

Quarterly Progress Report

Jan – Mar 2017

Development of a robust standardization, quality assurance, accreditation and metrology (SQAM) infrastructure in Malawi

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ACRONYMS

AWP	Annual Work Plan
BOBS	Botswana Bureau of Standards
COMESA	Common Market for Eastern and Southern Africa
CTA	Chief Technical Advisor
DTIS	Diagnostic Trade Integration Study
ERP	Enterprise Resource Planning
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FD	Food and Drug Administration
FSAT	Food Safety Assessment Tool
FSMS	Food Safety Management Systems
HQ	Headquarters
IAF	International Accreditation Forum
IE	International Expert
IEC	International Electrotechnical Commission
IFSTL	International Food Safety Training Laboratory
ILAC	International Laboratory Accreditation Cooperation
INNOQ	National Institute for Standards and Quality
IRCA	International Register of Certificated Auditors
ISO	International Organization for Standardization
MATCB	“Malawi: Market access and trade capacity building support for agro-industrial products”
MBS	Malawi Bureau of Standards
MDGs	Millennium Development Goals
MGDS	Malawi Growth and Development Strategy
MoITT	Ministry of Industry, Trade and Tourism
MSD	Metrology Services Department
NEP	National Enquiry Point
NMiSA	National Metrology Institute of South Africa
NML	National Metrology Laboratory
NASFAM	National Smallholder Farmers Association of Malawi
NORAD	Norwegian Agency for Development Cooperation
NQI	National Quality Infrastructure
NQP	National Quality Policy
NQS	National Quality Strategy
PM	Project Manager
PRP	Pre-Requisite Programmes
QASD	Quality Assurance Services Department
SME	Small and Medium Enterprise
SADC	Southern African Development Community
SANAS	South African National Accreditation System
SPS	Sanitary and Phytosanitary
SQAM	Standardization, Quality Assurance, Accreditation and Metrology
TBT	Technical Barriers to Trade
ToRs	Terms of Reference

TSD	Testing Services Department
UK	United Kingdom
UNDAF	United Nations Development Assistance Framework
UNECE	United Nations Economic Commission for Europe
UNDP	United Nations Development Programme
UNIDO	United Nations Industrial Development Organization
USA	United States of America
USAID	United States Agency for International Development
WHO	World Health Organization
WTO	World Trade Organization

Executive Summary

The purpose of the “Development of a robust standardization, quality assurance, accreditation and metrology (SQAM) infrastructure” project is to contribute to a more adequate, effective and sustainable National Quality Infrastructure (NQI) in Malawi in accordance with international and regional principles and practices (e.g. Common Market for Eastern and Southern Africa (COMESA), Southern African Development Community (SADC)), by supporting the enhancement of the performance of the Malawi Bureau of Standards (MBS). This will have direct implications in terms of benefits for Malawi enterprises through improved business services provided by the National Quality Infrastructure and indirectly, and in the long term, in terms of improved protection of consumer rights of Malawian citizens.

The project is being implemented in terms of a contribution agreement between the European Union (EU) and the United Nations Development Programme (UNDP). An inter-agency agreement (IAA) was subsequently concluded between the UNDP and the United Nations Industrial Development Organization (UNIDO) for UNIDO to provide specialized technical assistance to ensure the success of the overall project.

This progress report to the UNDP presents a summary of the work done by UNIDO during the first Quarter of 2017 (1 January to 31 March) and it serves, therefore, to fulfill reporting requirements in the IAA. The reference for this report is the amended Annual Work Plan for 2017 (AWP 2017) which was approved during the 13th Steering Committee meeting held in Lilongwe on 10th November 2016.

The report shows the implementation progress throughout the quarter. As per inputs received by UNIDO’s Financial Management of Technical Cooperation Unit, the financial implementation for this quarter is in the amount of USD 181,280.76 (see Annex 2: obligations and disbursements), bringing the total financial expenditure to USD 2,307,709.48. In terms of Disbursements only (refer to Annex 1), the quarter reports a total of USD 135,454.49, bringing the total financial disbursement to USD 2,173,652.90.

The main focus of implementation by UNIDO during this reporting period was:

(i) recruitment of the Chief Technical Advisor (CTA) ad interim, (ii) Project Associate, (iii) International Experts on ISO 9001 and ISO 22000 (iv) equipment procurement bidding for CRMs and UTM accessories as well as finalization of Technical Specification documents for UPLC/MS/MS, (v) technical inputs to the strategic vision of MBS (2017-2021) and survey on mapping of laboratories in Malawi, (vi) better project visibility actions, including the visit of H.E. Mr. Gerrmann, EU Ambassador to Malawi and his 6 member team to MBS and its new laboratory complex at Chichiri complex, (vii) collection of inputs in preparation of a concept note for a possible next phase of the programme in Malawi with private sector participation and involvement of new donors, and (viii) regular project management activities under output 6, with improved involvement of MBS staff at large and better synergy with Market-Access and Trade Capacity Building on Agro-Industrial Products project of UNIDO. Similarly to the previous quarter, during this reporting period, the UNIDO Project Manager had an increased support particularly until the deployment of CTA ad interim mid of the quarter, so as to ensure smooth continuation of implementation.

While UNIDO interventions pertaining outputs 4, 5 have been completed, outputs 1, 2 are nearly completed and therefore current efforts are focusing on implementation of activities related to outputs 3 and 6, towards reaching accreditation targets of the project.

A. Situational Background/Context

There is a clear need for rapid and sustainable economic growth if Malawi is to achieve the Millennium Development Goals (MDGs) and the overall objective of poverty reduction on a meaningful scale. Trade, as recognized by the Malawi Growth and Development Strategy II (MGDS II), has the potential to be an engine for growth that can lift many Malawians out of poverty.

Malawi's standardization, quality assurance, accreditation and metrology infrastructure is currently inadequate to support the growth in exports envisaged by the MGDS II. The MBS is the National Enquiry Point (NEP) required by the World Trade Organization (WTO) under the Agreement on Technical Barriers to Trade. MBS sets and implements standards and conducts conformity tests on selected imports and exports. However, certificates from MBS are not recognized widely and exporters incur high costs to obtain certification overseas. More generally, MBS has very limited infrastructure to meet demands for the provision of SQAM services within Malawi.

To address these issues, the SQAM project intends to achieve internationally recognized accreditation of the conformity assessment services of the MBS, contributing to an efficient and adequate National Quality Infrastructure in Malawi by 2016 (this was extended to May 2018). This will have direct benefits for Malawian enterprises, and indirect, long-term benefits for Malawian citizens in terms of improved protection of consumer rights.

As well as the MGDS II, the SQAM project also aligns with the United Nations Development Assistance Framework (UNDAF) 2012-2016. The project will contribute to poverty reduction through the achievement of UNDAF Outcome 1.2, "Women, youth, people with disability and households benefit from decent employment, income generation and pro-poor private sector growth by 2016," under Theme 1, "Sustainable and equitable economic growth and food security". More directly, the project ties into UNDAF Output 1.2.2 that aims at improving Malawi's access to international and regional markets.

The Lead Implementing Partner for the project is the MBS. Financial and Management oversight is provided by the UNDP whilst UNIDO provides specialist technical expertise.

The National Quality Policy (January 2014) paves the way for Malawi to gradually implement a modernized National Quality Infrastructure and is a statement by the Government of Malawi of commitment towards this modernization process and lays a solid foundation that supports the project objective and outcomes. The National Quality Strategy was launched on May 18, 2016 to guide the implementation of the NQP. The launch of the NQS provides a demonstration of the Government's intentions to inculcate a quality culture and aims at improving the competitiveness of production value chains to expand the export performance of Malawian products worldwide. It is however noted that implementation of actions as outlined in the NQS remain very slow; failures to implement these actions will pose challenges to the achievements of the policy objectives.

B. Assessment of Project Results During the Reporting Period

This progress report presents a summary of the work done by UNIDO during the first Quarter of 2017 (1 January to 31 March) in accordance with the Annual Work Plan for 2017 (AWP 2017).

The main focus of implementation by UNIDO during this reporting period was: (i) the recruitment and fielding of CTA ad interim, (ii) Project Associate, (iii) International Experts on ISO 9001 and ISO 22000 (iv) equipment procurement bidding for CRMs and UTM accessories as well as finalization of Technical Specification and Recommendation documents for UPLC/MS/MS, (v) technical inputs to the strategic vision of MBS (2017-2021) and survey on mapping of laboratories in Malawi (vi) better project visibility actions, including the visit of H.E. Mr. Gerrmann, EU Ambassador to Malawi and his 6 member team to MBS and its new laboratory complex at Chichiri complex (vii) collections of inputs in preparation of a concept note for a possible next phase of the programme in Malawi with private sector participation and involvement of new donors, and (viii) regular project management activities under output 6, with improved involvement of MBS staff at large and better synergy with Market-Access and Trade Capacity Building on Agro-Industrial Products project of UNIDO. Similarly to the previous quarter, during this reporting period, the UNIDO Project Manager had an increased support particularly until the deployment of CTA ad interim mid of the quarter, so as to ensure smooth continuation of implementation.

Some of the key achievements from UNIDO implementation actions during this quarter include:

Output 3:

- UNIDO has now commenced the process on the selection of the accreditation body for the actual accreditation process to be undertaken during the late second half of 2017/first quarter of 2018. MBS consented for SADCAS to be the accreditation body as it is a full member of IAF. The International Expert on ISO 17025, Reimond Willemse, as well as CTA a.i. provided guidance and recommendations to the MBS Testing Laboratories on the application process. Communication between MBS and SADCAS has commenced.
- Due to the malfunctioning of the High Pressure Capillary Ion Chromatograph, the supplier sent a technician to assist in the repair the faulty equipment. A suppressor has been ordered and has arrived at MSB at the end of this quarter. An official report from the supplier was provided to MBS providing advice on recommended consumables that need to be kept on site. Technical training has also been delivered by the supplier's technician to 6 MBS staff and competence training certificates were issued.
- The equipment procurement plan, which was signed by MBS Management in February 2017, was circulated within UNIDO HQ and UNDP. The Technical Specifications (TS) for the procurement of Accessories for the Universal Testing Machine (UTM) and UPLC/MS/MS were finalized jointly by MBS, ex-CTA, CTA a.i. and UNIDO Project Manager. The bidding processes for CRMs and peripherals, Accessories for the UTM and UPLC/MS/MS have been initiated at UNIDO HQ. Finalization of technical specifications for XRF, ICP-MS and Oil Analyzer has been reported to be in progress. The MBS is preparing the requirements of the Laboratory Management System (LIMS), which will facilitate the design of the LIMS technical specifications. It is the understanding that the

LIMS will be installed in the new Laboratory complex, but sample registration module will be initiated at current premises.

- Mr. Reimond Willemse, International Laboratory Accreditation Expert in ISO/IEC 17025, during his home-based assignment between November 2016 and February 2017 has been working closely with MBS Testing Services Department in refining various laboratory and management system documentation and facilitating accreditation application to SADCAS with the scope on microbiology, pesticides, aflatoxins and elements analysis. The expert's recommendation on his final report is that aflatoxin is 100% ready and therefore it should be prioritized for accreditation.

Output 5:

- The work on development of the Food Safety Legislation was expected to continue outside the SQAM Project. FAO indicated that it had funds for continuation of the work but there has been no progress. The MBS was tasked to follow up on the matter with MoITT for sourcing funds from FAO.
- The CTA ad interim networked with Mr. Arthur Dimas, a World Bank legislative consultant who is advising GoM on legal matters, and introduced him to UNDP and UNIDO as a potential resource for food safety regulations as he has done work in West Africa and SADC regions.

Output 6:

- Technical Assistance to 3 companies on ISO 22000:
 - i. The international expert on food safety according to ISO 22000/HACCP, Ms. Anya Knoetze, visited Malawi from 20-24 February 2017 for a planning session of her missions with the MBS. The IE prepared a detailed work-plan with minimum workdays required for preparing the companies to be selected for certification together with the MBS.
 - ii. Six (6) enterprises were evaluated by the IE and 3 (three) companies were selected for certification assistance in close consultation with the MBS. The technical assistance also includes strengthening the capabilities of MBS on its management certification functioning. Provision has been made for 4 (four) missions in 2017, 1 (one) mission per quarter. The 1st mission in 2017 took place from 3 April to 3 May 2017.
 - iii. The 3 (three) companies selected for technical assistance in agreement with MBS management and the CTA a.i., which will lead to certification, are: Ethco (located in Dwanga-Nkhotakota), Linga Winery (located in Lilongwe) and Project Peanut Butter (located in Blantyre).
- Technical Assistance to 4 companies on ISO 9001:
 - i. The International Expert on ISO 9001, Mr. Shashank Sheth, was on mission to Malawi between 12 February and 15 March 2017.
 - ii. Four (4) enterprises have been selected and targeted for ISO 9001 certification technical assistance in close consultation with the MBS. The IE provided initial training to the companies on ISO 9001 and reviewed their system documentation. To continue with the remaining task, provision has been made for 4 (four)

missions in 2017, one mission per quarter. The companies and MBS were provided with a matrix of system gaps for corrective actions. The companies' calibration requirements are being assessed by MBS metrology department for action from their side.

- iii. The selected four (4) companies for certification are: CORI (in Lilongwe), Mzuzu Coffee (in Mzuzu), Promat (in Lilongwe) and Polyplast, now Flowtech (in Blantyre).
- iv. Company-wise report was prepared by the IE and sent to all companies for remedial actions. MBS was urged to relook into their current certification practices for compliance with international standards. The MBS held a mission exit meeting on 13 March 2017 and offered their full support for task achievement.

Output 8:

- Programme Management:

- i. UNIDO ensured availability of a CTA a.i. starting from 13 February until 31 March 2017 and to maintain transparency in the recruitment process started in parallel the interviews for the position of a CTA in Malawi. Key stakeholders such as UNDP and MBS were involved to take part in the interview panel for the position of CTA and were duly informed about developments.
- ii. The CTA ad interim represented UNIDO in MBS Strategic Plan (2017-2021) and laboratory mapping meetings held at MBS on 9 March 2017
- iii. UNIDO facilitated the visit of the European Ambassador Mr. Gerrmann and his six member's team to the MBS and its new laboratory complex at Chichiri on 28 February 2017. On this occasion there was a wider visibility and promotion of the SQAM project through media, sign-posts and private-sector meetings.
- iv. The CTA ad interim represented UNIDO in the Malawi-India Business Meet, Lilongwe, on 16 March 2017 and promoted SQAM/MATCB projects and networked with the High Commissioner of India and business delegates from India and Malawi. On that occasion the CTA initiated discussions on the potential support from the Govt. of India for technical assistance in Malawi.

Action matrix:

The tables on the pages to follow present a summary of the status of progress of the activities for each output where UNIDO is listed as the party responsible for implementation.

Output 1: Strengthened capacity of the Malawi Bureau of Standards to deliver business services and achieve financial sustainability	
ACTIVITY	STATUS
1.0 National Quality Policy [MoITT (MBS/UNDP/UNIDO)] - Dissemination of the NQP - Development of a National Quality Strategy (NQS)	<ul style="list-style-type: none"> • This activity was completed. • This activity is a national implementation activity under MBS and MoITT. • UNIDO learnt that the MoITT appointed the high level committee in support of the implementation of the NQS and ultimately the NQP. • The National stakeholders chose to proceed without involvement of UNIDO and of the CTA, and as result no more contribution is required. It is now the responsibility of National stakeholders to ensure the objectives under this Output is achieved.
1.1 Project Visibility event	<ul style="list-style-type: none"> • This activity is a national implementation activity under the MBS as provided for under activity 8.2.
1.2 Review and set-up of organizational structures, service delivery procedures and knowledge management within MBS [MBS (MoITT/UNDP)]	<ul style="list-style-type: none"> • This activity is a national implementation activity under MBS. • UNIDO took note that the draft of the 2017-2021 MBS Strategic Plan developed by the national consultants was not accepted by the MBS and it has been submitted to the consultants for remedial action. • UNIDO took note of the need of MBS to recruit a marketing manager. • It remains essential for the achievement of project indicators and objectives for MBS to incorporate findings and recommendations arising from final reports by various UNIDO International Experts into MBS Strategy and Business Plan and implement these in order to ultimately achieve the anticipated reforms.
1.3 Market survey on the demand for testing and calibration in Malawi [MBS (UNDP)]	<ul style="list-style-type: none"> • This activity is a national implementation activity under MBS. • UNIDO noted that the status of the Laboratory Mapping report was still in a preliminary phase: the overall analysis of the laboratories, common challenges and possibilities for networking among laboratories, the checklists or questionnaires used, the list of acronyms and a summary of the labs are still missing.
1.4 Preparation of a business plan and monitoring system for MBS [MBS (UNIDO)]	<ul style="list-style-type: none"> • This activity is under national implementation by MBS. • UNIDO trusts that the national consultants and MBS Management will commit to ensure the findings and recommendations arising from project reports will find its way into the MBS Strategic Plan 2016-2020, and ultimately contribute to the anticipated reforms and project outputs.
1.5 Development of a “marketing	<ul style="list-style-type: none"> • This activity is under national implementation by MBS.

unit” within MBS [MBS (UNIDO)]	<ul style="list-style-type: none"> • The report by IE (Visser) made clear recommendations on the marketing strategy and require of MBS to formulate also a marketing policy but UNIDO understands that no actions have been taken by MBS to advance in this matter. • It was noted that the functional review made positive recommendations about the MBS marketing unit and UNIDO therefore hopes the action will form part of the MBS Strategic Plan 2016-2020 to ensure the objective is achieved.
1.6 Enhancement and updating of the MBS website [MBS (UNDP)] During	<ul style="list-style-type: none"> • This activity is a national implementation activity. • UNIDO encourages MBS to ensure regular updating thereof, including of implementation activities under this project and to maintain hyperlinks to all project partners. • UNIDO has taken note of the issue of intermittent functioning of the MBS website and e-mail system.
1.7 Preparation and implementation of a “training plan” for MBS [MBS (UNIDO)]	<p><u>Out-of-country trainings (testing):</u></p> <ul style="list-style-type: none"> • Training arrangements on (1) <i>LC-MS/MS for the identification of Chemical Contaminants in Food</i> and (2) <i>Methods of Determination for Mycotoxins discussed with MBS Testing Lab Director and Deputy Director</i>. FERA is considered as the training provider. New nominations for training from MBS are awaited and expected to be provided during Q2 2017. • Targeted training on new equipment to be procured will need to be agreed upon with MBS once the equipment is delivered. • Training delivered to six MBS staff on the Ion Chromatograph by the supplier at MBS premises.

Output 2: Technical Regulations reviewed to promote efficient, effective and accountable delivery of information in accordance with SQAM legislation and regulations

ACTIVITY	STATUS
2.1 Documentary and field survey of the Malawian situation with regards to technical regulations and enforcement. [MBS (UNDP/UNIDO)]	<ul style="list-style-type: none"> • UNIDO notes that the process of meetings of the TBT Committee under the MoITT are provided for and that MBS and MoITT requires no more support from UNIDO in this regard. It is now the responsibility of National stakeholders to ensure the objectives under this Output are achieved.
2.2 Awareness campaigns and training on "Better regulation". [MBS (UNDP/UNIDO)]	<ul style="list-style-type: none"> • One regulation was notified by MoITT to WTO in February 2017; 6 regulations were sent for notification by MBS to MOITT, which they will be sent to WTO after whetting. Matter is pending with MoITT. Notifications are expected to be made each time new regulations are developed. Regular follow-up among the parties involved is taking place for the completion of notifications.
2.3 Data gathering on TR, analysis and consolidation. Preparation of a strategy and a plan for the institutionalisation of "Better Regulation" in Malawi. [MBS (UNDP/UNIDO)]	<ul style="list-style-type: none"> • UNIDO will support MBS in matters related to study tour to an established National Enquiry Point (NEP). The study tour was postponed from Q4 2016 to Q2 2017. MBS has proposed the Uganda National Bureau of Standards (UNBS) and has started negotiation. The new dates for the study tour will be proposed to UNIDO.
2.4 Preparation of a strategy and a plan for the institutionalisation of "Better Regulation" in Malawi [MBS (UNDP/UNIDO)].	

Output 3: Structurally enhances capacity of the Malawi Bureau of Standards for conformity assessment services

ACTIVITY	STATUS
<p>3.1a Construction of the Metrology building. [MBS (GoM)].</p>	<ul style="list-style-type: none"> • This activity is under national implementation by MBS and the Government of Malawi. • UNIDO notes that the construction works are in progress and the Government of Malawi (GoM) is honoring the payments for construction works as per certificates of payments that are issued. Construction works are at 45%. • UNIDO obtained a copy of the new laboratory complex rooms' layout as well as 3D images for perusal. • Official visit of Mr. Marchel Gerrmann, EU Ambassador to Malawi and his six-member delegation was organized on 28 February 2017 to new MBS laboratory complex and MBS legal metrology site. Good visibility of the visit occurred through media and press release. Three sign posts of SQAM/MATCB projects prepared and erected at all MBS premises. EU Ambassador offered continuing support to Malawi for trade development. • Provision remains under the MATCB project for UNIDO to support the MBS request for a study tour for the engineering team concerned with the design of the laboratory air conditioning systems to NSBs in the region. Agreement was reached with MBS that the provision for a study tour for MBS/Contractor will be retained in view of visit to facility in the region with well-established engineering/materials testing facilities. This surfaced as an area where uncertainty remains between parties concerned regarding the structural requirements. At the time of this report UNIDO is still awaiting final inputs from MBS in order to implement this action. • Metrology Expert on Laboratory Design, Mr. Ron Cook finished his 6 months assignment in Nov-2016 to support MBS in matters related to the verification of technical aspects on the laboratories of the new MBS complex. This follows the commencement of the construction works in Feb- 2016 under the responsibility and funding of the Government of Malawi. Expected earliest date for completion of the new MBS buildings is Feb-2018, eventually June 2018. • UNIDO contracted the NE, Mr. Hendrix Mgawana under MATCB project - who acted in the interest of the MBS and UNIDO during the construction and refurbishment of the MSD facilities - to oversee the process for pending matters to be resolved by the contractor, Circle Plumbing Limited and to ensure that the compliance certificates are issued in accordance with the requirements of the Department of Buildings. • Following the completion of the construction and upgrading works at the MSD for Legal Metrology, the IE, Mr. Benjamin Van Der Merwe commenced the technical review of the actions implemented vs the 2015 Master Plan. Detailed report was prepared including the advice related to the eventual accreditation to ISO/IEC 17025 (processes and equipment). The workshop with MBS to

	<p>review the traceability charts for length, mass and volume in view of the accreditation of these services was conducted.</p>
<p>3.1b Develop within MBS an accredited product certification body [MBS (UNIDO/UNDP)]</p>	<ul style="list-style-type: none"> • Current implementation by MBS is in terms of the Pilot Phase for MBS to be accredited to ISO/IEC 17065 as a product certification body, and UNIDO having taken actions during the quarter in response to that plan and to the findings and recommendations in the pre-assessment report (December 2015). • Further to the outcome of the Steering Committee meeting held in November 2016 in Lilongwe, MBS and UNIDO deliberated and agreed that SADCAS should be considered the accreditation body for the MBS because it is a local accreditation body in the SADC region to which Malawi is contributing and it is familiar with the challenges which laboratories within the region experience and so the MBS can be at an advantage if it is accredited by SADCAS. Communication on accreditation with SADCAS commenced. • The MBS DG, DDG and Director responsible for product certification body have welcomed UNIDO to participate in the monthly meetings of the roadmap progress assessment for support and guidance. • International experts on ISO 9001 and ISO 22000 have agreed to report to UNIDO if they identify or encounter any challenges related to product certification during their missions. • UNIDO encouraged MBS to share roadmap progress assessment as per monthly meetings as well as to provide a marketing plan for the product certification body and its revenue potential for sustainability.
<p>3.2 Develop within MBS a management systems certification body for ISO 9001 and ISO 22000 / HACCP [MBS (UNIDO/UNDP)]</p>	<ul style="list-style-type: none"> • Current implementation is in terms of the Pilot Phase for MBS to be accredited to ISO/IEC 17021 for ISO 9001 management system certification. • The status on accreditation is the same as that of activity 3.1b.
<p>3.3 Upgraded and accredited testing laboratories in MBS [MBS (UNIDO)]</p>	<ul style="list-style-type: none"> • Current implementation is in terms of the Pilot Phase for MBS to be accredited to ISO/IEC 17025 with scope limited to microbiology, pesticides, elements analysis, and food contaminants (e.g. aflatoxins), and those recommendations and findings arising from the pre-assessment that was conducted during July 2016. • UNIDO discussed with MBS and agreed that SADCAS should be considered for accreditation of the MBS because it is the local accreditation body in the SADC region and so it is already aware of the challenges that laboratories in this region face. UNIDO has commenced the process for the sub-contract of the accreditation body for the actual accreditation process to be undertaken as soon as the MBS finalizes pending tasks that are pre-requisites for this to happen. Communication with SADCAS commenced and information on guidance on accreditation was obtained. The MBS is now in contact with SADCAS. • The International Expert for ISO/IEC 17025, Mr. Reimond Willemse, during his home-based assignment between November 2016 and February 2017 has been working closely with MBS Testing Services Department in refining various laboratory and management system documentation

	<p>and facilitating accreditation application to SADCAS with the scope on microbiology, pesticides, aflatoxins and elements analysis. The expert's recommendation on his final report is that aflatoxin is 100% ready and therefore it should be prioritized for accreditation.</p> <ul style="list-style-type: none"> • Procurement of equipment: <ul style="list-style-type: none"> i. The supplier of the Ion Chromatograph sent a technician to the MBS from 8-10 March 2017 to repair the faulty equipment. During his visit the technician identified that the suppressor was also damaged and needs replacement. The suppressor was ordered and arrived at the MBS on 31 March 2017. The suppressor has not yet been installed due to a damage caused by not using deionized water (which is included in the TS of the ongoing bidding for CRMs and peripherals). An official report from the supplier was provided to MBS providing advice on recommended consumables that need to be kept on site. Technical training has also been delivered by the supplier's technician to six MBS staff and competence training certificates were issued. ii. The procurement plan was signed by MBS in February 2017 and it was shared with UNIDO HQ and UNDP. iii. Procurement of CRMs and Peripherals, Universal Testing Machine (UTM) accessories and UHPLC/MS/MS commenced immediately. iv. Preparation of technical specifications (TS) for XRF, ICP and Oil Analyzer is in progress. v. The MBS is yet to submit TS for Laboratory Management System (LIMS). It is the understanding that the LIMS will be installed in the new Laboratory complex, but sample registration module will be initiated at current premises. vi. A draft analysis of equipment planned for procurement versus actual equipment procured was developed to help analyze equipment that can be considered for phase 2.
<p>3.4 Upgraded and accredited calibration laboratories in MBS</p>	<ul style="list-style-type: none"> • Current implementation is in terms of the Pilot Phase for MBS to be accredited to ISO/IEC 17025 with scope limited to mass, volume and dimension (length) being implemented in close collaboration with the MATCB project. • As per outcome of the SC meeting from November 2016 it has been noted that there was an electricity incident that damaged some equipment at the MBS Metrology Services Department. The incident took place when the Electricity Supply Corporation of Malawi (ESCOM) bypassed the surge protection at MBS premises leading to damage of air-conditioning system, computers and other electrical appliances. Air-conditioning is critical for certain operations in the laboratory. The meeting was informed that the MBS engaged the ESCOM and the insurance company and that the matter was being looked into. The meeting requested the secretariat to provide a report on safety measures for protecting both equipment and life of staff. UNIDO encouraged MBS to address this matter as a top priority, as otherwise the accreditation of selected scope(s) could be

	<p>jeopardized.</p> <ul style="list-style-type: none"> UNIDO noted that intermittent power supply affects daily operations of the MBS and so UNIDO encouraged MBS to share the electrical load requirements for UNIDO to consider a generator set and/or/in-combination with solar power for supplying uninterrupted power supply to the calibration laboratories. The MBS engaged Sharma Electricals to do the analysis and a report is yet to be received. MATCB Project agreed to fund a generator set solution as appropriate. Preparation of the TOR of electric generator installation is underway. Consideration of the idea to combine generator set with Solar power, if technically and economically feasible, for a green calibration laboratory is given.
<p>3.5 Develop a training business unit. [MBS (UNIDO)]</p> <p>3.6 Establish a pool of Malawian auditors [MBS (UNIDO)]</p> <p>3.7 Collaboration with the Malawi Laboratory Association to strengthen the association as an integral part of the national quality infrastructure, notably in view of testing and calibration services [MBS (UNDP)]</p>	<ul style="list-style-type: none"> The functional review of the MBS recommended the establishment of a training unit. UNIDO recalls that, during the mid-year review in June 2016, MBS informed that a training officer was being recruited and that the new unit will be established by end of 2016; however UNIDO is not yet informed whether there was any progress in this regard. Implementation by UNIDO to support this activity can only proceed once the unit is established. This activity provides for technical assistance to MBS in the development of processes and system to support the management of a pool of auditors where such auditors are integral to conformity assessment services earmarked for accreditation. MBS is being trained through accompanying visits to companies being supported for future certification (see activity 6.5, partially 6.3); in fulfillment of international requirements related to transparency and impartiality, those trainees shall not participate in audits to those companies. In addition, companies currently certified by other certification bodies are being approached in a way that they grant permission to conduct mock audits in their premises to further train auditors. This activity is a national implementation activity under MBS as was concluded during 2014.

Output 4: Strengthened, proactive and responsive National Enquiry Points (NEP) to the information and notification requirements of WTO/TBT/SPS agreements

ACTIVITY	STATUS
<p>4.1 Identify, store, update, create and use the information on foreign TR, standards and conformity assessment dispositions of countries that import from Malawi [MBS (UNIDO)]</p>	<ul style="list-style-type: none"> UNIDO component was concluded early in 2015 as per previous reports. Implementation towards the compliance by Malawi with the WTO transparency provisions of the three National Enquiry Points for SPS and the National Notification Authority as per the findings and recommendations from the work concluded by UNIDO in 2015 is required under national implementation responsibility. These specific

	<p>responsibilities go beyond only the MBS:</p> <ul style="list-style-type: none"> ○ Food Safety [Malawi Bureau of Standards, Blantyre] ○ Animal Health [Ministry of Agriculture, Dept. Animal Health and Livestock, Lilongwe] ○ Plant Protection [Ministry of Agriculture, Dept. Agric. Research Services, Lilongwe] ○ The National Notification Authority [Ministry of Industry and Trade, Lilongwe] <ul style="list-style-type: none"> • UNIDO encourages MBS to ensure regular updating thereof, including of national implementation activities under this project and to maintain hyperlinks to all project partners.
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Output 5: Sanitary and Phytosanitary (SPS) infrastructure improved and mainstreamed into National policies

ACTIVITY	STATUS
5.1 Review the national SPS infrastructure [MBS (UNIDO)]	<ul style="list-style-type: none"> • The work under this Output concluded in 2016 Q3 and was approved during the 13th Steering Committee meeting held on 10th November 2016. • The work on development of the Food Safety Legislation was expected to continue outside the SQAM Project, FAO indicated that it had funds for continuation of the work but there has been no progress. The MBS was tasked to follow up on the matter with FAO. • The CTA ad interim introduced a World Bank experienced consultant on food legislation to UNDP and UNIDO to be considered for future work.
5.2 Develop a road map to improve the Malawian SPS infrastructure. [MBS (UNIDO)]	
5.3 Review and upgrade the legislation for the SPS infrastructure [MBS (UNIDO)]	

Output 6: Capacity of Small and Medium sized Enterprises (SME), and particularly women and youth led enterprises, strengthened to comply with quality requirements

ACTIVITY	STATUS
6.1 Preparation of an overall training and technical assistance programme for SMEs, in particular female and youth headed SMEs. [MBS (UNDP/MoIT)]	<ul style="list-style-type: none"> • Programme implementation related to the 7 Cohort I companies to benefit from technical assistance through international experts for ISO 9001 and ISO 22000 quality management systems commenced in accordance with the AWP2017 and as reported under act. 6.2 and 6.3.
6.2 Technical assistance to 15 SMEs, in particular female and youth headed SMEs, to comply with HACCP / ISO 22000 Food safety management systems [MBS (UNIDO)]	<ul style="list-style-type: none"> • Ms. Anya Knotze, IE on food safety (ISO 22000 and HACCP) visited Malawi between 20–24 February 2017 for a planning session of her missions with the MBS. The IE prepared detailed work-plan with minimum workdays required for preparing the company for certification together with MBS. • Six (6) enterprises were targeted initially (3 new ones to be added), subject to initial evaluation by the IE. Provision has been made for 4 (four) missions in 2017, 1 (one) mission per quarter. • Ms. Anya Knotze, IE on food safety, based on 6 company’s analysis, the following three companies were selected in agreement with MBS management and CTA on 24/2/2017 for technical assistance, which will lead to certification:

	<ol style="list-style-type: none"> 1. Ethco (located in Dwanga-Nkhotakota), 2. Linga Winery (located in Lilongwe) 3. Project Peanut Butter (located in Blantyre). <ul style="list-style-type: none"> • IE will embed the assistance to MBS for developing its food safety auditors within the enterprise action for coherence and linkages. • The next mission of the IE Anya Knoetze is scheduled for April 2017.
<p>6.3 Technical assistance to 10 SMEs, in particular female and youth headed SMEs, to comply with ISO 9001 Quality management systems. [MBS (UNIDO)]</p>	<ul style="list-style-type: none"> • The International Expert on ISO 9001, Mr. Shashank Sheth, was on mission to Malawi between 12 February and 15 March 2017. Provision has been made for 4 (four) missions in 2017, 1 (one) mission per quarter.. • The selected 4 companies for certification are: <ol style="list-style-type: none"> i. CORI, Lilongwe ii. Muzuzu Coffee, Muzuzu iii. Promat, Lilongwe iv. Polyplast, Blantyre • Company-wise report prepared by the expert was sent to all companies for remedial actions. MBS was urged to relook into their current certification practices for compliance with international standards. The MBS held a mission exit meeting on 13th March 2017.
<p>6.4 Other type of quality requirements in export markets. Technical assistance to 10 SMEs. [MBS (UNIDO)]</p>	<ul style="list-style-type: none"> • This activity is for National implementation. • This activity is dropped as per the agreement of the Steering Committee meeting held in November 2016. • UNIDO is therefore excluded from the achievement of indicators foreseen from implementation of this activity as outlined in the project logical framework.
<p>6.5 Trainers-cum-counsellors and auditors: Training in HACCP / ISO 22000 Food safety management systems. [MBS (UNIDO)]</p>	<ul style="list-style-type: none"> • MBS staff has been given exposure to ISO 22000 through company visits. • This activity was concluded in 2016 Q3.
<p>6.6 Training in ISO 9001 Quality management systems for trainers-cum-counsellors and auditors. [MBS (UNIDO)]</p>	<ul style="list-style-type: none"> • This activity was concluded in 2016 Q3.
<p>6.7 Trainers-cum-counsellors: Training in "Initiating quality improvement in selected sectors" [MBS (UNIDO)]</p>	<ul style="list-style-type: none"> • This activity is dropped as per the agreement of the Steering Committee meeting held in November 2016. • There is no longer a requirement for any UNIDO implementation under this activity. • UNIDO is therefore excluded from the achievement of indicators foreseen from implementation of this activity as outlined in the project logical framework.
<p>6.8 Awareness seminars: ISO 14000 Environment management systems; GLOBALG.A.P. (Good Agricultural Practice) [MBS (UNIDO)]</p>	<ul style="list-style-type: none"> • This activity was concluded in 2016 Q4. A series of three seminars (Blantyre, Lilongwe, Mzuzu) were presented by the international expert on ISO 22000/HACCP (Anya Knoetze) in collaboration with the MBS during her last mission for 2016 planned for 7 November – 2 December 2016.
<p>6.9 Trainers-cum-counsellors and auditors: Training in ISO/IEC 17025</p>	<ul style="list-style-type: none"> • This activity was concluded in 2016 Q3. The international expert (Steve Sidney) undertook the ISO/IEC 17025

[MBS (UNIDO)]	training course to 45 participants during the week of 15-19 August. The results of the course were reported to UNIDO.
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Output 7: MBS Compliant with International Regulations established

ACTIVITY	STATUS
7.1 TA for the preparation of the organizational and operational bylaws and business plan for the Malawian accreditation body. [MBS (UNIDO)]	<ul style="list-style-type: none"> Activity was concluded in 2015.

Output 8: Programme Management

ACTIVITY	STATUS
8.1 Operational Management Team	<ul style="list-style-type: none"> Provides for International Technical Assistance and related costs, including the project CTA and UNIDO travel and the contracts of the CTA and project associate at UNIDO. As part of the contingency plan, the UNIDO Project Manager had and increased involvement and monitoring of the project so as to ensure smooth continuation of the activities during the transition period until a new long term CTA is recruited and on the job; in addition, a CTA ad interim was recruited, with entry on duty as of 13 February 2017 until 31 March 2017, while the vacancy announcement was released. Recruitment of Project Associate at UNIDO HQ, with entry on duty as of 1 February 2017.
8.2 Communications and Visibility	<ul style="list-style-type: none"> Official visit of Mr. Marchel Gerrmann, EU Ambassador to Malawi and his six-member delegation was organized on 28 February 2017 to new MBS laboratory complex and MBS legal metrology site. Good visibility of the visit occurred through media. Three sign posts of SQAM/MATCB projects prepared and erected at all MBS premises. EU Ambassador offered continuing support to Malawi for trade development. In this regard UNIDO HQ published a press release. Wider visibility and promotion of the SQAM project through media, sign-posts and private-sector meetings. A number of short video films and newsletters were initiated by UNDP and MBS on the project. The CTA a.i. provided feedback to them with a view to improve their contents and presentation style. He has also facilitated the promotion of the capacity of MBS in testing aflatoxin at the STDF Working Group Meeting in Geneva, 20-21 March 2017.

C. Financial Status and Utilization

Summary of financial payments to date include receipt of first installment of EUR 550,000 (equivalent to USD 717,079.53, incl. support costs) received from the UNDP on 28 October 2013 in accordance with the schedule of payment of the inter-agency agreement. At the end of March 2014 financial implementation by UNIDO was reported as 83% allowing for request for the second disbursement of funds. This installment was received on 10 October 2014 totaling EUR 1,009,728 (equivalent to USD 1,199,074.47).

The third installment of EUR 781,784 (originally requested by UNIDO on 8 December, 2015) was received on 17 June, 2016 (equivalent to USD 881,379.93). This brought the amount of total funds received (installment 1 + installment 2 + instalment 3) to USD 2,881,469.

The total financial implementation by the end of the first quarter of 2017 is equal to 79% of total instalments received. The next installment is therefore ready to be triggered.

D. Lessons Learned

- Previous IAA amendment was key to improve administrative processes amongst UN agencies when it comes to such contractual matters. Considering the amendment signed between the EU Delegation and UNDP in December 2016 reflecting transfer of funds from output 6 to output 3 and therefore new ceilings per outputs, as well as the new schedule and amount of next installments from June 2016, the IAA requires an amendment to reflect those developments, as well as to bring better clarity on the reporting deadlines. It is therefore a priority in the future to coordinate with the partners in order have an agreement which is consistent and agreed among all parties, particularly with a view to facilitate procurement of additional equipment under output 3. In this context, it is important to highlight that assistance through International Experts to reach the targets related to accreditation might require increased involvement.
- The contingency plan that was activated upon announcement of the decision of former CTA not to extend his contract for the year 2017 has proven to be essential to ensure continuity and smooth operation of the project, through increased involvement of UNIDO Project Manager, along with recruitment of a CTA a.i. and a quick recruitment of Project Associate, as well as a temporary and part time contract to former CTA during the transition period with entry on duty in February 2017. The process of recruitment of longer term CTA was also advanced during this quarter, with three short-listed candidates interviewed.
- As the project approaches the final stage of the implementation cycle, a more direct participation of UNIDO in the monthly Project Management meetings is highly advisable to the extent possible via teleconference. If so, a revised schedule of events and early notification to allow a meaningful participation would be required.
- The presence of the CTA a.i. in Blantyre was instrumental to interact with MBS and to address ways for effective accomplishment of the main goals of the project, specifically the importance of updating regularly the status of implementation for each accreditation roadmap. Failure to do so will jeopardize the negotiation for a possible SQAM phase II. Therefore, in order to plan the conclusion of the current project and the preparations for a possible next phase, it is crucial in the next quarters:
 - for the MBS to provide an update on the status of implementation for each accreditation roadmap and the level of readiness for submission of applications for accreditation
 - for UNIDO through the work of its International Experts on ISO 9001 and ISO 22000 and beyond to report if they identify or encounter any challenges during their missions, along with prospective corrective actions. Further support also pertaining accreditation will be required through additional work by the International Experts already engaged in the project, as well as additional International Experts in the field of accreditation to accompany the process
 - for UNDP to support monitoring in situ, as well as follow up during the monthly Project Management meetings.

E. Conclusion

Following to the resignation of Mr. Francois Denner from the role of CTA, who completed his duties on 31 December 2016, Mr. Ouseph Padickakudi in the role of CTA *ad interim* reported to duty in Malawi at the Malawi Bureau of Standards (MBS), Blantyre on 13 February 2017 p.m. The CTA tied-up the missing links of the project, and normalized working arrangements with the top management of MBS, UNDP, European Union, MoITT and former CTA.

Procurement of equipment was continued and technical specifications for UPLC/MS/MS and UTMS accessories were finalized and submitted for bidding. Further specifications for ICP-MS, XRF, Oil Analyzer are being developed in close consultation with the MBS management for their procurement. To accelerate the accreditation of testing and calibration laboratories, respective road map review is being made and it will continue in the coming weeks by the MBS. Work on the management systems certification of 4 companies and food safety system certification of 3 companies was reported to be in progress.

On 28 February 2017, H.E. Marchel Germann, EU Ambassador to Malawi and his 6-member EU delegation visited MBS premises and the SQAM project operation was witnessed. The EU delegation expressed its interest to support the SQAM Phase II. High-level visibility was given to the visit of the EU delegation through sign posts erected in 3 separate premises of MBS and local and EU press.

On 9 March 2017, MBS showed good signs of change management with appropriate firewalls among the departments of MBS. This is needed for continuous support of EU for phase II of the programme, which is emphasized repeatedly. The Malawi SQAM phase II bullet point concept was prepared by CTA a.i. and submitted to UNIDO, UNDP and MBS for their inputs and further development. A separate meeting with the EU will be arranged after a more advanced concept note has been prepared.

Discussion with SADCAS enables MBS to proceed with accreditation applications. The testing and calibration laboratory accreditation roadmaps are being implemented and revised. Certification work of companies for ISO 9001 and ISO 22000 is in progress and the next missions of both experts were approved by MBS. Accreditation applications for product certification and management system certification are also pursued.

CTA a.i. participation in MBS Strategic Plan meeting as well as the discussion with MBS Board of Directors gave appreciation to UNIDO capability in a wide range of areas. Partnership with the Government of India is positively pursued for technical assistance support to Malawi.

The CTA a.i. ended his duty in Blantyre on 29 March 2017 and planned for continuous functioning of the project office using existing staff resources. He reported to the UNIDO Project Manager responsible for SQAM project in Vienna on 31 March 2017 and briefed about the mission challenges and achievements.

F. Future Work Plan

The key activities from the Annual Work Plan 2017 (AWP2017) for implementation by UNIDO starting from second quarter of 2017 include:

Output 1:

- Activities 1.7 *Preparation and implementation of a training plan for MBS*; the out-of-country training for officers in the Testing Services Department will continue according to the course schedule. This training is being undertaken at the IFSTL in the USA. Additional training in elements will be done at another institution yet to be identified. Enoch Kamwala is planned to undertake the training in 2017 since in Q4 of 2016 his training on *Methods of Mycotoxins Chemical Contaminants in Foods* did not take place.
- Provision for attachment of MBS staff to an accredited laboratory (Exchange visits) and also provision for a facilitator to train MBS staff at MBS own facility. This is for Testing Services Department (the aim is to train more MBS personnel in order to close gaps in competence of MBS personnel highlighted during the pre-assessment).

Output 2:

- Support for preparation of a strategy and a plan for the institutionalization of "Better Regulation" in Malawi, specifically review of the SADC Regulatory Impact Assessment Framework and an implementation plan and actions for the institutionalization of "Better Regulation" related to the strategy (e.g. Regulators Committee Meetings/ workshops)
- Study tour to established NEP (MBS/UNIDO)

Output 3:

- Develop within MBS an accredited product certification body. Implemented i.t.o. MBS approved roadmap; Management system for the application of the ISO/IEC 17065.
- Accreditation services provided by an accreditation body full member of IAF (service provider to be contracted by UNIDO).
- Develop within MBS a management systems certification body for: ISO 9001 (quality management systems), ISO14001 (environmental management systems) and ISO 22000 (food safety management systems).
- Upgraded and accredited testing laboratories in MBS. Implemented i.t.o. MBS approved roadmap for pilot phase with initial scope limited to microbiology, pesticides and food chemistry/elements). To possibly expand scope to fortification and aflatoxin.
- Complete the purchase of equipment of CRMs and UPLC/MS/MS to reflect the amounts as unapproved obligations during the second quarter of 2017
- Contract accreditation service provider. Full member of ILAC.
- Upgraded and accredited calibration laboratories in MBS.
- Establish a pool of Malawian Auditors to ensure that MBS has experienced auditors who can eventually be IRCA registered. This requires a certain level of audit experience. Auditor mentoring by IRCA registered auditor is needed.

Output 4:

- UNIDO activities are concluded in terms of this Output.
- It is now essential that the National Implementation activities are continued in order to ensure the desired results under this output are achieved and that technical assistance to SMEs, in particular female and youth headed SMEs, complies with HACCP / ISO 22000 Food safety management systems.

Output 5:

- UNIDO activities are concluded in terms of this Output.
- It is now essential that the National Implementation activities are continued in order to ensure the desired results under this output are achieved and that technical assistance from FAO is requested to make progress in the Food Safety legislation.

Output 6:

- Technical Assistance to companies through IE in support of implementation of ISO 22000 systems on Cohort 1 SMEs (UNIDO). Six (6) enterprises to be targeted (3 new ones to be added), subject to initial evaluation by the IE. Provision has been made for four (4) missions in 2017, one (1) mission per Quarter. MBS to ensure that in-country support is provided. IE to be supported by pool of NEs.
- Technical Assistance to SMEs, in particular female and youth headed SMEs, to comply with ISO 9001 Quality management systems. Technical Assistance to companies through IE in support of implementation of ISO 9001 systems on Cohort 1 SMEs (UNIDO). Four (4) enterprises targeted. Provision has been made for four (4) missions in 2017, one (1) mission per quarter. MBS to ensure that in-country support is provided. IE to be supported by pool of NEs.

Output 8:

- Activity 8.1 *Operational Management Team*; UNIDO will continue to provide international technical assistance through the oversight of the work of the CTA and Project Associate as provided for under UNIDO responsibility.
- UNIDO will appoint a CTA for the Malawi SQAM and MATCB after the recruitment a selection process has been finalized. Key stakeholders such as UNDP and MBS to take part as panelists to the interviews for the position of CTA.

Annexes:

1. Annex 1: Financial figures as reported and accepted by UNDP HQ (UNEX) comprising Disbursements to date.
2. Annex 2: Financial reporting comprising Obligations + Disbursements to date.

ANNEX 1

OUTPUT	USD (\$)	USD (\$)	USD (\$)
	January - March 2017 QUARTERLY EXPENDITURE	TOTAL EXPENDITURE AS AT PREVIOUS QUARTER	TOTAL EXPENDITURE
Output 1: Increased efficiency and sustainability of the Malawi Bureau of Standards	10,948.31	185,697.86	196,646.17
Output 2: Better technical regulations - Support to the reviews and development of technical regulations	-28.61	44,361.39	44,332.78
Output 3: Enhancement of the Malawi Bureau of Standards capacity	3,491.00	992,201.47	995,692.47
Output 4: Enhanced Capacity of National Enquiry Points (NEP). Proactive and responsive NEP to info and notification requirements of WTO/TBT/SPS agreements		14,074.71	14,074.71
Output 5: Strengthened Sanitary and Phytosanitary infrastructure	40,291.00	-	40,291.00
Output 6: Small and Medium Enterprise (SME) meet quality requirements	53,170.00	73,760.24	126,930.24
Output 7: Preparation of the organisational and operational internal by-laws and business plan for a national Malawian Accreditation body		-	-
Output 8: Operational Management Team (operation costs and visibility)	19,541.26	591,560.88	611,102.14
SUB-Total Project Direct Eligible Costs (EXCLUDING CONT)	127,412.96	1,901,656.55	2,029,069.51
CONT (2.75%) - has to be ≤ 5%			
SUB-total Project Direct Eligible Costs (INCLUDING contingency)			
Output 1 Support Costs	126.78	14,335.87	14,462.65
Output 2 Support Costs	1.49	3,769.19	3,770.68
Output 3 Support Costs	1,134.64	70,117.93	71,252.57
Output 4 Support Costs		2,311.46	2,311.46
Output 5 Support Costs			
Output 6 Support Costs	1,173.66	5,845.85	7,019.51
Output 8 Support Costs	5,604.96	40,161.56	45,766.52
Indirect Costs (GMS 7%): Administrative Costs has to be ≤ 7% of Direct Eligible Costs	8,041.53	136,541.86	144,583.39
GRAND TOTAL (Including contingency)	135,454.49	2,038,198.41	2,173,652.90

ANNEX 2

OUTPUT	USD (\$)	USD (\$)	USD (\$)
	January - March 2017 QUARTERLY EXPENDITURE	TOTAL EXPENDITURE AS AT PREVIOUS QUARTER	TOTAL EXPENDITURE
Output 1: Increased efficiency and sustainability of the Malawi Bureau of Standards	6,608.79	204,799.15	211,407.94
Output 2: Better technical regulations - Support to the reviews and development of technical regulations	34.58	53,845.37	53,879.95
Output 3: Enhancement of the Malawi Bureau of Standards capacity	36,130.00	994,118.09	1,030,248.09
Output 4: Enhanced Capacity of National Enquiry Points (NEP). Proactive and responsive NEP to info and notification requirements of WTO/TBT/SPS agreements		14,074.71	14,074.71
Output 5: Strengthened Sanitary and Phytosanitary infrastructure	1,004.00	39,287.00	40,291.00
Output 6: Small and Medium Enterprise (SME) meet quality requirements	69,338.00	83,512.24	152,850.24
Output 7: Preparation of the organisational and operational internal by-laws and business plan for a national Malawian Accreditation body		-	-
Output 8: Operational Management Team (operation costs and visibility)	60,123.86	592,682.55	652,806.41
SUB-Total Project Direct Eligible Costs (EXCLUDING CONT)	173,239.23	1,982,319.11	2,155,558.34
CONT (2.75%) - has to be ≤ 5%			
SUB-total Project Direct Eligible Costs (INCLUDING contingency)			
Output 1 Support Costs	126.78	14,335.87	14,462.65
Output 2 Support Costs	1.49	3,769.19	3,770.68
Output 3 Support Costs	1,134.64	77,685.68	78,820.32
Output 4 Support Costs		985.23	985.23
Output 5 Support Costs			
Output 6 Support Costs	1,173.66	5,845.85	7,019.51
Output 8 Support Costs	5,604.96	41,487.79	47,092.75
Indirect Costs (GMS 7%): Administrative Costs has to be ≤ 7% of Direct Eligible Costs	8,041.53	144,109.61	152,151.14
GRAND TOTAL (Including contingency)	181,280.76	2,126,428.72	2,307,709.48