- **B. Management Audit:** It examines the financial performance or policy delivery. It checks the effectiveness and strength of the NGO's policies and standards.
- **C. Internal Audit:** It is the detailed audit of an NGO. It covers all its activities in detail and checks the methods of internal performance used in delivering the NGO's activities.
- **D. Specialized Audit:** It is an audit of a specific activity and conducted upon request. It is usually a detailed check of all the information related to the activities under review.

## 2 Fund Management and Control

Effective fund management is actually dependent on sound financial regulations and efficient accounting systems. These standards can be implemented through the responsible use of funds and resources. The following lists are the regulations for financial control:

### ➤ A. The Control of Receivables:

- \* Issuing pre-numbered receipts in return for any received sum of money.
- \* Keeping all cancelled receipts.
- \* Controlling the receipt books of all purchases and sales.
- \* Depositing all the money or funds instantly (No receivable collected through a sale or other may be disbursed or used before depositing it entirely in the bank).
- \* Conducting monthly bank reconciliation.
- \* Allocating a special record for incoming checks.
- \* Cashing personal checks from the petty expenses fund is prohibited.
- \* Allocating a special record for the concessions and grants donated to NGOs.

### ➤ B. The Control of Assets:

- \* Keeping the records of fixed assets.
- \* Keeping updated records of maintenance and testing.
- \* Permanently labeling each tool or piece of equipment.
- \* Protecting against loss or theft through following dependable security measures and suitable insurance.
- \* Keeping records of activities and progress.
- \* Controlling payments and respecting their due times.
- \* Using monetary reserves to maximize returns.
- \* Controlling debtor accounts to secure their timely collection and taking necessary measures regarding the amounts to be disbursed.

### ➤ C. The Control of Spending:

- \* Acquiring tenders and quotas for all purchases and filing them with the purchase orders.
- \* Using local purchase orders for local purchases.
- \* Ensuring the delivery of the goods and services reported.
- \* Paying only by check.
- \* Requesting receipts and other documents for all purchases.
- \* Ensuring that all spending is true, reasonable, and in favor of the project.
- \* Controlling the budget regarding spending.
- \* Asking: 'Why is this amount spent for the purchase of this good?'
- \* Ensuring the availability of funds.

#### **D. Control of Debt:**

- \* Keeping credit accounts at a minimum.
- \* Controlling bills and supplies and the dates of their delivery.

When conducting a management audit, respect the following:

- > 1. Issue receipts and bills according to the standard procedures.
- > 2. Register all information accurately so the NGO is able to pinpoint its sources and prepare its master and detailed financial reports.
- > 3. Do not use assets without the approval of the relevant officer.
- > 4. Set a periodic inventory of the assets and take the suitable procedures whenever the records do not match with reality.
- > 5. Do not limit the payment orders, their approval, and payments to one person.
- > 6. Do not allow a non-signatory to do the bank transactions. He/She is neither entitled to deal with liquid funds nor register monetary operations.
- > 7. Appoint someone other than the accountant to periodically review the financial books and records.
- > 8. The person entrusted with controlling equipment, tools, and supplies is not responsible for their purchase or sale.
- > 9. File all correspondence proving incoming and outgoing payments.
- > 10. Use printed receipts and pre-numbered payment vouchers.
- > 11. Conduct monthly bank reconciliations and investigate any discrepancies.
- > 12. Keep attendance records for all employees.
- > 13. Keep all supporting documents concerning withdrawals and payments from the petty cash fund.

The accuracy and soundness of the procedures and measures used can be proved by using an external auditor to conduct an annual review. However, in order to give a complete image of the situation, internal control that includes both internal and external funding should be used. It is advisable not to conduct a financial review of the individual funding alone, as it does not give a complete picture of the NGO's status.

### **Fourth: The Basic Financial Principles of Small NGOs**

What is applicable for large NGOs can also be applied to smaller organizations. However, small NGOs with limited resources cannot necessarily afford to segregate duties and spend funds like their larger counterparts.

In principle, the spending or receipt of any sum of money cannot take place unless it is registered in the NGO books. These amounts need to be reviewed in order to identify the remaining balance and, ultimately, clarify the NGO's financial status.

With this in mind, the following steps can be taken:

#### **1 The Budget:**

Preparing the budget is essential for the work of all NGOs regardless of their size. Every objective needs to translate into financial figures. The value of income and expenses can be estimated and the future budget can be prepared. The criteria required to prepare such a budget is similar to any other budget regardless of its type or kind or whether it's the general (master) or project budget.



**A. The Cash Register:** This contains the daily 'In and Out' movement of funds. In other words, the cash register records all the financial operations drawing money into and out of the fund.

**B. The Payment Vouchers:** No amount of money can be spent unless accompanied by a document or voucher. Payments can be made in return for the purchase of goods or services, or even contracts and other expenses. All purchases must be made through receipts. Once the payment voucher has been prepared and attached to the invoice, the payment can be made, following approval.

## 2 Payment Vouchers

The payment voucher must:

- \* Have a serial number.
- \* Be issued in two copies (an original submitted to the accountant and a copy to be filed and kept).

Include the following information: (See Annex No. 5)

- > Value
- > Date
- > Name of recipient
- > Reason and objective of payment
- > Kind of payment (by check or cash)
- > Type of currency
- > Signature of a signatory
- > Signature of the recipient

- \* Be approved by the authorized persons before being cashed by the treasurer (or the recipient).

Some expenses or purchases are made without the use of an invoice (such as salaries/wages). In this event, a payment voucher should be prepared, approved, cashed, and delivered to the recipient (the beneficiary) once he/she has signed it. The payment voucher is the only document used here. It can be reviewed at a later date and entered into the fund register.

## 3 Separation of Responsibilities

The different responsibilities of the NGO must be delegated in such a way that no individual administrators (or chair of the administrative board) or any other individual is responsible for all the NGO's activities and departments. Payment approval and the payment itself must not take place at the same time. However, in the case of small NGOs, the accountant and the treasurer may be the same person. The chair of the administrative board and the treasurer must share the responsibilities. In addition, a part-time accountant should be hired to record the accounting information. The effective distribution of responsibilities allows NGOs to have greater transparency and accuracy.

## 4 The Bank Account

A bank account must be opened for the NGO's income, especially for foreign grants. It must be in the NGO's name and not in the name of individuals.

The bank account is important for the following reasons:

- **A.** Large amounts of money are not supposed to be carried in cash by the treasurer or any other person.
- **B.** When the bank account is in the NGO's name, all the NGO's bank operations have to be signed by at least two individuals, thus avoiding autocracy.



## 5 Financial Reports

- **A. The trial balance:** This is important because it shows the account balance and identifies all the money that has been spent or entered into any of the estimated budget sections. The trial balance also shows the movement of money in both debit (assets) and credit (liabilities).
- **B. The income statement:** This statement shows the surplus or deficit resulting from the movement of the NGO's funds. It shows all the income and expenses. If the total income exceeds the total expenses, the result is a surplus; and if the total expenses exceed the total incomes, the result is a deficit. The income statement shows all the income that is registered under credit and all the expenses that are registered under debit. (See Annex No. 6).

## 6 Filing Documents

For the purpose of achieving accounting accuracy, all documents are required to be kept, filed, and numbered so that they can be entered into the NGO's accounting log. This means that the documents can be checked properly during an audit or review.

## 7 Taxes

Small NGOs are tax exempt. They should only settle the payroll tax (if any). This is an indirect tax, which means that it is deducted from the employee's salary/wage. It is done by the NGO deducting the tax from the employee's salary/wage and paying it to the Ministry of Finance (Department of Taxes on Salaries).

## 8 The Balance Statement

It is the legal report required by the Ministry of Interior. It is composed of the income statement of the past year and the estimated budget for the coming year. These statements (and the list of members of the general assembly) must be submitted during the first month of every year and the Ministry issues its statement accordingly.

**References:**

Financial Procedures for Lebanese NGOs, 2003, International Management and Training Institution (IMTI), USAID, AMIDEAST.

## Synchronicity, Human and Financial Resources of NGOs

**Chapter VI:**  
**NGO Interaction, Coordination, and Networking**  
by **Ziad Abdel Samad**

**Chapter VII:**  
**Mobilizing NGO Human and Financial Resources**  
by **Zeina Helou**



## Introduction

Networking is an efficient tool for the exchange of knowledge and information among NGOs. It should be based on their needs and their motivation to face challenges. Networking can be also a tool to disseminate information and knowledge. By defining common ground and joining forces, networking serves to strengthen NGOs' capacities and negotiating abilities. It promotes democracy and reinforces the developmental role of civil society organizations.

This chapter highlights the need for and the importance of networking among NGOs, its objectives, feasibility, and ethical criteria. It also sheds light on the challenges facing networks, their types, and the various structures adopted for networking. Moreover, it talks about the relation between NGOs, government agencies, and donors. Finally, it points to the major challenges facing the work of NGOs in Lebanon, and how they would be overcome by networking.

### First: Objectives and Feasibility

Networking is an efficient tool to reinforce independent decision-making of NGOs and counteract any attempts for their control, influence their direction, and use them as a tool to alleviate the effects of private and public economic policy, on the social, cultural, and environmental levels. Networking also helps NGOs resist the attempts of donors who, in some instances, try to impose their own objectives, programs, and culture.

### 1 Objectives

Through networking, Civil Society Organizations (CSOs) and NGOs actually aim for the following:

- \* Shaping a mutual and clear concept of development.
- \* Shaping a mutual and modern vision of the civil sector.
- \* Establishing a suitable legal environment for their work.
- \* Complementing and participating in a modern state.
- \* Building civil society and spaces on the bases of strong alliances, clear objectives, a mutual vision of development, and a pivotal role for NGOs.
- \* Moving from the role of service provision and charity to a more effective role in the process of social change.
- \* Coordinating and avoiding the duplication of services.
- \* Developing skills, training, and building capacity.

The importance of networking increased with the increase of the role of CSO and after they were recognized as vital partners in development. This role drastically changed after decades of activity in the field of charity and service provision, when NGOs began to attach more priority to development issues in their mission and strategies.

## 2 Feasibility

Networking contributes to:

1. Ending competition between civil society organizations and developing cooperation and teamwork.
2. Promoting decision-making concepts and mechanisms in NGOs, at all levels.
3. Defining the active and influential role of NGOs through multilateral and group dialogue.
4. Cooperating on overcoming economic, political, social, and cultural risks and challenges.
5. Promoting negotiations with decision-makers on all levels.
6. Organizing lobbying and advocacy on economic and social policy.
7. Empowering NGOs to build capacities and raise awareness.
8. Conducting objective and bold assessments.

Networks among NGOs working in the same sector or field also aim at rationalizing the use of human and financial resources.

Effective and influential roles of NGOs were reinforced in the last two decades following the United Nation's elaboration of new concepts of development, notably during the nineties. Measuring development would no longer be limited to some quantitative indicators such as income, life expectancy upon birth, and illiteracy rates. The concept of development became more comprehensive in its dimensions and goals by setting additional qualitative indicators related to the economy, politics, society, culture, the environment, and the quality of life. This led to the development of the perception and definition of civil work. It assigns a greater importance to NGOs political, social, cultural, and economic role in the fields of democracy, defending human rights, and protecting the environment, as an integral and effective partner to the state.

Some even give this role a broader dimension. They adopt the notion of making the civil sector a full partner of the state. This partnership includes participation and ability in decision-making processes. In addition, it involves the civil sector in the mechanisms and implementation of decisions in all economic and social fields and at all levels, national, regional, and international. This gives the civil society sector greater responsibility and pushes it to improve its performance and develop common principles, goals, and work mechanisms, through coordinating and sharing both information and experiences within a framework of democracy, cooperation, transparency, and respect of other opinions.

The impact of globalization is increasing, so is the regional and international interest in following its economic, social, and cultural effects. This is in addition to the adoption of free trade policies and open markets. Networking and coordination, in fact, reinforce this participation and give NGOs the capacity to take initiatives and innovate. Joining a local, regional, or international network does not aim for assimilation. It aims to encourage interaction; sharing of experiences and information; developing visions, objectives, and concepts; and limiting competition.

## 3 Summary

Networking is considered an effective tool and mechanism of coordination. It highlights the common denominator between member NGOs and their relationship with their mandate. Networking is undertaken by NGOs to develop a comprehensive development vision and strengthen their analytical methods, in the aim of improving the state's economic, social, and political performance that reflects on their constituencies and programs. However, networking can only be achieved through effective tools of sharing information and experiences; periodic meetings to organize the structural frameworks of the network; and the support and development of other frameworks of coordination mechanisms that may emerge among NGOs.

In addition, networking can contribute to the formation of a common 'vision', a mutual and higher goal bringing NGOs together. It also seeks to produce a 'mission' for future objectives that can only be reached through mutual cooperation and common work. Finally, members of networks define the specific 'objectives' they wish to achieve in a given timeline.

## Second: Qualitative Standards

Based on the definition of networking, the following standards can be adopted for measuring its quality and methods:

### 1 Vision and the Mission

Networking is based on an agreed upon vision by a group of NGOs. This vision constitutes their long term objective. This common vision is their 'alternative development model'. They work through the network to promote and achieve this 'model' seeing it as 'a preferential advantage'<sup>1</sup>.

Networking must have a clear mission that reflects its need and the reasons for its establishment. It should clarify the future directions taken by the network in achieving its objectives.

The mission defines the rationale and reasons for establishing the network, its legal and social legitimacy, and its general philosophy towards society and all target groups.

The mission often confirms the principles of democracy, sustainable human development, and social justice. In addition, it builds a non-violent culture on the foundations of respecting the right to life, solidarity, and cooperation; and on the grounds of equal rights between all citizens regardless of their sex, creed, faith, race, or ability. Moreover, it should focus on raising the social and cultural awareness of citizens, developing a modern society, and empowering civil society.

### 2 Principles and Values

The principles and values of networking rest on promoting and developing the role of civil society institutions within a framework of diversity, democracy, the rule of law, collaboration, sustainable development, and social justice, in addition to respecting the privacy of members.

- **A. The concept of democracy:** The relation between NGOs and governments must be governed by democratic principles and the rule of law in such a way as to help them realize their objectives and implement their programs in an environment that respects the freedom of associations and safeguards their independence.
- **B. The concept of full partnership:** NGOs have the right to participate in the decision-making process involving public policy and private development objectives. They also have the right to participate in the planning, implementation, monitoring, follow-up, and assessment of the different development programs.
- **C. The concept of diversity:** Networks should respect the different roles of NGOs: services; awareness building; participating in forming an economic, social, and educational vision; empowering the local community, and defending the rights of the marginalized and deprived. This aims to strengthen the foundations of the future civil society.

1. NGOs, Networking and Problems of Representation, Hans Holmen: Linlöpings University and ICER – July 2002

- **D. The concept of independence:** NGOs must enjoy their right to set and define their programs according to local needs and priorities. Any attempt to politicize funding and change these priorities is considered a violation of the very essence of developmental work and a threat to the independence of these organizations.
- **E. The concept of assessment and evaluation:** The major principle governing the work of civil society organizations and NGOs (especially in networking) is their critical revision of the objectives, strategies, programs, and performances to improve their developmental content. This in addition to promoting institutional and volunteer work, democracy, transparency, disclosure, and accountability.
- **F. The concept of gender respect:** Networks must work on promoting the role of women in society; changing stereotypes; defending all their economic, political, and social rights; eliminating all forms of discrimination; and ensuring that these rights are indivisible and integral to human rights. This must be reflected in the programs, objectives, and mechanisms of NGOs and networks.

### 3 Goals and Objectives

Networking experiences differ in objectives. They can aim to coordinating services or conducting relief work. The objective can be field based and quantitative, such as training, education (popular education or literacy), health care (vaccination), or school health. It could also be qualitative and seek to change society by organizing or mobilizing through empowerment and capacity building, developing awareness, organizing pressure campaigns, or changing public policies. Local and national networking is usually quantitative while regional and international networking tends to be more qualitative.

The goals of networking are defined as follow:

- **A. Empowering civil society:** The main goal of networking lies in building a strong civil society that is capable and effective, through capacity building and empowerment. Networks also aim to promote, develop, and institute the role of NGOs in society, allowing them to contribute to setting the rules of a developed and democratic civil society.
- **B. Promoting coordination:** Networks plan to develop, promote, and coordinate NGOs across many fields, inside or outside the network. They also seek to coordinate the relationship with other networks, UN organizations, and international governmental and non-governmental agencies.
- **C. Sharing information and experiences:** Networks aim at sharing information, data, and experiences to develop member capacities, skills, capabilities, and resources on all professional levels: programmatic, administrative, and institutional.
- **D. Solidarity and cooperation:** One of the aims of networks is to promote solidarity and cooperation with member or non-member NGOs facing crises or difficulties. Solidarity and cooperation are integral components of networking.

The objectives of networks are closely related to the nature and objectives of member NGOs.



## 4 The Strategy

A strategy is 'the science and art of leading'. To NGO networks, strategy is 'defining and assessing tasks to achieve a mission or objective, and then choosing the suitable alternative'. Strategic planning is considered the means to empower networks and enable them to progress in parallel with development and change.

Each and every network must set a strategy in order to reach its goals. This strategy must include a clear vision and reflect its mission and objectives.

Strategic planning includes all the elements of planning and organization that are based on analyzing the status quo and observing the way things should be, in order to define how it could be.

Strategic planning is an advantage for NGOs and networks, because it is the best method for defining objectives, maximizing the benefit from available human and financial resources, and working effectively by defining timelines and setting priorities. It also contributes to assessing and reviewing the different programs and projects. It helps the network gain legitimacy and credibility. (*See Chapter III*)

## 5 Work Mechanisms

Networking is executable in nature when it provides care and services directly to beneficiaries. This requires working mechanisms that allow their delivery to those who need them the most and in the most cost-effective manner.

Additionally, networking can seek to develop human and financial resources, build the capacities of members and allies alike, and enable them to deliver their programs. Members can work indirectly, that is through the network, in order to bring about social change. The role of the network would then be defined according to their ability to perform the task.

A network prepares studies on different issues, especially on development, civil society, democratic society, and the laws governing the work of NGOs, in order to empower its members and contribute to awareness and mobilization.

Seminars, conferences, workshops, and regular meetings can be held by networks. In addition, training sessions can be organized in order to initiate dialogue and discussion on issues such as democracy and civil society, or with the aim of adopting suitable measures for promoting advocacy and forming pressure groups and lobbies.

Networks aim to develop tools for suitable service provision. These can include the establishment of an information system containing the objectives, activities, and work methods of different non-governmental organizations. They also strive to develop local and regional tools for following-up and monitoring the implementation of community and national programs and policies; as well as providing information on this work to members.

Issuing periodicals, circulars, and other publications strengthens networking and dialogue between NGOs and helps to disseminate their news and activities, while promoting communication, coordination, and good relations.

## 6 The Administrative and Regulatory Structure

Networking guarantees a high level of flexibility in the regulatory structure because it:

- > Safeguards the independence and diversity of member NGOs.
- > Protects the principles of common work, cooperation, and coordination.
- > And promotes effectiveness in executing and influencing public policies.

The structure of networks follows two models: centralized networking or horizontal networking:

- **A. Centralized Networking:** It can be a hierarchy or a pivotal system revolving around a center that leads the network and forms its reference point. Centralized networking is an efficient and fast tool due to the speed of decision-making and the ability to take initiatives without the need to referring to members every time. Yet, this model limits participation and might result in limiting the base of the network to one body, usually the chairperson, if any, or the Executive Board.
- **B. Horizontal Networking:** This is where members are equal in decision-making and assessment. The role of the secretariat or the executive management in this case is in facilitating continuous consultation between members, in order to make group decisions and coordinate for better task performance. Despite the slowness of its mechanisms, it guarantees participation and communication, and encourages the sharing of experiences and information. Horizontal networking depends on the most effective communication tools, particularly telecommunications, and is similar to the structure of electronic networks.

Administrative work required in the coordination process is the main challenge to leaders wishing to enforce the regulatory structure. Developing the administrative structure is often at the expense of strengthening and supporting members in implementing their programs. On the other hand, reinforcing networking and sharing mechanisms requires high flexibility and high governance ability. Therefore, it is preferable that the administrative structure is simple and that the administrative body does not replace the member associations' decision-making processes.

Networking develops in stages and is promoted through mutual work and sharing information and knowledge. While the vision and mission remain general and constant, the objectives need continuous review. They need to respond to current situations and develop in line with the vision and mission. Policies and work mechanisms need to be developed in the light of the program and its aims. Establishing networks could begin with providing a means to meet, follow-up, and achieve specific objectives that have unclear or undefined visions and missions. Networking can then evolve into a representative body of members with a common vision, a clear mission, defined objectives and work mechanisms. This will allow the network to conduct a variety of tasks on behalf of its members.

Moving from the first stage to the next can only be done by developing the vision and mission. In other words, the objectives and programs must reach a higher level of maturity and progress. Time and flexibility are needed for networking to move to more developed stages, especially during the process of formulating the values and general principles. This requires widespread recognition of the importance of public interest over private interests, or the interest of any single NGO. Moving from one stage to the next also needs an effective and transparent mechanism of sharing information and experiences between all stakeholders. In some cases, networking can be institutionalized (resulting from a private or individual initiative) making its progress to more advanced stages subject to the objectives of founders or trustees.

Finally, it is not necessary for networks to find the legal legitimacy for its work since legitimacy is drawn from its relation with members, citizens, the government, and the donors (in order of priority).

## Third: Challenges

Networking is a framework for defending the mutual interests of members and the general public<sup>2</sup>. In this context, networks must consider the characteristics of each member. Collective interest helps to strengthen alliances and negotiating position and uphold the minimum required unity of civil work. Respecting common interest also helps in the allocation of tasks and therefore leads to greater experiences and guarantees the continuity of collective work.

Civil society organizations and NGOs are facing many kinds of challenges. They range from the common and objective challenges of society (political, social, economic, and cultural), to the private or subjective challenges related to their ability to maintain independence and express, clearly and objectively, the feelings of society.

The general challenges result from the processes of development, implementing social justice, and democracy. The current world order, its laws, institutions, and mechanisms, is actually weakening the role of national governments. Their role has decreased to the extent that they cannot face these challenges. This now requires the genuine participation of different civil society organizations. Moreover, governments are no longer capable of fully assuming their duties in providing citizens with social and public services. All this has led to an increasing demand on the social role of NGOs in alleviating poverty, unemployment, and need.

As for individual challenges, NGOs are obligated to set plans and programs that respond to the dire needs of society (its public) in accordance with a balanced relationship with the government and local and foreign donors. In addition, NGOs have to safeguard their independence and promote cooperation hand in hand. They must face the challenges of structural and administrative development and continuously train and empower their staff and volunteers. After all, true partnership is built on the basis of a vision and comprehensive objectives that are understood clearly by every stakeholder, through a clear role and position.

In light of the above, NGOs assume responsibilities that are imposed by the need to face challenges on numerous levels and by the nature of the partnership with the donors and the public sector. Hence, networking becomes a tool to overcome these challenges.

## Fourth: Levels

There are many forms of NGO networks: geographic or thematic, permanent or temporary.

### 1 Geographic networking:

This is on three levels:

- **A. National:** It usually takes the form of solutions to the pressing challenges. Member NGOs collaborate and position themselves vis-à-vis other civil society organizations, the state, and public and social policies.
- **B. Regional:** It is selectively and willingly formed to express a common vision, clear tasks, and mutual regional objectives in order to face challenges deriving from the creation of new regional blocks.
- **C. International:** This form flourished in the 90s to meet the challenges imposed by globalization. The first international NGO networks developed with the emergence of the idea to incorporate civil

*2. The terms 'target groups' and 'beneficiaries' are used in NGOs offering social services, while the term 'public' expresses the more comprehensive role of NGOs.*

society organizations in the international UN summits<sup>3</sup>. In addition, the need for international networks grew with the escalation of the global circumstances and the rise of international institutions such as the World Bank, the IMF, and the WTO.

## 2 Thematic networking:

This is on two levels:

- **A. Public:** It includes organizations of multi-disciplinary experiences and conducts direct field work (the Arab NGO Network – based in Cairo, the Arab NGO Network for Development – based in Lebanon, etc.).
- **B. Sectoral:** It focuses on one sector or field such as health, education, the economy, protecting the environment, gender, youth, disability, or defending human rights. NGOs opt for this kind of networking either because they undertake the same kind of work or in response to a challenge in a specific field (the Arab Organization for Human Rights, the Arab Network for Environment and Development, the AISHA Network, etc.).

## 3 Period of networking:

- **A. Permanent Networking:** This type of networking is used to achieve long term goals requiring lengthy periods. In this case, networking evolves with the accumulation of experiences, expertise, and the development of a common awareness. It progresses from a basic framework for coordination and sharing experiences, to a constant alliance possessing vast common interests (the Collective of Volunteer Associations in Lebanon, the Lebanese forum for NGOs, the Palestinian NGOs Network, etc).
- **B. Temporary networking:** Temporary networking emerges from the aim to achieve definite and immediate objectives. Upon reaching these objectives, the network is disbanded. It may adopt other objectives at a more advanced level (i.e. The National Gathering for Municipal Elections - Baladi Baldati Baladiyyati, the National Gathering for an Elective Civil Personal Status Law).

## Fifth: Frameworks

### 1 Unions:

Unions are formed of all NGOs. Some countries require membership in general unions as a condition for acquiring a license. Unions can be formed on different geographic bases: local (such as student unions), regional (such as the Union of Arab Lawyers), or international (such as the International Federation of Associations of the Disabled).

Unions can also be sector-based, bringing together associations with the same specialization, such as women associations within the Lebanese Women Council or youth associations within the National Union of Lebanese Youth. Some countries even have unions for charity organizations, such as in Jordan.

Furthermore, unions can be formed out of the basic need to confront a specific challenge that threatens the interests of a certain type of NGO. They unite in order to achieve their common objectives. An example is the Unions of Associations in Collaboration with the Lebanese Ministry of Social Affairs. When the Ministry's

3. The Earth Summit (Rio de Janeiro, 1992); the Human Rights Summit (Vienna, 1992); the Population and Development Summit (Cairo, 1994); the Social Development Summit (Copenhagen, 1995); The 4th World Conference on Women; and the Summit on Human Settlements (Istanbul, 1996).

budget was reduced, the grants allocated to NGOs decreased. The NGOs decided to form a union to strengthen their position, negotiate with the ministry, and ensure good relations between the two.

Many unions attempt to control representation and limit their membership to those with the ability to exert organizational and administrative control. In other cases, unions are controlled by powerful external actors.

## 2 Umbrellas:

This is a framework of coordination that does not take the form of a union: a comprehensive membership and an institutionalized structure. The umbrella is broader and larger in terms of the range of visions and the diversity of objectives. It cannot constitute an effective framework but it provides a platform for sharing experiences and information. Consequently, it is a transitional framework followed during the process of transformation into a union or a network.

An umbrella is formed within the framework of objective-oriented campaigns. Umbrellas are not always effective, because they have no executive power, but they work through their members. They provide financial, technical, and moral support.

## 3 Networks:

Networks are formed within flexible frameworks, yet they have limited and conditional memberships. They are characterized by the common general vision, principles, objectives, and working methods of their members. Networks can be local, national, sub-regional, regional, or international and their objectives can be comprehensive or thematic.

To guarantee networking success and its continuity, a network must have a clear vision and a specific mission (task). It must also have common principles, targeted objectives, and working methods in which all members can participate. The flexible mechanism of organization, which is agreed upon by all the members, reflects their equality and safeguards their interests.

Networks strive to develop pressure campaigns that influence public policy, either in general or in a particular field, and to develop the capabilities of members by raising their awareness in this field.

Many types of networks have emerged in the Arab region:

### A. Networks with broad objectives:

- \* Such as the Network for Arab NGOs which includes more than 500 NGOs and networks from all the Arab countries. This network works on capacity building by training personnel and aims to provide resources and information sharing. The network issues a quasi-periodic publication on Arab NGO work.
- \* The Arab NGO Network for Development includes 35 national networks and NGOs from 12 Arab countries. It works in the field of social development, the environment, gender, and human rights. It focuses its work on monitoring sustainable development policies, trade agreements, reforms and democracy related issues, and human rights. ANND's objectives are focused on building and empowering the capacities of Arab NGOs and organizing advocacy campaigns at national and regional levels.

## **B. Sectoral networks:**

- \* An example of this is the AISHA Network, an Arab network for women's associations working in seven Arab countries.
- \* Another example is the Arab Network for Environment and Development that deals with environmental issues and sustainable development.
- \* There are many other networks working on human rights, children's rights, the rights of the disabled, and other issues.

## **C. National networks:**

- \* One example is Espace Associatif (Space for Associations) in Morocco that includes 54 Moroccan NGOs.
- \* The Palestinian NGO Network is made up of more than 90 NGOs and has branches in the West Bank, Gaza Strip, and Jerusalem.
- \* The Collective of Volunteer NGOs in Lebanon represents 14 Lebanese NGOs.
- \* The Lebanese NGO forum represents 13 Lebanese NGOs
- \* The Association of Humanitarian Associations in Lebanon includes 12 NGOs.

## **D. National sectoral networks:**

- \* The Coordinating Committee for Yemeni NGOs for the Defense of the Rights of the Child.
- \* The Lebanese Union for Child Welfare.
- \* The Network of Women NGOs in Lebanon.

## **E. Local networks having broad missions:**

- \* Coordinating Committee of NGOs in Saida.
- \* Coordinating Committee of NGOs in Tripoli.

## **4 Forums:**

The forum is a meeting place for stakeholders of different theoretical and organizational backgrounds and different sectors. The forum provides a stage for exchange and cooperation to reach long-term and mid-term goals.

The idea behind the forum in its current form was launched in the first International Forum, later known as the 'World Economic Forum' held annually in Davos Switzerland since 1973, through an initiative of Klaus Schwab one of the largest international donors. Participants in this forum include multinational corporations, international economic and financial decision-makers, and representatives of international trade and financial institutions. It aims at "managing world economy", setting economic priorities, legislative proposals, and adopting the mechanisms capable of increasing profits and facilitating free trade.

UN agencies have organized civil society forums in parallel with their summits. The first of these was the forum held alongside the 1975 World Conference on Women in Nairobi and followed by the International NGO Forum in Rio the Janeiro that was held during the 1992 Earth Summit. Others were held during the 1992 World Conference on Human Rights in Vienna, the 1994 World Summit for Population and Development in Egypt, and the 1995 World Summit for Social Development in Copenhagen. Following this, many NGOs and civil society organizations started holding their own forums in parallel with UN summit: Habitat II in Istanbul, Financing for

Development (Monterrey, 2002), and the World Summit on Sustainable Development (Johannesburg, 2002).

The European Union sponsored and organized the first Euro-Mediterranean Civil Forum, parallel to the first ministerial summit on the EUROMED partnership, held in Barcelona late 1995. Subsequent editions of the EUROMED Civil Forum were held in Malta (1997), Stuttgart (1999), Marseille (2001), Valencia (2002), and Naples (2003).

The early 21st century witnessed the emergence of the World Social Forum (WSF). It was held for three consecutive years, since 2001, in Porto Alegre, Brazil. The 2004 round was held in Mumbai. The WSF joins together civil society representatives, NGOs, and social movements from around the world, in response to the World Economic Forum and addresses the global increase in poverty and the marginalization of international UN tools. The number of participants in the 2003 WSF exceeded 120,000 individuals from around the globe, united under the slogan: "Another World Is Possible".

## 5 Platforms:

Another popular kind of coordination frameworks is the platform. Platforms have become particularly popular in Europe and include most national NGOs. A platform is a highly flexible tool. Today, platforms in each European country are a branch of a larger European NGO umbrella called "**CONCORD**" established to organize relations with the European Union.

Some NGOs and social movements around the Mediterranean have started to establish the Euro-Mediterranean Platform which will have national platforms in each of the represented countries.

The **EUROMED** Platform has the following objectives:

- **A.** To monitor processes of negotiation and bilateral and multilateral partnership agreements, and to ensure their fair implementation by all stakeholders.
- **B.** To spread awareness across the platform and empower civil societies in the countries represented.
- **C.** To organize a civil forum held in parallel with the EUROMED ministerial meetings and help civil society to express its opinions and positions on the priorities of platform's framework.

A consultative meeting of civil society organizations was held in Lebanon to study the establishment of the EUROMED Platform, attended by representatives of NGOs. It adopted a position paper on the vision, principles, objectives, and mechanisms. A follow-up committee was also established, comprising of four national networks and five NGOs to continue the discussions on this issue and to prepare sector-based working papers on the Partnership. They were presented at the Civil Forum in Naples<sup>4</sup> in late 2003.

## 6 Assemblies (Gatherings):

Gatherings or assemblies are formed of unions and NGO frameworks and groups to achieve an immediate and specific objective. Members of an assembly do not necessarily have a united vision or task. They meet on a mutual interest to achieve one or more defined targets. They therefore have a united strategy and mechanism to achieve the goal(s).

The lifespan of an assembly varies according to the ability to achieve the common goals.

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*4. The consultative meeting was held at the Meridien Commodore Hotel in Beirut on 9th October. Thirty one national and regional networks and NGOs participated in the meeting. The conveners decided to appoint a follow-up committee of: ANND (coordination), The Collective of Volunteer NGOs in Lebanon (development), the Network of Women Associations in Lebanon (gender), the Coordinating Committee of NGOs working in the Palestinian Communities in Lebanon (Palestinian refugees), the Lebanese Transparency Association – LAFASAD (governance), Green Line (environment), The Lebanese Association for Democratic Elections (human rights), The Lebanese Development Forum (youth), and Frontiers Center (emigration).*



The following are just two examples of assemblies in Lebanese civil society over the last decade:

- \* The National Gathering for Municipal Elections in Lebanon: Its slogan was 'Baladi, Baldati, Baladiyyati' (My country, my town, my municipality). It assembled hundreds of Lebanese NGOs, associations, unions, networks, and individuals. Their goal was to hold municipal elections in Lebanon after a break of 35 years. The national campaign led to the adoption of an electoral law for the municipalities and mayors. The elections were conducted according to the law and the assembly disbanded at the end of the elections.
- \* The National Gathering for an Elective Civil Law (on personal status): It includes NGOs, labor unions, women's associations, youth associations, and individuals. It aims to pass a non-compulsory personal status law. The assembly is still functioning because the law has not yet been passed.

## Sixth: NGO Relations with Government Agencies

The new concept of development is based on the principle of a tripartite partnership between the public sector, the private sector, and the civil society sector. Development is no longer exclusively a government function, but the responsibility of the whole society. In order to achieve a comprehensive partnership in decision-making and the delivery of programs and policies, civil society today must be fully mobilized<sup>5</sup>.

Lebanese society is characterized by the presence of active associations. During the Lebanese civil war, they were able to attract a large number of volunteers and had a vital role in providing social services. The clearest examples are in the fields of emergency and relief, first aid, education and illiteracy, rural development, and social awareness. The civil sector implemented all these services in cooperation with the relevant government institutions and in collaboration with related United Nations organizations (UNDP, UNICEF, WHO, etc.). This experience is a shining example of cooperation between the public and civil sectors. During the times of war in Lebanon, NGOs were instrumental in relieving the burden of destitute civilians who suffered over a period of fifteen years.

Previous experiences have proven the importance of the relationship between NGOs and government institutions. They have shown how it can be transformed into a true partnership of planning, delivery, and assessment.

By the end of the Lebanese war, new frameworks, institutions, and mutual committees emerged to coordinate between the public and civil sector, such as:

- 1. The Economic Social Council (ECOSOC):** Five positions are held by civil sector representatives, in addition to trade unions (industrialists and merchants), labor unions, agricultural syndicates, university professors' and teachers' unions, and intellectuals.
- 2. The Higher Council for Child Welfare:** It includes the public and civil sectors, plus interested international organizations.
- 3. The National Committee of the Disabled:** It includes institutions that work on issues related to people with disabilities: NGOs, care centers, representatives of the disabled, and public sector institutions.

This relationship must be clear and defined, "NGOs should not be structurally linked to the government and should be internally and self run"<sup>6</sup>. The choice of the representatives and the mandate of these organizations should be assessed and developed to suit their objectives.

5. UNDP, *Features of Human Development in Lebanon (Beirut: UNDP, 1997)*.

6. Shahida el-Baz, *Arab NGOs on the Threshold of the 21st Century: Reality and Future Perspectives, 1997*.



On the other hand, the relationship between NGOs and the government must surpass the old concept of basic technical and administrative ties, limited to implementing random programs, naming representatives, and implementing the associations' laws. This relationship must be in harmony with the new concept of development and should accompany its progress. The new concept defines the role of NGOs as the institutional factor reinforcing civil society on the grounds of social justice and democracy. It is no longer limited to providing services.

The government must consider NGOs a full partner in development. These NGOs retain the right to set priorities, determine needs, formulate visions, and set objectives, policies, and delivery mechanisms. This requires:

- **A.** Creating a legal framework to organize the work of NGOs, grant them the freedom to be formed and incorporated, provide them with independence and freedom to choose the appropriate organizational structure, and give them freedom to set objectives and agendas.
- **B.** Creating a regular and structured mechanism for consultation between the public and civil sectors. This would promote the principle of partnership and decrease duplication and competition. (Many joint consultation commissions were established in Lebanon for the purpose of looking into certain issues and sectors. They need to reinforce their roles, independence, and standards of competence upon establishment).
- **C.** Acknowledging the right of NGOs to defend economic, social, and cultural rights, human rights, and democracy.
- **D.** Linking between the direct roles of these NGOs in service provision and defending the civil rights of citizens.

The work of NGOs should be governed by a suitable legal framework enabling them to progress and develop their activities. The legitimacy of NGO work and the freedom to establish associations is part of the Universal Declaration of Human Rights and the International Covenant for Economic, Social, and Cultural Rights which were signed by most Arab countries, including Lebanon. The independence of NGOs is the foundation of the legal framework. It defines vision, objectives, programs, and activities, as well as administrative, organizational, and financial independence.

On one hand, the government must adopt and respect the implementation of a suitable legal framework, monitor its implementation, and ensure the freedom to form associations and their independence. In addition, by-laws defining the nature of the relationship between the state and the civil society must be set, with particular reference to the delivery of common programs and service provision. The state must contribute to funding the NGOs by alleviating burdens, taxes, and fees, and granting direct financial contribution when needed.

On the other hand, the civil sector must set a clear vision and define tasks and objectives that express society's needs. It must facilitate negotiation and dialogue through networking and coordination frameworks. Transparency, accountability, respecting internal laws and financial systems, and the sound rotation of power, must be respected and followed properly to attain good governance and legitimate representation, and to encourage participation.

Promoting solidarity between society and the state, through mutual recognition of reciprocal roles, requires a reform of local and national mechanisms, plus the promotion of the mechanisms of dialogue. The proposal for establishing the ECOSOC fell within this objective. It proposed a framework of communication and dialogue across all sectors. ECOSOC is the national framework of representatives from different sectors. Its members represent the production sector (traders, industrialists, and agriculturalists), the labor sector (trade unions,

teachers' and professors' unions, farmers, etc), professions (lawyers, physicians, architects, engineers, etc), intellectuals, the media, and representatives of civil society. This experience needs an objective assessment and its role must be defined. Its relation to civil society and the government must also be organized in order to enable it to stand up to national challenges.

## Seventh: Coordinating with Donors

Funding is the most important issue influencing the work of NGOs. The ability to sustain and develop NGO work and services depends on it. It is influenced by conditions related to governmental and non-governmental donors, local or foreign; in addition to the target groups considered the ultimate objective of funding.

The concept of funding developed with the development of the concept of civil work. In the past, this concept depended on charitable donations given by the wealthy to help the poor. With the change in the concept of development and its relation to the principles of human rights (notably the right to development), funding was transformed. It took institutionalized patterns that now follow modern models of organization and governance.

Sources of funding are in three categories:

### 1 Self-Funding

- \* **Donation Campaigns:** They directly depend on local donors and members of the local community. These campaigns are usually seasonal, during Lent or Ramadan, for example, when charitable organizations can particularly benefit. One charitable organization working in Lebanon raises 85% of its budget through local donations. The Lebanese Red Cross holds annual donation campaigns through collection points in the streets and roads and by visiting public and private institutions to collect donations.
- \* **Activities:** Some NGOs depend on the returns of activities and services they provide to the needy in the local community. They collect fees from the beneficiaries in return for services. This is based on the concept of the participation of the local community and the target groups in fundraising to guarantee the continuity of the services. A major NGO working in the health field in Lebanon was able to provide more than 65% of its budget from the financial returns of its services. In order to do this, it set the real cost price of each of its services, taking into account the voluntary effort. This kind of self or auto financing ensures the sustainability of funding and guarantees an acceptable quality of services if compared to that of the private sector.
- \* **Membership Fees:** NGO members can be a source of income through subscription fees, membership fees, and in-kind donations; yet, this source is usually limited and secondary.

### 2 Government Funding

- \* **Contracts:** Some governments fund NGOs that provide certain services that they do not provide themselves. This is done through contracts that define the kind and quality of services provided by the NGO. An example of this is the contracts of the Lebanese Ministry of Social Affairs which contribute to the care expenses of NGOs and covers part of the health and social services provided by them. The Ministry of Health also funds hospitalization services in NGO hospitals (and the private sector).

- \* **Support Funds:** Some government institutions (notably development funds), such as the National Fund for the Displaced and the Council of the South, fund some projects delivered by NGOs which they are unable to undertake themselves.
- \* **Exemption from Taxes and Fees:** The government can participate in funding the civil sector indirectly by setting laws that exclude NGOs from paying certain taxes, custom fees, Social Security, and insurance fees. Consequently, the money saved can be implemented in developing programs and services.

### 3 Foreign Funding:

This is the most common way of funding. It is direct and comes from several sources, which can include:

- \* **Government Sources:** Some governments have funding programs for certain projects in countries of their choice; they can go through agencies or NGOs (according to political priorities).
- \* **Funds:** They are formed to fund certain projects, or are established by major companies for the purpose of alleviating poverty and unemployment.
- \* **NGOs:** They are usually intermediaries between the basic donors and the beneficiaries.
- \* **International Programs and Funds:** They are affiliated to international organizations (such as the United Nations or the World Bank) or regional groupings (such as the European Union).

It is important to note here that during the Earth Summit in Rio (1992), donor countries pledged to allocate 0.7% of their GDP to for development aid. This was confirmed by the Monterrey Consensus in the 2002 Summit on Financing for Development. Despite the fact that in 1998 the rate was more than 0.23%<sup>7</sup>, the sums spent yearly in the form of grants are estimated at 52 billion dollars<sup>8</sup>, 13% goes to NGOs to fund development programs and projects in developing countries<sup>9</sup>.

In the Millennium Declaration of the UN General Assembly, 189 countries pledged to achieve the Millennium Development Goals by 2015<sup>10</sup>. The 8<sup>th</sup> goal commits developed and wealthy countries to work with developing countries in achieving these objectives by creating an environment suitable for achieving fast and sustainable development. The Summit on Financing for Development confirmed the engagement of rich countries to allocate 0.7% of their GDP to fund development programs in developing countries.

The World Bank estimates that the annual budget for poverty eradication policies is 100 billion US dollars; the needed amount is twice the above mentioned figure. The World Bank aims to spend this amount on development programs through social funds and in coordination with NGOs in developing countries.

However, this reality imposes a new challenge for NGOs: their ability to reach foreign funding without their priorities and national strategies being influenced. Donors often impose new working methods that may not be compatible with local needs, or that may have objectives and priorities different from those of beneficiaries.

A further challenge set by foreign funding is the requirements and regulatory and administrative standards imposed by donors on NGOs. This can increase the percentage of funds spent on administrative expenses rather than on the delivery of programs, activities, and services.

7. United Nations Center for Social Development Research, ESCWA, 'Visible Hands', July 2001.

8. World Bank, Annual Report, 2003.

9. OECD 1992 estimates - United Nations preparatory report of the World Summit on Social Development, Copenhagen 1995.

10. Issued at the UN Millennium Summit in New York in 2002. The summit was attended by 189 delegations including 143 heads of states.

The essence of a true partnership is based on mutuality, the fair distribution of benefits, and balanced relations. True partnership also depends on the principle of independence of NGOs in setting their priorities, objectives, and intervention mechanisms. It is also based on dialogue and sharing experiences and information. To this effect, donors should embark on discussions with local organizations before adopting any programs and strategies. Finally, true partnership requires disclosure, transparency, and accountability.

Here lies the importance of networks: they provide the framework that helps NGOs to deal with donors, as well as shape their priorities, objectives, and mechanisms. Networks can safeguard the independence of their members without intervening in work priorities. They can help them strengthen their capabilities and negotiate positions with donors. Developed flexibility in governance helps networks limit administrative and organizational spending; thus, it increases direct spending in programs and projects, encouraging donors to cooperate.

## **Eighth: Challenges Facing NGOs in Lebanon and the Role of Networking**

Non-governmental organizations face many challenges that are imposed by the process of transforming conventional work patterns into development programs and policies to eradicate poverty, unemployment, and diseases. These challenges are summarized in the following:

### **1 Safeguarding National NGOs and Promoting the Concept of Citizenship**

Confessionalism is a major problem in the public and private lives of the Lebanese. Confessional diversity can be enriching and beneficial if it is governed in a just system based on sound political grounds and not on the basis of confessional quotas<sup>11</sup>.

The idea of good citizenship arises from the feeling of belonging to a nation where all citizens are equal in rights and obligations before the law. Consequently, NGOs must assume a basic role in promoting the feeling of citizenship and reinforcing the grounds of national unity.

Networks support the independence of NGO work and their ability to face the challenge of social disintegration and divisions by providing the minimum requirements for exchange, dialogue, safeguarding diversity, and difference. Therefore, they allow NGOs to assume their role in defending the interests of the whole of civil society.

### **2 Shaping a Long-term Human Development Vision: Lobbying Public Policies**

Lebanon needs to have a comprehensive development vision and a clear national strategy that defines priorities and social policies, and with clear objectives and programs.

The civil sector has an important role to play in achieving this by forming a common national vision and a strategy defining the programs and tasks.

To succeed, this requires high levels of exchange and coordination between NGOs in all sectors, especially regarding common work principles and frameworks.

### **3 Commitment to Public Causes**

The civil sector is characterized by its ability to sense and express the true feelings of society. Civil work gains its legitimacy from its ability to express the issues of society objectively, responsibly, and seriously.

*11. Extracted from a lecture presented by the author at a workshop on citizenship and the participation of youth, Beirut, February 2003.*

National policies of direct economic, social, and cultural influence on citizens are the core interest of the civil sector. Providing services is just a priority in national choices and requires a partnership between the government and the civil sector that starts from decision-making and extends to delivery and assessment.

In light of the challenges of integration in the world economy and implementing regional and international trade agreements, developing countries have started to adopt privatization in order to lower public spending, improve the quality of services, and decrease the burden of public debt. These countries are also adopting financial and fiscal policies to solve the macroeconomic crises they face and to ensure the settling of external debt.

Perhaps the most influential sector on economic, social, environmental, and cultural situations is that of services; notably vital public utilities such as water, electricity, education, and health.

All the above require a clear political position from the civil sector and NGOs, in defense of the interests of their target groups. These positions must be based on research and socioeconomic analyses that define the risks, weaknesses, and alternatives. Therefore, NGOs are expected to launch lobbying campaigns on public policies and national choices. Networking is a tool to assist in reinforcing national dialogue and bring together different opinions in the aim of organizing lobbying campaigns.

#### **4 Coordinating Civil Society's Allies: Forming Lobbies**

Civil society is formed from different kinds of organizations, such as labor and agricultural unions, student movements, cooperatives, clubs, and cultural councils; different sectoral organizations such as the environmental and the women's movements; organizations working in the field of human rights, development, and care for the needy. Coordination between these different civil society organizations and institutions thus becomes necessary.

Some of those mentioned above have already set their frameworks: the General Worker's Union, the Union of Independent Professionals, and The Lebanese Women's Council. There also several types of coordination between NGOs: the Collective of Volunteer Organizations in Lebanon, the Forum of Humanitarian NGOs, the National Union for Associations in Contract with the Ministry of Social Affairs, the National Council for Social Service, and the Lebanese Environment Assembly. Cooperation and coordination, within a sector or between one sector and another, are necessary to define common interests, unify efforts, defend them, and complement their roles. It also leads to a wider popular participation in decision-making.

#### **5 Overcoming Challenges: International Conferences (follow-up), the Private Sector (results), the Internal Structure of Associations**

Currently, there are many international trends in civil society, and numerous objectives. Yet, the common factor is a conviction that building another world of human values, social justice, and human rights is necessary. This requires:

- **A.** A world order built on participation, democracy, and transparency.
- **B.** Effective mechanisms for holding establishments accountable.
- **C.** National governments assuming effective roles in spreading sovereignty, expressing the interests of their citizens through democratic mechanisms that follow the principles of right, citizenship, and the respect of human rights.

Today, globalization has weakened the role of national governments and local decision-makers to the extent

that they lose their ability to lead. This reality increases the need to link the national dimension of NGO activity with the regional and international movements. Therefore, alliances of regional and international networks are important to influence international, regional, and local decision-making.

In order to do this, the civil sector must formulate its vision that defines the nature of these alliances and priorities. Participating in international conferences and forums requires clear and defined positions that contribute to effective lobbying and exchange. These frameworks have a great capacity to efficiently organize, coordinate, exchange information and experiences, and contribute to reinforcing participation.

The civil sector is required to observe the conformity of government policies and programs with the decisions of international conferences. This is done through forming social and environmental watches and human rights watches.

## **6** Avoiding the Transformation of Networks into an Administrative Burden

The most important challenge facing the civil sector is its own administrative structure. This can be transformed into an objective but requires additional effort to safeguard it and ensure its continuity.

Coordination must not change into a tool that replaces members, since the prominent objective of coordination is reinforcing and empowering members to deliver programs and achieve goals. Consequently, reducing spending on administrative work is a challenge facing most networks in reaching their objectives.

### **Ninth: Civil Work: Practices and Implementation**

NGOs in Lebanon have undertaken prominent roles in strengthening and empowering civil society. Coordination frameworks were influential in this success, by helping to set the principle of collective work and gathering together a range of segments in one framework and around common goals. They also helped some countries, including Lebanon, reform legislations and laws by organizing consultation and negotiation campaigns with the state, and by lobbying decision-makers.

The experiences of coordination in overcoming the challenges of the Lebanese civil war contributed to overcoming the challenges of occupation in Palestine. Both challenges had resulted in the absence of government institutions. NGOs played a leading role in providing services in the fields of emergency and relief, in addition to cooperating with public sector institutions and international organizations to coordinate development and social services.

On the other hand, Lebanese NGOs made a significant contribution despite the attempts of confessional division. They maintained a certain level of communication between areas and religious denominations, through networks and coordination frameworks.

However, the present situation requires a different approach. The current approach must contribute to establishing the pillars of peace on safe and solid grounds. This is why new structures, visions, objectives, and mechanisms are needed.

The urgent matter here is shaping a comprehensive developmental vision, influencing public policy, and setting national priorities development and reconstruction policies. It is no longer sufficient to merely provide services and fill gaps in government services.

The same can be said for the experiences of civil work in other Arab countries. The civil sector is working on developing concepts that correspond to the changes in the nature of civil work (from charity work to developmental work, par excellence).

Confronting challenges and modernizing public and private policies are not the exclusive responsibility of civil society. Governments also have a role to play, so does the business sector. They must demand the formulation of comprehensive developmental visions and set programs and work plans, as well as distribute roles among the different active stakeholders in society. In addition, challenges require new legal frameworks that give NGOs the freedom of establishment; set objectives, programs, and plans; and address target groups.

Governments must provide financial and moral support to these organizations. On one hand, they have to allocate budgets for development programs as well as social services that they do not provide. On the other hand, they have to relieve NGOs from fiscal burdens, custom fees, and other problems that weigh them down.

Strengthening, empowering, and promoting the democratic structure of the civil sector includes setting mechanisms for the circulation of leadership, decision-making, and good governance, and not just the concepts, principles, and public policies.

Accordingly, the current objectives of networking are institutional development, capacity building, safeguarding collective interest in defending the civil sector, and empowering it to have a balanced relation with both public and private sectors.

Two questions remain: To what extent have national networks and the current coordination frameworks been successful in becoming strong and efficient local partners of governments? To what extent have they contributed to managing the development process and reflecting the trends of local society?



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## Introduction

The concept of NGO governance in Lebanon has seen great developments during the country's post war era. Strategic planning has gained importance, as NGOs have moved from running relief programs to working on long-term development that requires funding and better governance. Within this framework, NGOs have been required to develop their human and financial resources. In order to achieve this, databases need to be built and more finance needs to be generated from a wider range of sources.

This chapter deals with the human and financial resources of NGOs and it begins with stakeholders.

### First: The Stakeholders

The role of stakeholders is a new concept in NGO work. The term 'stakeholders' can mean the persons, groups, NGOs, civil society institutions, universities, research centers, banks, donors, and financiers involved in the programs and projects of NGOs or influenced by their results. Stakeholders have the right of accountability to see how well the results match the set plans<sup>1</sup>. In other words, they are the 'public opinion' of every NGO. Stakeholders can be composed of similar groups across a number of NGOs, but they differ in the types of programs, projects, and issues they are involved in.

### 1 Defining Stakeholders

The stakeholders of an NGO include its members, staff, and volunteers, in addition to target groups (individuals, categories, or groups), donors (individuals and groups), other NGOs, the public sector, the private sector (factories and their managers), civil society associations (other NGOs, syndicates, cooperatives, labor and student unions, etc), universities, research centers, training centers, and the like. These are the basic stakeholders although the list may include others. (See Chapter III)

### 2 Human Resources

Researchers define human resources as those involved in:

- \* All the decisions, strategies, factors, principles, operations, practices, functions, activities, and methods related to human resource management in any kind of NGO.
- \* All the dimensions related to the work relations between employees and their motives (including employing capable individuals according to their ambitions).
- \* All that aims at adding value to the production of goods and services, and to the quality of work, which in turn provides continuous success for the NGO in a changing environment<sup>2</sup>.

However, the concept of human resources grew in the 1990's from being 'an administrative and professional task', where human resource employees only focused on payroll and performance, to having a far broader and comprehensive role dealing with the 'comprehensive strategy of the NGO'<sup>3</sup>. In fact, most international and local

1. Talih al-Masri, "Local Development", *Glossary of Development Terms*, Beirut: Imam Sadr Foundation, World Bank, ESCWA.

2. The definition and scope of human resource management

3. The HR Scorecard, *Linking People, Strategy, and Performance*, Brian E Becker, Marc E Huselid, Dave Ulrich, Harvard, Business School Press, Boston, Massachusetts, 2001.

companies, NGOs, and public sector institutions have established human resource departments whose duties include writing capacity building strategies for all who work in them and for them, whether paid or voluntary.

The human resources in an NGO include volunteers, members, and employees. Distinguishing between these three elements is important.

### **A. Members**

Member names are registered in the NGO's official list. In other words, they constitute the electoral body, pay monthly or annual fees, and are required to attend meetings according to the bylaws. All members are volunteers and they receive no payment for their commitment to the NGO.

The general assembly and administrative board are made up of members. They represent an important human resource that can benefit the NGO. The role of the general assembly as the electing body is to set the NGO's programs and projects, and hold the administrative board accountable. The role of members is not limited to attending and participating in elections. In fact, they are the engine behind the NGO; they watch all its movements, and oversee the administrative board's commitment to its programs. It is also important that they monitor any changes to the basic mission of the NGO, and highlight issues that do not comply. With their diverse cultural, scientific, and professional backgrounds, members are the most important human resource in an NGO. Their experiences, professions and expertise can be extremely beneficial. *(See Chapter II)*

#### **Attracting new members**

New members can be recruited through meetings that introduce the NGO, explain its objectives, and present its activities and achievements. They can also be reached through media and advertising campaigns (newspapers, magazines, radios, television, brochures, posters, etc.). Workshops and training sessions on the NGO and its future activity can also be held. Attracting new members is a key NGO objective. The most important factors for attracting new members are to communicate clearly and to perform effectively, projecting a positive image of the NGO and its programs, projects, and activities.

### **B. Employees**

Employees are paid for their services and are subject to the employment procedure of an NGO. However, employees are not necessarily members.

The amount of personnel varies from one NGO to another, depending on the size of the NGO and its range of programs and projects. However, it is important that the NGO's functions, tasks, and competences are defined and understood by all, especially in the case of large NGOs, which are usually represented by a chairperson directly supervising its work. In this case, it is advisable that an executive officer or coordinator is hired in addition to the chairperson to oversee the daily functions, allocate tasks to employees, and follow-up on all work details. It is preferable that the executive officer or coordinator be member of the administrative board.

Each employee must have a detailed job description. This should clarify the employee's rights, obligations, tasks, competences, and responsibilities. A job description also facilitates the process of human resource management and gives the NGO a clear picture of the exact number of employees and their jobs. In addition, it helps with accountability and continuity, and contributes to improved work performance and better results. A job description summarizes the aim of the job, lists the basic tasks of the employee, documents their duties and responsibilities, and defines the minimum qualifications and skills required for that position. *(See Annex N°. 13)*

## C. Volunteers

Volunteers participate in an NGO's activities and provide their services, either on a permanent or temporary basis. They do not undertake paid work for the NGO, but they may be employees and/or members of other NGOs.

The United Nations Volunteer Program (UNV) defines volunteer work as "a nonprofit and unpaid contribution that individuals grant for the good of their milieu, neighbors, and society"<sup>4</sup>.

Another definition states: "Volunteer work is every work performed by an individual, group, or association for free, aiming at serving humankind and humanity regardless of race, sex, or religion". Our definition sees volunteer work as the work performed by any individual in tune with his/her ambitions and principles, free of charge, and within a permanent or temporary timeframe.

### 1. Why Volunteer:

There are many motivating factors for becoming a volunteer: seeking a job, proving one's abilities, wishing to help others, interest in a human cause, gaining experience, a worthy pastime, etc. Regardless of such motives, all NGOs must attract volunteers because the nature of their work compels them to build alliances for the cause they represent. Any NGO wishing to attract volunteers should follow some basic principles:

- \* Present a cause that is important to the largest number of people possible. It should echo key human principles and be as global or as general as possible so that people can be sympathetic and relate to it.
- \* Support volunteers wholeheartedly, so that they can build their capacities and gain the experience they yearn.
- \* Consider each volunteer as a partner in the NGO activities, respecting his/her efforts and contributions.
- \* Benefit from the volunteers' abilities and place them in a suitable position and within an appropriate timeframe.

### 2. The Role of Volunteers as a Human Resource:

A volunteer performs his/her work because he/she wishes to do so. In other words, volunteers are not obliged to do the work, but they should be committed to it. Behind this type of work, lies a strong will to excel. This is why volunteers are the most important human resource for an NGO. They are dedicated and professional, especially if they are experts in their field. This is why NGOs should benefit as much as possible from their potential and ability.

### 3. Ways of Attracting and Keeping Volunteers:

An association must first define why it is recruiting more volunteers. It could be because it needs a large number of people to deliver a certain activity, or because it requires specific expertise in a certain field.

In the first case, attracting a large number of volunteers for a certain activity can be achieved by organizing meetings that introduce the NGO, explain its objectives, and present its activities and achievements. Volunteers can also be reached through media and advertising campaigns (newspapers, magazines, radios, television, brochures, posters, etc.). These campaigns introduce the association or suggested activity. Alternatively the NGO can organize workshops and training sessions for volunteers. In the second case, which aims at attracting specialists and placing them in suitable positions, an NGO needs to define the task and the required skill to implement it and then form a suitable strategy to recruit the necessary individuals. Volunteers should be addressed directly through an individual or collective communication (*see above*)

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4. Special Issue of the World Volunteer Year, 2001

based on the job description. Volunteers can also be recruited from connections and acquaintances through the NGO employees or from the local community, etc.

Once recruited, an NGO must retain their volunteers by offering incentives, such as training workshops tailored to their needs and interests. They can also receive the same facilities and guarantees as employees (transportation, social security, etc.). Western countries provide volunteers with many facilities and give great importance to voluntary work. For example, a student who has done volunteer work is far more likely to be accepted for a scholarship than a student who has not.

#### 4. Conditions of Volunteering:

There are different conditions for different types of voluntary work. For example, a volunteer driver must be able to drive and should not have received repetitive driving tickets. The NGO should ensure that the work benefits both the volunteer and the NGO and that the volunteer is capable of fulfilling the task he/she is entrusted with.

#### ➤ D. The Relation between the Administrative Board and Employees

The administrative board should monitor employees through the chairperson or executive officer (if available), who is also a member of the administrative board. Although the 1909 Law of Associations does not specify this, NGOs must set their own code of conduct in their bylaws so that it is professional, transparent, and accountable. (See Chapter IV)

It is important to have a clear and detailed job description for every employee and volunteer in an NGO in order to prevent any misunderstanding around tasks and competences.

## Second: The Target Group and/or Beneficiaries

Target groups are the individuals for whose sake, priorities, and needs the projects are being implemented. Beneficiaries are the individuals and/or groups whose conditions are expected to improve through the delivery of a certain program or project, whether directly or indirectly. Beneficiaries are a measurement tool of the direct impact of a specific program or task. The term 'target groups' can be used before implementing a program, and the term 'beneficiaries' can be used once a program has been delivered and when calculating the number of direct participants. It is important to distinguish between direct and indirect beneficiaries (those indirectly affected by the results of the projects in the long-term). For instance, with a project that trains 25 women in computer literacy in order to improve their job opportunities and increase their income, the 25 women are the direct beneficiaries while their families are the indirect beneficiaries.

### 1 The Difference between Target Groups and Beneficiaries

Target groups are those that projects aim to help by providing training services or in kind aid. They can be inhabitants of a certain area or workers in a certain sector, etc. Beneficiaries are those who apply to a certain program, receive training, and accept grants, etc. They can be counted and categorized (Males/Females, Literate/Illiterate, Young/Old...). Beneficiaries are not necessarily target groups. For example, in the case of building a dispensary in a village for the benefit of its inhabitants, the people of that village are the target group. However, upon studying the records of the dispensary, one could find that 1,000 village people have used its services while 5,000 from the surrounding villages also benefited. This means that the beneficiaries are not just the target group. The best scenario is when the number of target individuals is equal (or close) to the number of actual beneficiaries.

## **A. Defining the Target Groups**

The methods used to define target groups, timeframes, and the means of implementing programs vary in each NGO. It is unacceptable, fruitless, and a waste of resources not to work with target groups. This is also important in order to gather all available data and information and conduct the necessary studies, research, and surveys. Target groups can be identified with a basic knowledge of the area's demographics, and by conducting a comprehensive and detailed survey that could include questionnaires, interviews, etc. For example, in the case of building a dispensary in a certain village, an NGO must know the number of inhabitants in the village, their age groups, the diseases they suffer from, the kind of medication they take, their socioeconomic conditions, education level, etc. In some cases, NGOs might be obliged to change their projects in order to better address their target groups. They might even change their target group if studies show that priority should be given to another group. It is important to be flexible and adapt projects in order to meet the needs of those targeted.

## **B. How Can Targeted Groups all be Beneficiaries?**

As mentioned above, the best results are achieved when the number of targeted individuals is equal to the number of actual beneficiaries. Achieving this is by no means easy, but there are ways to reach it: ownership, participatory approach, awareness, and sensitization:

**1. Ownership:** This is when the beneficiaries believe that the project is theirs and that it targets them directly. Researchers and international development agencies define ownership as the need to acquire a certain project and work accordingly. In other words, the local community will engage in a certain program and help make it successful and sustainable as long as it truly contributes to their basic needs in its design, implementation, maintenance, and continuity. Promoting the feeling of ownership is likely to encourage target groups to support the program and respond to its requirements (i.e., filling-out questionnaires, participating in meetings, interacting with others, attending training sessions, visiting the dispensary, registering their children in schools, etc.). This can guarantee the success of a program and will partly ensure its continuity.

**2. Participatory Approach:** This refers to the involvement of the beneficiaries throughout all the phases of a project, from planning to delivery, management, monitoring, and assessment. It is important that every person participates in each phase according to his/her capacities. A project should reflect the stakeholders' expectations and vision. Its success should result from their contribution. A project would therefore achieve its aim to meet the needs of all the targeted groups.

A participatory approach can also help promote the aforementioned feeling of ownership. If the stakeholders have truly participated in defining the terms of a project, the data collected will be more accurate and credible. A participatory approach influences the process of designing, planning, and setting a project, and allows for its success and continuity.

**3. Awareness and Sensitization:** These are used to convince people to participate by promoting the feeling of ownership. This can be achieved by holding periodic meetings with all the stakeholders to discuss the results of the surveys. For example, an NGO meeting could explain the success of a similar project elsewhere. Another way to convince target individuals is to distribute leaflets. NGOs can launch awareness and sensitization campaigns on many different levels and fields (through meetings, publications, interviews, etc.) in order to be able to develop interest, curiosity, and acceptance of a project. Serious work (filling forms, question-

naires, surveying the needs through the participatory approach) may take place at the same time the NGO is providing simple assistance such as organizing volunteers and employees to clean out an area, organizing free training sessions, or any other similar services that encourage individuals to respond. These are not too costly and establish the NGO's commitment to its work.

What is even more important is that the NGO realizes the importance of these people as direct stakeholders. They hold a project accountable to their needs. No NGO can work independently from these people because they form an essential component in the success or failure of a project.

## 2 The Importance of Beneficiary Financial Contributions

This issue is still problematic for many NGOs in Lebanon. Some believe that financial contribution ensures a program's continuity and guarantees the feeling of ownership. Others believe that an NGO is nonprofit by definition and must provide its services free of charge. However, the continuity of a project, especially if it is successful, must remain the priority. The beneficiaries must be aware of this because their contribution is subsequently invested into the continuity of the project and the service. Consequently, financial contributions from beneficiaries must be dealt with in total transparency.

### Third: Financial Resources

Financial resources represent an important part of the work of NGOs. Some even believe that receiving external funding from a donor indirectly influences the delivery of a project. Some donors do this by setting conditions such as the need to import tools and devices used in a project from the donor country. This is known as 'tied aid'. An NGO must define its options of external funding, and retain multiple sources of funding in order to reduce the risk of conflict. It is also important that NGOs follow their general policies above all other considerations, otherwise they may lose their credibility.

## 1 Auto Funding

There are many sources of funding for NGOs. In addition to receiving aid from external donors in certain developmental projects, NGOs may use other means of generating funds. The most important of these are membership fees, organizing annual or semi-annual events to fund certain activities, sponsoring a play or concert, or conducting fundraising campaigns, etc. (See Chapter VI)

## 2 External Funding

Some NGOs, especially smaller ones, lack the necessary skills required to write a funding proposal and do not have the resources to employ experts with such skills. However, drafting proposals is not as difficult as it seems. It only requires the ability to communicate the idea in a clear and direct manner.

Effective public relations and knowledge of funding programs is essential in attracting external funding. It is important that an NGO widens its circle of contacts and connections with representatives and employees of donor bodies. It will enable the NGO to acquaint itself with funding programs and priorities and to present itself clearly. An NGO should learn about the motives and strategies of funding institutions and donors, as well as their conditions for grant applications (beginning and end of the financial year, date of presenting proposals and dates of delivery, etc). External funding often relates to a specific project:

### A. Preparing the Project Proposal

Donors often encourage NGOs to submit creative initiatives. An NGO that presents an innovative



idea usually stands a better chance of receiving funding. It is easier to attract financial support for a new idea that satisfies both the NGO's objectives and the priorities of the donor(s). Other factors are equally important, such as the project's sustainability, the ability to convince donors, and the NGO's willingness to follow-up on all the activities related to the project even after the funding stops. At this preparatory stage, it is important that regular meetings are held with all the stakeholders, and that the opinions of potential target groups are collected through an accurate and in-depth study of their needs (i.e. a needs assessment). For this, a feasibility study of the project should be done to clarify the project's vision, practicality, and probability of success, etc.

**1. The Feasibility Study:** A feasibility study is an organized method of assessing a certain problem, and finding possible solutions<sup>5</sup>. It allows the NGO to fully and clearly understand all the issues related to the project in question. The size and depth of the feasibility study depends on the size and cost of the project. The more diverse the components and activities of the project, the higher its cost; thus, the more accurate the feasibility study. This study should raise the following questions:

- Who is suffering directly from the problem that the project plans to deal with (number, age groups, gender, socioeconomic situation, and any other related issue)?
- What are the services currently available (in number, size, and kind, etc.)?
- Why are they suffering from this problem?
- What are the solutions proposed by the project, and are they applicable?

The time needed to prepare a feasibility study can range from a few days (for small projects, limited in time, place, and amount of resources) to several months or even a year (if the project is highly progressive and costly). There are many specialist books in this field. (See Annex N°. 14)

**2. The Project Proposal:** Donors often require NGOs to fill in specially designed application forms in order to facilitate their work. These are usually similar because most donors want the same background information. What may differ is the sequence of the details or how they are formulated. Basically, these forms are clear and brief, starting from the most to the least important aspects of a project, in a way that allows the reader to understand the application by just reading the first sentence. The further down he/she goes, the more details they acquire. The basic questions are usually: Who? When? What? Where? Why? How? In other words, the reader needs to know what the project seeks to achieve, when and where it will take place, how it will be implemented, and who will do it. The answers to these questions must be clear and accurate (See Annexes N°. 15, 16, and 17 of the project proposal of AGFUND, The British Embassy, and The Canadian Fund for Local Initiatives). The following is a list of the key information required for a project proposal:

\* **Name of the NGO**

\* **Title of the Project**

\* **Location**

\* **Brief Description:** This should be in the form of one clear concise sentence that expresses the goal, objectives, beneficiaries, duration, and geographic location of the project. For example: "Organizing a six-month (duration) series of training sessions (project) in Niha Shouf (location) to teach young girls (beneficiaries) computer skills (purpose) which will allow them to build their capacities and improve their incomes (goal).

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5. "Establishing a Rural Community: Passenger Network" A step by step guide, Produced by Sciens Consulting for the women's advisory council, Office for the status of women, 1998, p.9.

- \* **Background Information:** This is a summary of the basic economic and social data that have led to a project being proposed for that particular area. It should define the basic needs or problems suffered by the local community and clarify a way of dealing with them.
- \* **The Goal:** This is the long-term effect or benefit of the project.
- \* **The Project Objectives:** This describes the steps proposed to reach the project goal.
- \* **The Activities:** The activities are the means of reaching the objectives. This section is an explanation of the stages of the project. If the activities are suitable, the project will achieve its objectives. The activities must be quantified. For example, if the project is a training program, the reader must know the number of sessions, the length of each one, the number of working hours per day, number of target individuals per session, the areas of implementation, etc.
- \* **Staffing:** Some projects may require employing extra staff. This should be clearly mentioned alongside a detailed description of the required skills and the staffing cost.
- \* **The Target Groups:** This refers to the project's target individuals or groups. It should summarize related data: age, sex, residence, socioeconomic situation, etc., and justify the reason for selecting them (child labor, poor conditions for women, etc.).
- \* **Project Timeline:** This includes the launch date, the completion date, and the exact dates and details of each activity.
- \* **Outputs, Outcomes, and Impact:** There are three levels of results: the direct results (the outputs), the short-term effects or the changes directly seen at the end of the project (outcomes), and the result related to the goal (the long-term impact). These usually relate to society as a whole. These results must be quantified with clear indexes such as the number of beneficiaries, amendment of a law, change of outlook, etc.
- \* **Risks and Assumptions:** This section explains the risk of project failure compared to project success. The risks may be either internal or external.
- \* **Sustainability:** This is an important part of the process of drafting a project. It must clearly state how a project will be managed and followed up once funding stops. This could be through beneficiary contributions, NGO's resources, etc.
- \* **Monitoring and Evaluation:** This is the mechanism used to determine if the objectives have been met. It will suggest the plan of evaluating the success of the project, to what extent it has met its goals, and the evidence used to evaluate that success or failure. It may also explain how reports will be sent to the funder (periodic, by the end of the project, using external sources to audit, etc.).
- \* **Organizational Background:** This is background information on the NGO in order to show its ability to embark on such a project. The information should include the size of the NGO (follow total transparency), its location, motives, interests, etc., in addition to a brief overview of the past projects and the parties involved.
- \* **The Budget:** This section should include the cost of each activity, goods, or services. It is preferable to use tables and graphs to clarify this description and its cost. In addition, costs could be categorized, detailing the total of the cost of each of the salaries/wages, goods, or services. At the request of the donor, this section may also feature the contributions by the donor, the recipient (the NGO), and other funding parties should be mentioned.



<b>1. Human Resources</b>		
<b>Description</b>	<b>Details</b>	<b>Cost (\$ US)</b>
Project Manager	12 months full-time \$ 1,500/month	\$ 18,000
Field Researcher	12 months part-time \$ 600/month	\$ 7,200
Executive Secretary	12 months full-time \$ 500/month	\$ 6,000
<b>Total</b>		<b>\$ 31,200</b>
<b>2. Training</b>		
<b>Description</b>	<b>Details</b>	<b>Cost (\$ US)</b>
Staff Training	3 workshops x \$2,000	\$ 6,000
Local Meetings	6 x \$ 500	\$ 3,000
<b>Total</b>		<b>\$ 9,000</b>
<b>3. Tools and Equipment</b>		
<b>Description</b>	<b>Details</b>	<b>Cost (\$ US)</b>
Computers	4 x \$ 1,000	\$ 4,000
Camera		\$ 2,000
Miscellaneous	12 months x \$ 500/mth	\$ 6,000
<b>Total</b>		<b>\$ 12,000</b>
<b>Total Average</b>		<b>\$ 52,200</b>

In addition, some donors may require further documents in addition to the project proposal, such as financial charts, financial statement, résumés of project managers, tenders (if the project entails buying equipment or tools), etc. Only required documents should be included. It is important that a complete file is sent, or else it may be rejected. If the documentation is incomplete, the NGO should inform the donor party of any delay.

In case of refusal: The NGO should inquire about the reasons for rejection. In order to help future project proposals, it may also be useful to know who won and with what kind of projects.

In case of approval: The NGO should implement the followed procedures in detail, such as remittances, field visits, and other procedures. In addition, it must respect the deadlines for submitting the periodic and final reports, and follow the schedule set for the project in the proposal. In case this cannot be done, the NGO should inform the donor of any delay, explain the reasons, and present an alternative. If the NGO does not deliver the alternative, it risks losing its credibility. Transparency should be adopted so that other projects have a chance of attracting funding support. It is advisable to provide any supporting information mentioned in the report (unless the donor body decides to receive only the report).

## B. Monitoring and Evaluation

It is important to submit an activity report that features monitoring and evaluation as a key component. This procedure is a series of steps taken by development workers and the general public to make sure that a project's objectives have been met. It also helps the NGO improve its services and learn from past experience. This can be achieved by adopting accurate, objective, and periodic monitoring and evaluation. There are a wide range of tools available, some of which are:

**1. Performance Indicators:** They measure the inputs, operations, outputs, outcomes, and impact of the project. Formal surveys can be used that allow the project managers to monitor and measure progress. The data collected builds a body of evidence that can support the final results. It also helps to identify problems, spotlight procedures that need to be changed, and find timely solutions so that services can be improved.

**2. The Logical Framework Approach:** This approach helps the NGO to clarify its objectives and performance indicators at each result stage (inputs, operation, outputs, outcomes, and impacts). It identifies risks that stand as obstacles towards fulfilling the objectives. A logical framework approach defines the structure of the project, incorporates the use of performance indicators and risk assessment. Therefore, it can be used to improve the quality of project and program planning.

**3. Formal Surveys:** They can be used to collect unified data within a chosen sample of individuals or households. Surveys usually collect information from large numbers of individuals or groups that is comparable with a similar body of data.

**4. Rapid Appraisal Methods:** These are rapid and cost-effective ways to obtain the beneficiaries' and stakeholders' opinions. These methods are used to respond quickly to the demand for data and information.

**5. Participatory Methods:** This involves the participation of the direct stakeholders of a project in the decision-making process. This method engenders a feeling of ownership in the findings of monitoring and evaluation. It can be used to define problems arising during the project delivery stage, to empower target groups with the available information and skills, and to understand the living conditions and the priorities of the local community. This information ensures that the developed project effectively meets their needs.

**6. Impact Evaluation:** This consists of defining the positive and negative impacts of a certain project for individuals, households, institutions, and beyond. It helps to identify the activities' impact on the target groups.

**7. Cost-benefit and Cost-effectiveness Analysis:** This ensures that the results and impacts of a certain project justify its cost. Cost-benefit analysis measures the inputs and outputs in financial terms, while cost-effectiveness estimates the inputs in financial terms and the outputs in non-financial terms<sup>6</sup>.

It is important to measure the impact on women throughout all the stages of a project (design, delivery, management, and evaluation). If there is a negative impact, the project must be changed. If it is positive, then it should be development. The same holds true for monitoring and evaluation. The data and information gathered should represent both genders so that the project's impact on men and women alike can be understood.

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6. the information mentioned in this section are adapted from: *Monitoring and Evaluation: Some Tools, Methods, and Approaches*, World Bank evaluation department, Evaluation Capacity Department, The International Bank for Reconstruction and Development, The World Bank, Washington D.C. 2002.

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## Annexes

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## Full Text of the Decision of the Council of State

Full Text of the State Council Decision  
N°. 135/2003-2004

18 November 2003

Petitioner: The Association for the Defense of Rights and Freedoms (ADDL)

Defendant: The State

Judging Body: Ghaleb Ghanem, President  
Daher Ghandour, Counselor  
Carmen Attallah Badawi, Counselor  
The Council of State, in the Name of the People of Lebanon

The Council of State,  
upon examining the submitted petition, the counselor's report, the commissioner's findings, and the defendant's remarks as to the report and the findings;  
Upon proper deliberation,  
Whereas the Association for the Defense of Rights and Freedoms (ADDL), on 18/3/1996 and through its attorneys, made a formal request to petition the state, represented by the President of the department of litigation at the Ministry of Justice (registered at the Council's register under the number 6825/96). By virtue of the request, ADDL requested:

1. The stay of execution of the contested proclamation issued by the Minister of Interior on 16/1/1996 and published in the Official Gazette on 18/1/1996, which imposed certain regulatory procedures on associations under penalty of withdrawing the notification from all associations that violate its instructions and content.
2. Accepting the petition in form.
3. Annuling the contested proclamation.
4. Amercing the trial expenses to the state.

and stated the following:

### Facts:

1. The petitioning Association was established on 15/11/1995 upon the founders' signing of its bylaw and statute before the Beirut notary public, Me. Saadeh. The founding statement was submitted to the Department of Political and Administrative Affairs at the Ministry of Interior on 23/11/1995.
2. On 18/1/1996, the contested proclamation addressed to the associations affiliated to the Ministry of Interior was published in the Official Gazette.
3. On 15/3/1996, the petitioner held a general assembly during which a new administrative board was elected and the amendment of Article 2 of the statute and Article 6 of the bylaw were endorsed. When the petitioner presented the minutes to the Ministry of Interior to be included in the Association's record, the petitioner was confronted with the Ministry's rejection of this submittal under pretense that the Association was not licensed and had violated the provisions of the contested proclamation.

### In Law:

- a-. The petition has been presented within the legal period and fulfills all formalities and conditions. Whereas the contested proclamation constitutes an enforced administrative decision that is contestable pursuant to jurisprudence and doctrine, for it has imposed certain obligations on associations and sanctioned them in case they violated the provisions of the proclamation.
- b-. The contested proclamation shall be annulled for the following reasons:

1. For presuming that establishing an association requires a prior permit; thus, for violating Article 13 of the Constitution, of Article 22 of the International Covenant for Civil and Political Rights which Lebanon had ratified by virtue of the draft law enforced through decree no. 3855 dated 1/9/1972, and of Articles 2, 6 and 8 of the Law of Associations.

2. For violating the principle of hierarchy of sources of legitimacy and the principle of the freedom of entering contracts (Article 166 of the Law of Obligations and Contracts), as to obliging associations to inform the competent authorities of their election dates, so as to allow the Ministry of Interior to appoint a civil servant to supervise these elections. The proclamation is in violation because the association is a contract between its members, and which does not include the obligation of previously informing the Ministry of Interior of the election dates or the necessity of the presence of a Ministry representative to supervise these elections. This is in addition to that the Law of Associations does not grant the competent authority any jurisdiction to appoint any of its civil servants to supervise the associations' elections.

3. For violating Article 6 paragraph 2 of the Law of Associations which does not implicate any sanction for the delay in submitting the amendments of the statute or for neglecting to submit them other than the fine that is noticeable in Article 13 of the law. The only consequence or sanction that the law stipulates for neglecting to submit the amendments is its being not applicable to third parties.

4. For violating article 3 of the Law of Associations complemented by the law of 26/5/1928 and for violating article 1 of the draft law enforced by decree no. 10830 dated 9/10/1962. In accordance with these two texts, associations shall only be dissolved in two exclusive cases. The dissolution must be decided by virtue of a decree promulgated by the Council of Ministers. Should we assume that withdrawing the notification leads to the dissolution of the association, then non-complying with the contested proclamation does not constitute one of the grounds for dissolution.

c-. In requesting the stay of execution and following summary proceedings:

The petition is based on serious grounds and damage; thus, the Council is entitled to decide the stay of execution of the administrative decision, in accordance with article 77 of its statute. In addition, the elements of the case justify the urgency of following summary proceedings, in accordance with article 104 of the Council's statute. The defendant responded to the petition to stay the execution in its pleading presented on 27/3/1996 demanding to overrule the stay of execution, the petition in form and in merits, and amercing the trial expenses to the state, and declared:

1. The proclamation in contest is not a circular, but an internal procedure formulated to explain and remind of the law, and it is uncontestable because it is not an effective prejudicial decision.

2. In digression, the association (the petitioner) is non-existent and has no capacity for taking legal action, for it had not yet acquired its notification. The establishment of associations is subject to practical procedures; such as submitting a request to the Ministry of Interior, in three copies, which includes specific information, attached criminal records of the founding members, and three copies of the association's statute and bylaw. This request should be passed on to several authorities (such as the police, the General Security, the Ministry of National Education, Sports and Youth, and the Ministry of Labor) to verify the accuracy of the information stated in the request.

3. In digression, the contestation is denied, for the contested proclamation does not violate any gained right of the petitioner since it is legally nonexistent. Since the action to repeal is not a popular action, and since where there is no interest there can be no action, the petition is in violation of Article 107 of the Council's statute.

4. In digression, the contested proclamation was issued to insure that the activities of the legal associations are monitored by the Ministry of Interior.

The defendant monitors the association prior to granting it the notification, in order to safeguard the public security, order and safety. The State also exercises a posteriori monitoring to control the association's activities within the limits set by its objectives.

5. In the stay of execution: The petition does not meet the conditions stipulated in article 77 of the Council's statute, whether as to the serious grounds or as to the great damage caused by the contested proclamation; knowing that since the contested proclamation is related to public order and social security, its execution can not be stayed.



Whereas, on 18/4/1996, the Council promulgated the preliminary decision number 124/95-96 that refuted the request to observe the summary proceedings and the request to stay the execution of the contested proclamation;

Whereas, in its pleading presented on 11/5/1996, the defendant reiterated its previous claims and demands, and brought forward the findings of the competent authority (the Ministry of Interior) n°. 2531/2 dated 3/5/1996;

Whereas, on 19/11/1996, the petitioner reiterated its previous claims and demands, and stated that article 2 of the Law of Associations permits any association to resort to courts in its capacity as plaintiff or defendant upon merely informing the Ministry of Interior of its establishment by virtue of the Article 6 of the same law. Therefore, it is not necessary for the association to be granted notification to do so, because the notification is not a permit to establish the association, but a mere "receipt" issued by the competent authority proving that it had received the association's papers. Moreover, the association exists as of the date of submitting its papers to the Ministry of Interior informing it of its establishment. Therefore, the association has the capacity and the personal and direct interest to present the petition, especially that the contested proclamation has caused serious damage to the association through the Ministry of Interior's refusal, based on the proclamation above mentioned, to receive the minutes of the meeting of the general assembly dated 15/3/1994 during which a new administrative board was elected;

Whereas, in its pleading presented on 27/12/1996, the State reiterated its previous claims and demands;

Whereas the counselor formed his report on 31/7/2001, and the commissioner presented his findings on 9/10/2001, the solicitation to view the report and the findings was published in the official gazette on 1/11/2001;

Whereas the defendant presented a list of observations on the report and the findings on 12/11/2001, reiterating its demand to refute the petition due to the petitioner's nonexistence and hence the absence of capacity, since the association has not finalized its establishment and has not been granted a notification; thus, has no legal existence. In digression, there is no interest or grounds because the contested proclamation was issued to insure that the associations are monitored by the Ministry of Interior and because it is merely a reminder of the enforced laws and regulations;

Whereas the defendant also presented a list of observations attached to the findings of the competent authority on 22/12/2001 commenting on the report and the findings, the president decided to include it in the file, to be looked into at a later stage. These observations included the following: Establishing an association does not require a prior permit. However, the law necessitates that the association submits documents and information presented and that its establishment follows legitimate grounds. The Ministry of Interior does not have any documents in the name of the 'Association for the Defense of Rights and Freedoms' and has no notification of the establishment of an association under that name. In addition, the instructions issued by the Minister of Interior do not necessarily address the association, directly or indirectly, for it considers the association to be nonexistent in practice and legally. Moreover, the circular issued by the Minister of Interior stipulated no new grounds for establishing an association not found in the Law of Associations and did not indicate any executive procedure or measure. It included instructions stating the necessity to abide by the enforced laws and regulations; in fact, it is but the ministry's implementation of the provisions related to associations and clubs, and their monitoring, as stipulated in the decrees 2867/59 and 10830/62.

Accordingly;

### **First: Formally**

#### **1. In capacity and competence:**

Whereas the petitioner claims that, on 23/11/1995, it presented a founding statement to the Department of Political and Administrative Affairs at the Ministry of Interior informing it that the 'Association for the Defense of Rights and Freedoms' had been established on 15/10/1995, (by the founding members signatures of its statute and bylaw by virtue of Article 6 of the Law of Associations). Article 2 of this law stipulates that the establishment of an association does not require a permit, but by virtue of Article 6, it requires informing the government of its establishment. Thus, the association presented the minutes of the general assembly that was held on 15/3/1996 (during which a new administrative board was elected, and the amendment of Article 2 of the statute and Article 6 of the bylaw were endorsed) to the Ministry of Interior to be included in its

record. However, the Ministry refused this submittal under the pretext that the Association is not licensed and because it violated the provisions of the contested proclamation;

Whereas the State declares that the petitioner is incapacitated and incompetent to legally proceed, for it has not been granted notification yet due to the incompleteness of the necessary investigative procedures that prove its legality and law-abidingness, by virtue of Article 3 of the Law of Associations. In addition to that, the State claims that the notification is not a 'receipt', but a license granted by the competent authority (i.e. the Minister of Interior). Consequently, the establishment results from the notification and the proclamation in question is only an uncontested internal procedure because it is not an effective prejudicial decision.

Whereas the Law of Associations dated 3/8/1909 stipulated in Articles 2, 6, and 8 the following:

"Article 2: Establishing an association requires no prior permit but, by virtue of Article 6, notifying the government of its establishment is required."

"Article 6: Establishing clandestine associations is strictly forbidden. Accordingly, upon establishing any association, the founders must submit, to the Ministry of Interior, a signed and sealed statement containing its address, goals, objectives, main office, and the names, capacity, and position of those entrusted with its governance [...] Two certified copies of the association's statute, sealed by the association's official stamp, must be attached to this statement. In return, the association is granted a notification."

"Article 8: Each association which has submitted a statement by virtue of Article 6 of this law may stand before courts as plaintiff or defendant by means of mediator [...]"

Whereas it is proven that the association (the petitioner) indeed submitted its founding documents to the Ministry of Interior through the bailiff Mr. Joseph Thalj on 23/11/1995;

Whereas the association (the petitioner) does enjoy the capacity to legally proceed by virtue of the aforementioned Article 8 (Contrary to the State's claims) simply by submitting its founding statement to the Ministry of Interior as stipulated in Article 6 of the Law of Associations and by virtue of the law. The latter, in return, is legally obligated to issue a notification without any delay; thus it does not enjoy any discretionary power. An association is established by the will of its founders through an agreement to invest their constant, continuous, and set goals/objectives and to implement their knowledge and activities in this regard. At this stage, the role of the authorities is limited to accepting the statement imposed by the law, granting the concerned parties a notification proving that the processes stipulated by the law had been conducted, and attaching the presented documents after having examined the association, its objectives, and work methods. This notification does not mean that the Ministry of Interior has established the association, for it is established by the will of its founders and not by virtue of a permit;

Whereas organizing associations and declaring their establishment by virtue of articles 2 and 6 of the Law of Associations aim at preventing the establishment of illegitimate and clandestine associations.

Whereas, and in elaboration of the above-mentioned, the counteracting magistrate extensively interpreted the verdicts related to the capacity of legal entities under the private law. He considers that the non-declared or dissolved associations enjoy the necessary capacity once there is an interest to petition the contestation of some of the decisions and procedures necessary to complete the establishment of the association or that affect the goals they are defending, such as a refusal to grant the association a notification or the decision to dissolve it.

Refer to:

*C.E 12 April 1995 Rec. 1955 p. 404*

*CE 31 October 1969 Rec. p.462*

*CE 21 October 1970 Dame de Beauvre Rec. p. 600*

*C.E 16 October 1985 J.C 1986 p.83*

*CE 16 April 1947 Rec. p.533*

*CE 6 January 1983 Camillon R. P. 404*

*CE 26 June 1987 Rec. p. 230*

Whereas the defendant's pleading as to this subject has to be refuted;

## **2. In the interest for prosecuting:**

Whereas the State requests the refutation of the petition for lack of interest in contesting the proclamation issued by the Minister of Interior on 16/1/1996;

Whereas by virtue of Article 106 of the State Council's amended statute, revoking a proclamation for misuse of power may only be conducted by parties having a personal and direct legitimate interest in revoking it.

Whereas even if the interest in refuting the contestation is the benefit from presenting the petition and from pronouncing the order to revoke the proclamation; and even if it is justified by a direct and legitimate interest and a legal position touched upon by the proclamation, jurisprudence of the counteracting judiciary has developed and the counteracting magistrate reveals more flexibility in estimating the interest which has become more comprehensive and encompasses the probable detrimental outcomes as an indication to the seriousness of the petition. Therefore, the magistrate may suffice with the mere possibility of damage to the contesting party and future benefit from revoking the contested decision, even if it has not been proven that the annulment of the contested decision could gain the contesting party a direct or definite benefit;

Whereas the contested proclamation aims at reinforcing the administration's authority in controlling the associations, threatens to not recognize the association or to withdraw its notification, and affects its relation with others, hence this proclamation may cause damage to the petitioner (the association);

Whereas the petitioner firmly and definitely enjoys the capacity justifying personal and direct interest in contesting the proclamation in question;

Whereas the petitioner's pleading has to be refuted;

## **3- In the proclamation's predisposition to be revoked by the State Council:**

Whereas the association (the petitioner) requests the revoking of the proclamation issued by the Minister of Interior on 16/1/1996 and published in the official gazette on 18/1/1996 for reasons of non-validity and non-legitimacy;

Whereas the State claims that the contested proclamation is not a circular but an internal procedure that lacks the effective prejudicial character that can be contested before this Council;

Whereas by virtue of articles 62, 67 and 105 of the draft law enforced by decree no. 10434 dated 14/6/1975 and by virtue of its amendments regarding the statute of the State Council, the competence of this council revolves around the administrative decision and is linked to it. Presenting the petition before this council, whether within the jurisdiction of the counteracting or comprehensive judiciary, is only in the form of a petition against an enforced administrative decision; that is, it is finalized and issued by an administrative authority enjoying the right to issue it conclusively after fulfilling its necessary administrative stages and procedures without the need for another prejudicial procedure. This means that the decision should produce its own legal consequences or have influence on legal position of the persons concerned by this decision, their petitions, and those directly affected by enforcing its legal consequences.

Whereas the contested proclamation, which addresses all associations and is published in the official gazette on 18/1/1996, imposes certain obligations on associations and sanctions them when its provisions are violated, it therefore includes regulatory provisions forming new legal status, creates rights, and imposes obligations that affect the validity, scope, effect of the proclamation in question on all associations. Therefore, it does not fall contrary to the state's claiming it to be internal measure or procedure, issued by the hierarchal president in facing subordinates in order to steer ordinary work of any institution by guaranteeing and maximizing its performance in accordance with the requirements of public interest;

Refer to:

*Odent Contentieux administratif Tome I, 1622*

*"The practical consequences of this jurisprudence permit associations to contest the decisions of a regulatory character".*

Whereas the regulatory character of this proclamation is confirmed by the Ministry of Interior's refusal to receive the minutes of the general assembly held on 15/3/1996 from the petitioner, by virtue of this proclamation. Noting that this general assembly witnessed the election of a new administrative board and the endorsement of the amendment of article 2 of the statute and article 6 of the bylaw;

Whereas the presented pleading as to this subject to has to be refuted;

**4- In fulfilling the conditions and formalities:**

Whereas the petition was submitted within the legal timeframe and fulfills all the conditions and formalities, it is formally accepted.

**Second: In merits**

Whereas the petitioner requests the revoking of the proclamation issued by the Minister of Interior on 16/1/1996 that imposes on associations certain regulatory procedures under the penalty of withdrawing their notifications;

Whereas the freedom of assembly and association is one of the fundamental freedoms guaranteed by the Lebanese Constitution and set within the limits of the Law in Article 13; hence, any no restrictions for forming associations and their dissolution can only be carried out through a legal text. Neither the administration nor the judiciary is entitled to prior interference in regards to the validity of its establishment process:

*constituent librement et peuvent être rendues publiques sous la seule réserve d'une déclaration préalable... ainsi... la constitution d'associations alors même qu'elles paraîtraient être entachées de nullité ou auraient un objet illicite, ne peuvent être soumises pour sa validité à l'intervention préalable de l'autorité administrative ou même de l'autorité judiciaire... que ce rôle passif est un élément essentiel de la liberté d'association qui serait annihilé par un contrôle préventif.*

Whereas the authorities' capacity to withdraw the notification of the licensed associations is limited to specific procedures and processes that can only be conducted after proving the association's diversion of the objectives and goals for which it was established. This jurisdiction serves to ban and prohibit the establishment of clandestine associations having illegitimate objectives;

Whereas, in justifying the withdrawal of the notification, the contested proclamation stipulates new grounds not stated in the Law of Associations; notably in the issue of conducting elections and declaring their results, which are issues related to the individual rights and public freedoms guaranteed by the Constitution and the enforced laws. Therefore, the proclamation infringes the law and misuses power, so, it shall be revoked for lack of authorizing legal grounds;

Whereas looking into the other stated claims is no longer necessary due to lack of interest;

Whereas all claims contradicting the above are inadmissible for lack of permissible legal grounds;

Therefore,  
The State Council hereby orders,

**First: Dismissing the defendant's claims regarding the association's capacity and competence.**

**Second: In form: Accepting the petition.**

**Third: In merits: Accepting the petition and revoking the proclamation issued by the Minister of Interior on 16/1/1996, amercing the legal expenses and fees to the defendant, and refuting all additional requests in violation.**

Decision issued and announced on the 18th of November 2003.

*Scribe: Jean D'arc Al Hage  
Counselor: Carmen Attallah Badawi  
Counselor: Daher Ghandour  
President: Ghaleb Ghanem*

## Framework of a Strategic Plan

*(Content of the document)*

The following framework is a guide to preparing the NGO's strategic plan by answering the questions below. Each paragraph contains its own guidelines and some paragraphs include further examples.

### 1. Executive Summary:

The executive summary explains the features of the strategic plan to the donors, administrative board, employees, and other stakeholders in the NGO's field of work. This summary should not be more than two pages long, and should include a brief description of the most significant information related to the strategic plan and its expected outcomes. It can also include a short overview of the document's content, the methods used to compile it, the key objectives and strategies, the estimated timeframe for delivery, the monitoring and evaluation process, and the name of the person responsible for the project.

Fill in this box after completing the other paragraphs of the strategic plan.

### 2. Description of the NGO and its Structure:

This paragraph addresses readers from outside the NGO. It includes brief descriptive information on:

- Σ The NGO's history.
- Σ Its most significant programs and services.
- Σ Its most significant achievements and past events.

### 3. Drafting the NGO's Mission:

The NGO's mission is just a brief description of what it intends to accomplish, and answers the following question: Why does the NGO exist? (The response should include the type of services provided by the NGO, its target groups, and the process used to deliver such services).

The mission should outline the NGO's plans, programs and services in detail.

The NGO's mission:

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### 4. Formulating the NGO's Vision:

The NGO's vision is the answer to the question: What does the NGO hope to give its beneficiaries? The vision should be formulated in a creative and appealing way, highlighting the NGO's characteristics.

The NGO's vision:

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## 5. Drafting the Objectives and Strategies:

### a- Characteristics of the Objectives:

The objectives must be **SMARTER**; that is, they must be specific, measurable, accepted by the persons entrusted with their achievement, realistic, and timely. They should also take the effort and abilities of the people assigned to delivering them into account.

### b- Formulating Specific Objectives to Answer the Basic Causes:

The NGO's strategic objectives should be mentioned here; those that respond to the most important causes. It is important to link the objectives to the strategic plan, as well as to the subsequent annual plan.

### c- Linking each Objective to its Strategy:

The best approach or strategy that could be used to fulfill each objective should be mentioned. It is also important to link the general strategic plan with the subsequent annual plan.

For example:

Program Objective I:

Strategy I-1

Strategy I-2

Strategy I-3

**Write down the NGO's objectives and strategies:**

**Objective n°. # (SMARTER)**

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---

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**Strategy n°.#**

---

---

---

**Strategy n°.#**

---

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## 6. Setting the Executive Plan of Action (goals, responsibilities, calendar)

Write down the proposed list of activities for the coming year in the plan of action below. Specify the plan, and how the strategic objectives will be achieved. Action plans often include a number of objectives, the individuals responsible, and the estimated timeframe needed to achieve each objective.

Example of a plan of action:

Program goal I

Strategy I-1

Strategy objective I-1

I-1-1

I-1-2

I-1-3

I-1-4

The Plan of Action (Who will do what? When?)

**Write down the NGO's plan of action**

**Goal n°.#**

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**Strategy n°. #**

Objectives of Strategies	Responsibilities	Deadline

Balance Sheet for the year .....

Sample n°. 1

**Income Chart** (in thousand US \$)

Incomes	Non-allocated	Allocated in Projects	Total
Membership Subscriptions			
Grants			
Local Donations (in kind)			
Local Donations (cash)			
Non-local Donations (in kind)			
Non-local Donations (cash)			
Government Funds			
Bank Interest			
Project Income			
Program Management			
<b>Total Income</b>			

**Payment Chart** (in thousand US \$)

Expenses	Non-allocated	Allocated in Projects	Total
Salaries/wages/remunerations			
Miscellaneous payments			
Maintenance			
Program Equipment/Tools			
Electricity & Water Bills			
Rentals			
Training Expenses			
Depreciation			
Phone & Mail Bills			
Transportation Expenses			
Travel Expenses			
Program Management Expenses			
<b>Total Expenses</b>			
<b>Surplus (or Deficit)</b>			



Organization: .....

Address: .....

Receipt No: .....

Date: .....

The value of:

Project: .....

Received from: \_\_\_\_\_

The sum of: \_\_\_\_\_

For: \_\_\_\_\_

Paid By: Cash \_\_\_\_\_

Check no.: ..... Bank: .....

Signature and Stamp

\_\_\_\_\_

Organization:.....

Address: .....

Payment Voucher No:.....

Date: .....

The Value of:

Project:.....

Paid to: \_\_\_\_\_

The sum of: \_\_\_\_\_

For: \_\_\_\_\_

Paid by: Cash

Check no:..... Bank:.....

Approved by:

\_\_\_\_\_

Signature and Stamp

\_\_\_\_\_

**NGO Income Statement**  
The 31<sup>st</sup> December \_\_\_\_\_

<b>Income</b>	<b>Non-allocated funds</b>	<b>Allocated funds</b>	<b>This year's total</b>	<b>Last year's total</b>
Membership Subscriptions				
Donations & Grants				
Program Management				
Bank Interest				
<b>Total Income</b>				
<b>Expenses</b>				
Basic Purchases				
Supervisors & Trainers				
Transportation				
Conference Fees				
Mail/Fax/Phone				
Rentals				
Insurance				
Training and Development				
Salaries/wages				
IT & Stationery				
Maintenance				
Accommodation				
Depreciation Allowances				
Bank Expenses				
Miscellaneous				
<b>Total Expenses</b>				
<b>Surplus or Deficit</b>				

**NGO Balance Sheet**  
The 31<sup>st</sup> December \_\_\_\_\_

	Non-allocated funds	Allocated funds	This year's total	Last year's total
<b>Assets</b>				
<b>Circulating assets</b>				
Cash in box and banks				
Debit notes receivables				
Prepaid expenses				
<b>Total circulating assets</b>				
<b>Fixed assets (after depreciation)</b>				
<b>Total assets for the year</b>				
<b>Liabilities &amp; account balance</b>				
<b>Circulating liabilities</b>				
Paid expenses				
Credit accounts				
Non-allocated funds				
Rotated surplus				
Allocated funds				
Total account balances				
<b>Total liabilities for the year</b>				

Annex no. 8 Cash Flow Chart

Cash Flow Chart (in thousand US \$)													
	1	2	3	4	5	6	7	8	9	10	11	12	Annual movement
Cash available	35	240	294	217	508	386	405	328	283	262	223	132	35
<b>Incomes</b>													
Donations		5		5									10
Subscriptions	10												10
Local cash donations	25	5	25			25	5		25	5			115
Grants	250			250			100		100	50			750
Government grants		125		125		125		125					500
Bank interest	4			5			5			3			17
Project income							5	10	10				25
<b>Total income (I)</b>	<b>324</b>	<b>375</b>	<b>319</b>	<b>602</b>	<b>508</b>	<b>536</b>	<b>520</b>	<b>463</b>	<b>418</b>	<b>320</b>	<b>223</b>	<b>132</b>	<b>1,462</b>
<b>Payments</b>													
Remunerations	24	24	24	24	24	24	24	24	24	24	24	24	288
Miscellaneous	2	2	2	1	3	2	2	3	2	3	2	2	26
Maintenance				2		4	4	2	1		2		15
Equipment	50	50	50	60	60	75	100	100	80	65	60	50	800
Water & electricity bills	1	1	1	2	1	2	2	2	3	1	1	1	18
Rentals (A)	2			2			2			2			8
Training			20		30	20	50	40	40				200
<b>Depreciation (B)</b>													<b>0</b>
Phone/mail bills	1	1	1	1	1	1	1	1	1	1	1	1	12
Transportation	1	1	2	2	2	3	5	5	4	1	1	1	28
Travel expenses			2				2	3					7
Insurance	3	2			1				1				7
<b>Total Payments (P)</b>	<b>84</b>	<b>81</b>	<b>102</b>	<b>94</b>	<b>122</b>	<b>131</b>	<b>192</b>	<b>180</b>	<b>156</b>	<b>97</b>	<b>91</b>	<b>79</b>	<b>1,409</b>
<b>Surplus or Deficit (I - P)</b>	<b>240</b>	<b>294</b>	<b>217</b>	<b>508</b>	<b>386</b>	<b>405</b>	<b>328</b>	<b>283</b>	<b>262</b>	<b>223</b>	<b>132</b>	<b>53</b>	<b>53</b>

<b>Lebanese Republic</b>	<b>R 10</b>	
<b>Ministry of Finance</b>		
Public Finance Authority		
Department of Revenues – Payroll Tax		
<b>Periodic Statement on Payroll Tax</b>		
<b>Company/ Organization</b> _____		
<b>Registration no.:</b> _____		
<b>Financial Year:</b> from ____ / ____ / ____ To ____ / ____ / ____		
<b>For Period:</b> from ____ / ____ / ____ To ____ / ____ / ____		
<b>Goodwill:</b> _____		
<b>Representative of company/organization:</b> full name _____		
Position _____ Phone no. _____		
<b><u>Address of company/organization</u></b>		
<b>Mohafaza</b> _____	<b>District</b> _____	
<b>Area</b> _____	<b>Town</b> _____	
<b>Street</b> _____		
<b>Building</b> _____	<b>Floor</b> _____	
<b>Phone</b> _____	<b>Fax</b> _____	
<b>PO Box</b> _____	<b>Area</b> _____	
<b>Number of Declared Employees (90)</b> _____		
<b>Second Category Tax</b>	<b>Chair and Members of Administrative Board</b>	<b>Employees</b>
Remuneration _____	(100)	
In Kind and Cash Benefits _____	(110)	
Total Paid Sums _____	(120)	
<b>Discounts</b>		
Transportation/relocation indemnities _____	(130)	
Representation indemnities _____	(140)	
Other discounts _____	(150)	
Net Sums _____	(160)	
Family Discounts _____	(170)	
Taxable Salaries/Wages _____	(180)	
Due Taxes _____	(190)	
<b>Deductibles</b>		
Sums Paid as Deductibles _____	(240)	
Tax on Deductibles _____	(250)	
Total Tax on Deductibles _____	(260)	
Total Due Tax _____	(270)	
Inspection Fine _____	(280)	
Yearly Deductible Tax _____	(290)	
Total Paid Sum _____	(300)	
<b>Statement</b>		
I, the undersigned, hereby testify that all the information included in this statement is accurate and correct.		
<b>Name</b> _____	<b>Position</b> _____	
<b>Date</b> _____	<b>Signature</b> _____	

The Lebanese Republic

S 1

Ministry of Finance

Public Finance Authority

Department of Revenues – Income Tax

## Advanced Income Tax Payment

Name of Taxpayer \_\_\_\_\_ Registration No. \_\_\_\_\_

Legal Form: Code \_\_\_\_\_  
Form \_\_\_\_\_Financial Year: From \_\_\_\_ / \_\_\_\_ / \_\_\_\_  
To \_\_\_\_ / \_\_\_\_ / \_\_\_\_

## List of Codes:

- |                           |                        |
|---------------------------|------------------------|
| 1. profession             | 6. share order         |
| 2. individual institution | 7. joint stock company |
| 3. solidarity             | 8. holding             |
| 4. recommendation         | 9. offshore            |
| 5. limited liability      | 10. other              |

Period: From \_\_\_\_ / \_\_\_\_ / \_\_\_\_  
To \_\_\_\_ / \_\_\_\_ / \_\_\_\_

Statement Expiry Date: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

## Address of company/organization

 Mohafaza \_\_\_\_\_  
 District \_\_\_\_\_  
 Town \_\_\_\_\_  
 Area \_\_\_\_\_  
 Street \_\_\_\_\_  
 Bldg. \_\_\_\_\_  
 Floor \_\_\_\_\_ Phone \_\_\_\_\_  
 Fax \_\_\_\_\_ Phone \_\_\_\_\_  
 PO Box: \_\_\_\_\_ Area \_\_\_\_\_

## Kind of tax

## Amount (in L.L.)

## Bank Payments

 Name \_\_\_\_\_  
 Branch \_\_\_\_\_  
 Date of payment \_\_\_\_ / \_\_\_\_ / \_\_\_\_  
 Paid sum \_\_\_\_\_ I.T.  
 Only: \_\_\_\_\_  
 Bank Receipt no.: \_\_\_\_\_  
 Bank Signature & Stamp \_\_\_\_\_

 First category tax (1)  
 Inspection fine  
 Annually deducted tax  
**Total**

 Payroll tax  
 Income  
 Inspection fine  
 Annually deducted tax  
**Total**

 Third Category Tax  
 Inspection fine  
 Annually deducted tax  
**Total**
**Total paid sum (2)**

## Signatory

 Name \_\_\_\_\_ Position \_\_\_\_\_  
 Date \_\_\_\_ / \_\_\_\_ / \_\_\_\_ Signature \_\_\_\_\_

## For Administrative Use

## Payment in Treasury

Collection department of Beirut: \_\_\_\_\_ Cash: \_\_\_\_\_

Check: \_\_\_\_\_

Receipt no. \_\_\_\_\_

Fund no. \_\_\_\_\_

Date of receipt \_\_\_\_ / \_\_\_\_ / \_\_\_\_ Check no. \_\_\_\_\_ date \_\_\_\_ / \_\_\_\_ / \_\_\_\_

Fine on delayed payments \_\_\_\_\_ Bank \_\_\_\_\_

Total payments \_\_\_\_\_ Name \_\_\_\_\_

Only: \_\_\_\_\_ Signature \_\_\_\_\_

Name of recipient \_\_\_\_\_

No. of receipt \_\_\_\_\_

Signature \_\_\_\_\_

Date of receipt \_\_\_\_ / \_\_\_\_ / \_\_\_\_

**The Lebanese Republic** **R 5**  
**Ministry of Finance**  
 Public Finance Authority  
 Department of Revenues – Income Tax  
**Annual Payroll Tax Declaration**

Company/organization \_\_\_\_\_ Financial year: from \_\_\_/\_\_\_/\_\_\_ to \_\_\_/\_\_\_/\_\_\_  
 Registration no. \_\_\_\_\_ For period: from \_\_\_/\_\_\_/\_\_\_ to \_\_\_/\_\_\_/\_\_\_

Goodwill \_\_\_\_\_ **Legal Form:**  
 Nationality \_\_\_\_\_ Code: \_\_\_\_\_  
 Form: \_\_\_\_\_  
**Representative of company/organization :**  
 Name \_\_\_\_\_ Position \_\_\_\_\_ Phone \_\_\_\_\_

**Address of company/organization**  
 Mohafaza \_\_\_\_\_ District \_\_\_\_\_ Town \_\_\_\_\_  
 Area \_\_\_\_\_ Street \_\_\_\_\_  
 Bldg \_\_\_\_\_ Floor \_\_\_\_\_ Phone \_\_\_\_\_ Phone \_\_\_\_\_  
 PO Box \_\_\_\_\_ Area \_\_\_\_\_ Fax \_\_\_\_\_

**Number of employees/staff/personnel for the declared period**

Second Category Tax	Chair/Members of Administrative Board (1)	Employees (2)
Salaries	100	
In kind and cash benefits	110	
Total paid sums	120	
<u>Discounts</u>		
Transportation	130	
Representation indemnities	140	
Other discounts	150	
Net sums	160	
Family discounts	170	
Taxable salaries/wages	180	
Due tax	190	

**Deductible Payroll**

Deductible payroll _____	(240)	
Deductible payroll tax _____	(250)	
Periodical Payments	Total taxable payrolls	250
1. Value _____ Date _____	Total due tax	260
2. Value _____ Date _____	Total payment	260
3. Value _____ Date _____	Balance	260
Total amount: _____	Yearly deductible tax	265
	Fines	270
	Balance paid	280
	Balance earned	300

**Statement**

I, the undersigned, hereby testify that all the information included in this statement is accurate and correct.

Name \_\_\_\_\_ Position \_\_\_\_\_  
 Date \_\_\_/\_\_\_/\_\_\_ Signature \_\_\_\_\_



Annex no. 12

C 2

**The Lebanese Republic****Ministry of Finance**

Public Finance Authority

Department of Revenues – Income Tax

**Annual Income Tax Statement On Movable Capital**

Name of Taxpayer \_\_\_\_\_

Financial Year: from \_\_\_/\_\_\_/\_\_\_ to \_\_\_/\_\_\_/\_\_\_

Registration no. \_\_\_\_\_

Financial Year: from \_\_\_/\_\_\_/\_\_\_ to \_\_\_/\_\_\_/\_\_\_

Goodwill \_\_\_\_\_

Nationality \_\_\_\_\_

**Representative of company/organization:**

Name \_\_\_\_\_ Capacity \_\_\_\_\_ Phone \_\_\_\_\_

**Address of Company/organization**

Mohafaza \_\_\_\_\_ District \_\_\_\_\_ Town \_\_\_\_\_

Area \_\_\_\_\_

Street \_\_\_\_\_

Bldg \_\_\_\_\_ Floor \_\_\_\_\_ Phone \_\_\_\_\_ Phone \_\_\_\_\_

PO Box \_\_\_\_\_ Area \_\_\_\_\_ Fax \_\_\_\_\_

**Type of income**

Distributed share profits

Allocations and administrative board  
attendance fees

General assembly attendance fees

Debt interest

Reserve funds or profit

Incentives/creditor premiums/holders  
of proofs of indebtednessInterests of debts, deposits, and  
guarantees

Profit on break of shares

Prescribed sums and securities

Return of share of foreign bonds

Loan interest for companies in  
Lebanon (notably holdings)

Other incomes

**Total**

Total tax

Total delay fines

Total payments

Tax balance

Deductible tax

Total payment

Only \_\_\_\_\_

**Statement**

I, the undersigned, hereby testify that all the information included in this statement is accurate and correct.

Name \_\_\_\_\_

Position \_\_\_\_\_

Date \_\_\_/\_\_\_/\_\_\_

Signature \_\_\_\_\_

<b>Position:</b>	<b>Department:</b>	
1. Basic Task:		
2. Conducted Work:		
3. Work Contact:		
4. Independence:		
5. Administrative and Financial Authority:		
6. Supervision		
7. Physical Effort:	8. Work Environment:	
9. Minimum Qualifications Required:		
A. Education:		
B. Experience:		
C. Skills:		
Compilation:	Revision:	Acceptance:

Main title	Secondary Title	Details
<b>1. The target area</b>	Description. Project-related issues.	The geographic location, proximity to major cities, major agricultural and industrial products. Brief explanation of the problems that might face the project in this area (e.g. in establishing a dispensary; identifying the number of dispensaries and hospitals in the area, and their problems.
<b>2. Demographic data</b>	Population number. Population data survey.	This data relates to the target group: number, age groups, chronic diseases, hospitalization needs, etc. It helps to define the number of people in dire need of the dispensary.
	Why consult the local community? Planning the consultation. Influencing the potentially effected parties (other dispensaries in the area, physicians, etc).	Reveals the advantages of consultations and answers the five basic questions (why, who, when, how, and what?) about consulting the local community. The opinions of similar service providers (if any) towards the new project.
	Description of services.	Kind of services. Cost. Geographic location. If it is private, public, or affiliated to another NGO, number of individuals accessing it.
<b>5. Social Models</b>	How these needs are met in other communities.	How to make the services available at the least possible cost.
<b>6. Unmet needs</b>	Defining the lack of services. Defining the target groups.	What services do they still need? Who are the most disadvantaged?
<b>7. Possible solutions</b>	Increasing the services available. Managing the resources available. Acquiring new resources. Other possibilities.	Will the stakeholders be interested in change? Defining the parties who could help in delivering the project. Are additional resources possible?
<b>8. Risks</b>	Are there any obstacles hindering the delivery of the project?	Studying the external obstacles (wars, conflicts, etc) that threaten the project.

**Funding Request for Development Project from \_\_\_\_\_****To the Arab Gulf Program of the United Nations Development Organizations (AGFUND)****First: NGO Coordinates**

Name of project in Arabic:

Name of project in English:

Name of NGO presenting the project in Arabic:

Name of NGO presenting the project in English:

Address of NGO:

Name of the Chair of the Administrative Board

Address/Phone/Fax

E-mail:

Name of NGO manager

**Second: NGO Background Information**

Date of establishment:

Registration number:

Main objectives:

Field of work:

Number of members

Details of members: females ( )      males ( )      youth ( )      undefined ( )

Number of target individuals:

( ) individuals      undefined ( )

NGO's work area:

Name of area:

Nature: rural ( )      desert ( )      fishing community ( )      agricultural ( )      urban ( )

destitute area ( )

**NGO branches (if any)**

Name and location	Date of establishment	Nature of work		
		Rural (nomadic, fishery, agricultural)	Urban	Poor city areas

**The projects delivered by the NGO:**

Sources of funding:

NGO's future plan:

The NGOs working in the area:

Name of NGO	Type (national / international / regional / Arab / local)	Nature of Relationship

**Third: Information on Project****The origin of the idea:**

The initiative / entrepreneurs and their relation to the NGO:

Name	Relation to NGO	Educational Background	Nature of work outside the NGO
1.			
2.			
3.			

**The drafter of the project:**

Name	Relation to NGO	Educational Background	Nature of work outside the NGO
1.			
2.			
3.			

**The parties involved in drafting the project document (if any):**

Reasons for implementing the project:

**Detailed description of project:**

**The General Objectives:**

**The Detailed Objectives:**

**The Target Groups:**

- Women ( )                      their number ( )                      undefined ( )
- Girl scouts ( )                      their number ( )                      undefined ( )
- Children ( )                      their number ( )                      undefined ( )

**Disabled:**

- Visually Impaired                      their number ( )                      undefined ( )
- Hearing Impaired                      their number ( )                      undefined ( )
- Mentally Retarded                      their number ( )                      undefined ( )
- Multiple Handicaps                      their number ( )                      undefined ( )

Other:

**Project Area:**

- Rural ( )                      desert ( )                      fishing community ( )                      Agricultural ( )                      urban ( )  
destitute area ( )

**Administrative classification of area:**

- mohafaza ( )                      district ( )                      village ( )                      other ( ) \_\_\_\_\_

**Name and location of area(s) of project:**

**Detailed description of area(s) (geographically, economically, socially, culturally, and number of inhabitants)**

Available utilities:

- electricity ( )
- access to potable water in homes ( )
- only access to potable water outside homes ( )
- sewage ( )

**Services and local institutions available in area:**

Institution	Number	Authority		Remarks
		Governmental	Non-governmental	
Hospitals				
Dispensaries				
Nurseries				
Schools: Type: - - -				
Others				

**Duration needed for funding:**

3 months ( ) 4 months ( ) 6 months ( ) 8 months ( ) 1 year ( )

**Time period of project:**

6 months ( ) 1 year ( ) 1.5 years ( ) 2 years ( ) Other ( ) \_\_\_\_\_

**Sustainability of project after funding ends:**

sustainable ( ) non-sustainable ( )

**Source of fund after end of external funding:**

Self-funding ( ) From project outcomes ( )  
Government ( ) Other sources ( ) \_\_\_\_\_

**Project Participants:**

Name	Contribution		
	Cash (\$)	In kind (\$)	Technical (\$)
1.			
2.			
3.			
4.			
5.			
6.			
7.			

**Project Supervisors (after completion):**

The NGO ( )

Other parties ( )

**Summary of the proposed measures for the continuity of the project after termination of external funding:**

**Fourth: Expected Outcome and Outputs**

**Success Indicators:**

**Number of beneficiaries from the training sessions**

Women/girls ( )    Children ( )    Disabled ( )    Other ( )

**Number of women expected to receive small business loans:**

**Expected Benefit for the NGO:**

- Training centers ( )
- Permanent training team ( )
- Healthcare center ( )
- Additional source of income ( )
- Increasing NGO effectiveness ( )
- Increasing the number of beneficiaries ( )
- Supporting coordination and cooperation with other NGOs ( )
- Supporting coordination and cooperation with the private and civil sectors ( )
- Others \_\_\_\_\_ ( )

**Expected Impact on Local Society:**

- Short-term:
- Finding qualified local personnel ( )
- Contributing to finding job opportunities for women and men ( )
- Contributing to fighting women illiteracy ( )
- Providing child services ( )
- Rehabilitating and integrating the disabled in society ( )
- Other \_\_\_\_\_ ( )



**Long-term:**

- Reducing illiteracy in the area ( )
- Contributing to reducing unemployment ( )
- Contributing to financial and human resource development ( )
- Contributing to eradicating poverty ( )
- Contributing to empowering women and improving their conditions ( )
- Contributing to developing services for the disabled ( )
- Contributing to improving children's conditions in the area ( )

**Additional Information:**

(Further information can also be attached)

Name of Applicant:

Position:

Signature:

Phone no.:

Fax no.:

Mobile Phone no.:

E-mail address:

Address:

Date:

## THE SMALL GRANTS SCHEME

### Project Proposal

#### Project Description

This should include your goal, purpose, outputs, intended beneficiaries, and duration of the project. For example, the construction of 50 water wells (output) over a six month period (duration of project) to reduce the incidence of water-borne diseases (purpose) and to contribute to the increased life expectancy (goal) of the local population (intended beneficiaries).

#### Organization Details

Your organisation's name, status and function. State also whether the British Embassy has funded any of your previous projects within the last three years.

#### Project Supervisors

Your organisation's name, status and functions. State also whether the British Embassy has funded any of your previous projects within the last three years.

#### Costs

- The SGS contribution requested, showing specific items, services or recurrent costs.
- Your organisation's contributions.
- Other organisation contributions, showing name of each organization and total contribution.
- Total costs of the above.

*(Please use the example below as a guide)*

Description of Cost	British Embassy	Your Organisation	3 <sup>rd</sup> Partner Organisation (if relevant)
50 Water Wells	40,000 \$	10,000 \$	Nil
Engineers Salary	Nil	10,000 \$	5,000 \$
<b>Total</b>	<b>40,000 \$</b>	<b>20,000 \$</b>	<b>5,000 \$</b>

#### Plan for sustainability

Are all the necessary recurrent costs accounted for above? If not, how will the balance be met? Explain how your project will be financed in the future once the British Embassy's contribution has finished.

## Canadian Fund for Local Initiatives Request of Funding

### IDENTIFICATION OF THE PROJECT

Name of Project:

Name of NGO:

Location:

Contact Person:

Position/Title:

Address:

Telephone:

Fax:

### PROJECT DESCRIPTION

Brief description of the project and its objectives:

Origin and context:

Description of the region and the community of the project and the reasons for requesting funding.

Beneficiaries:

Who will benefit from the project (description of target group: men, women, children, farmers, refugees, etc) and how to address them.

Total number of beneficiaries and total number of women.

Participants:

How did the beneficiaries of the project participate in planning it?

What role do women play as participants and/or designers of the project?

To what extent and how will the beneficiaries participate in implementing the project?

What are their responsibilities after completion of the project?

Listing the names and functions of the members of the local committees involved.

Describing any other project executed by the community, its financial sources, executions methods, and obtained results.

Sustainability:

How will the project survive upon completion or after funding ends?

### COSTS AND CONTRIBUTION

Total cost of project:

Amount of resources needed from the Canadian Fund for Local Initiatives:

Other sources of funding:

Prepared by:

Title:

Signature:

Date:









