

Quarterly Progress Report

Jul – Sep 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 third Quarter of 2017 (1 July to 30 September 2017) and it serves, therefore, to fulfill reporting requirements in the IAA. The reference for this report is the Amendment No. 2 of the IAA dated 31 July 2017 and the amended Annual Work Plan for 2017 (AWP 2017) which was discussed and approved during Mid Year Budget Review Workshop on 29-30 May 2017 as well as during the 14th Steering Committee meeting held in Lilongwe on 1st June 2017.

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 481,467,78 (see Annex 2: obligations and disbursements), bringing the total financial expenditure to USD 2,875,545,95. In terms of Disbursements only (refer to Annex 1), the quarter reports a total of USD 105,241,86, bringing the total financial disbursement to USD 2,350,811,43.

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

(i) subcontract to SADCAS as the accreditation body to initially start with two scopes for accreditation, (ii) technical assistance actions to the MBS and cohort companies of the International Experts under Output 6, (iii) recruitment of two National Experts under Output 6 to assist the work of the International Experts and ensure full support of the cohort companies (iv) recruitment of the International Expert on Conformity Assessments and Accreditation to support the MBS in preparation for the application to SADCAS for accreditation under Output 3, (v) study tour to an established National Enquiry Point (NEP), the Uganda National Bureau of Standards (UNBS), for two MBS staff, (vi) equipment procurement re-bidding for CRMs and Peripherals under Output 3, (vii) development of concept notes for prospective initiatives and submission of these to the Japanese Support Fund and the United Nations Trust Fund for Human Security (UNTFHS), (viii) continuation of the collection of inputs and discussion with UNDP in preparation of a concept note for a possible successor programme in Malawi with private sector participation and involvement of new donors, and (ix) regular project management activities, including the UNIDO SQAM Project Manager and CTA participation to the 34th SQAM Project Management Meeting and

15th SQAM Project Management Steering Committee Meeting respectively on 23rd August and on 24th August 2017.

While UNIDO interventions pertaining outputs 2, 4, 5 have been completed, outputs 1 is nearly completed and therefore current efforts are focusing on implementation of activities related to outputs 3, 6 and 8, towards reaching the 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 third Quarter of 2017 (1 July to 30 September 2017) in accordance with the Annual Work Plan for 2017 (AWP 2017).

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

- i. subcontract to SADCAS as the accreditation body to initially start with two scopes of accreditation, namely Testing labs focusing on Aflatoxin and Calibration labs focusing on mass (up to 200g);
- ii. technical assistance actions to the MBS and cohort companies of the International Experts under Output 6;
- iii. recruitment of two National Experts under Output 6 to assist the work of the International Experts and ensure full support of the cohort companies;
- iv. recruitment of the International Expert on Conformity Assessments and Accreditation under Output 3 to support the MBS in preparation for the application to SADCAS for accreditation and to provide technical assistance during the internal audit activities at the MBS and reporting;
- v. study tour to an established National Enquiry Point (NEP), the Uganda National Bureau of Standards (UNBS), from 25-29 September 2017 for two MBS staff, (vi) equipment procurement re-bidding for Lot I and Lot 2 of CRMs and Peripherals under Output 3;
- vi. development of concept notes for prospective initiatives and submission of these to the Japanese Support Fund and the United Nations Trust Fund for Human Security (UNTFHS);
- vii. continuation of the collection of inputs and discussion with UNDP in preparation of a concept note for a possible successor programme in Malawi with private sector participation and involvement of new donors, and (ix) regular project management activities, including the UNIDO SQAM Project Manager and CTA participation to the 34th SQAM Project Management Meeting and 15th SQAM Project Management Steering Committee Meeting respectively on 23rd August and on 24th August 2017.

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

Output 3:

- After internal deliberations it was agreed to run a formal internal audit exercise at the MBS in order to provide an update on the status of implementation for each accreditation roadmap, on the selection of scopes for accreditation and on the level of readiness for submission of applications to SADCAS. The MBS will make the necessary adjustments to the roadmaps for all four accreditation scopes being supported and will share the roadmap progress assessment and the outcome of the internal audit exercise to the Steering Committee members prior to applying to accreditation.

- The application files to SADCAS for the two scopes ISO 17025 for Aflatoxin Testing and ISO 17025 for small mass calibration have been finalized by MBS and will be shared with the IE for review and comments before sending to SADCAS. The internal audit activities continued throughout August and September 2017 and audit reports were shared on 18 September 2017. The audit activities showed that there is a need for an international expert to guide and advise MBS on the accreditation process and review the completeness of the documents in preparation for the application to accreditation and to provide back end support to the project and MBS on the same. The International Expert Mike Peet has been contracted to undertake this assignment and preparations for his mission to Malawi (16-26 October) were finalized in cooperation with MBS, following agreement at the last Steering Committee Meeting on 24th August 2017.
- Evaluation report for SADCAS offer was prepared and discussed with MBS DDG and UNIDO PM on the 11th of August 2017. SADCAS offered two scopes for accreditation which are the ISO 17025 for aflatoxin testing and ISO 17025 for small mass metrology lab (up to 200 g). Further communication with SADCAS will take place through UNIDO procurement officer to enquire about the possibility to bid in cooperation with SANAS for the other two scopes considered in the TOR which are ISO 17065 for product certification and ISO 17021 for management systems.

Output 6:

- Technical Assistance to Cohort I ISO9001 companies and Work session with MBS Quality Assurance Services Department:
 - i. The mission of International Expert on ISO 9001 Shashank Sheth is taking place from 18 September – 17 October 2017.
 - ii. Two National Experts were recruited to assist the IE on ISO 9001, Shashank Sheth, and started working while the expert was on mission and accompanying him to the companies. A contract of one consultant was terminated due to unsatisfactory performance but the other consultant Mr. Rex Nyahoda is performing well and will follow up with the companies after Shashank's departure with remote support and guidance. The four companies assisted on ISO 9001 will be ready for Stage 1 audit by MBS in December.
- Technical Assistance to Cohort I ISO 22000 companies and Work session with MBS:
 - i. A National Expert was recruited to assist the IE on ISO 22000, Anya Knoetze, and follow-up with the companies. Communication with the IE is ongoing to start remote guidance of the NE to follow up the implementation of ISO 22000 with the three companies. Her next mission is planned for late November or early December subject to the availability of funds coming from the next installment.

Output 8:

- Programme Management:
 - i. UNIDO CTA and PM participated in the 34th SQAM Project Management Meeting on 23rd August 2017.

- ii. UNIDO participated in the 15th SQAM Project Steering Committee Meeting on 24th August 2017.
- iii. The CTA alerted MBS on the importance to strengthen MBS visibility and improve its image within the industry. This to happen by commencing with the industrial awareness seminars to share with the industry the developments at MBS and to market its services. Another important point raised is the necessity to relaunch MBS website which is down for some months. It is a requirement for accreditation that the certification body maintain full information about its certification processes. A follow-up meeting took place on the 8th of August with the Director of Standards Development who is in charge for the communication to agree on the way forward on these two matters. Activities started with a seminar in Blantyre on the 20th of September and two following ones for Lilongwe and Mzuzu were put on hold by the DG. With respect to the website, a contract has been signed in early September with a service provider to redesign and relaunch it by October.

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. • CTA and PM attended the validation workshop of MBS Strategic Plan held on the 22nd of August in Lilongwe. Inputs were given during the meeting. • 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. • CTA and PM attended the validation workshop of MBS Strategic Plan held on the 22nd of August in Lilongwe. Inputs were given during the meeting.
1.5 Development of a “marketing unit” within MBS [MBS (UNIDO)]	<ul style="list-style-type: none"> • This activity is under national implementation by MBS. • 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. • UNIDO CTA alerted MBS via an email and through meeting the DG on the 31st of July advising on the importance to strengthen MBS visibility and improve its image within the industry. This to happen by commencing with the industrial awareness seminars to share with the industry the developments at MBS and to market its services. Another important point raised is the necessity to relaunch MBS website which is down for some months. It is a requirement for accreditation that the certification body maintain full information about its certification processes (through publications, electronic media or other means), and make it public, without request, in all the geographical areas in which it operates. A follow-up meeting took place on the 8th of August with the Director of Standards Development who is in charge for the communication to agree on the way forward on these two matters. The plan for 3 Industrial awareness seminars was approved by MBS DG and thus the activities started with a seminar in Blantyre on the 20th of

	<p>September. The two following ones for Lilongwe and Mzuzu were put again on hold by the DG. With respect to the website, a contract has been signed in early September with a service provider to redesign and relaunch it by October.</p>
<p>1.7 Preparation and implementation of a “training plan” for MBS [MBS (UNIDO)]</p>	<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>. Food and Environmental Research Agency (FERA) in the United Kingdom (UK) is considered as the training provider. New nominations for training from MBS are awaited. FERA has not been contacted yet regarding the remaining training in elements for MBS Officers, because UNIDO was awaiting replenishment of funds by UNDP. • It has been agreed that if there would be need for other trainings, the MBS should inform UNIDO. Targeted training on new equipment to be procured will need to be agreed upon with MBS once the equipment is delivered. UNIDO and MBS can discuss if there would be need for more equipment and/or more trainings. • The MBS informed about the need of exchange visits. MBS would inform UNIDO about how the exchange visits would be undertaken and about the venue. UNIDO would consider the exchange visits upon receipt of funds from UNDP considering that for Activity 1.7 only 20,000 USD were allocated. • UNIDO will only be able to implement this activity upon receipt of next instalment from UNDP.

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

ACTIVITY	STATUS
<p>2.1 Documentary and field survey of the Malawian situation with regards to technical regulations and enforcement. [MBS (UNDP/UNIDO)]</p>	<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. • 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. <p>The Study Tour to Uganda National Bureau of Standards (UNBS), an Established National Enquiry Point (NEP), took place during 25-29 September. Feedback is positive as the study tour included class room sessions and interactive workshops in addition to a practical part on requesting and</p>
<p>2.2 Awareness campaigns and training on "Better regulation". [MBS (UNDP/UNIDO)]</p>	
<p>2.3 Data gathering on TR, analysis and consolidation. Preparation of a strategy and a plan for the institutionalization of "Better Regulation" in Malawi. [MBS (UNDP/UNIDO)]</p>	

<p>2.4 Preparation of a strategy and a plan for the institutionalization of "Better Regulation" in Malawi [MBS (UNDP/UNIDO)].</p>	<p>obtaining usernames and passwords of SPS and TBT NSS from WTO Secretariat for Malawi and collecting at least 5 draft TBT regulations and 5 draft SPS measures for live submission to WTO Secretariat during the training. The study tour provided an opportunity to experience the implementation of the transparency provisions of the WTO's TBT and SPS Agreements through the operations of a National Enquiry Point. The participants were updated on developments in the TBT area, and shared experiences how, as a WTO Member, they could ably meet the obligations of the transparency provisions of the TBT and SPS Agreements. Knowledge gathered on the notification alert system (ePing) will assist Malawi stakeholders in tracking notifications of new measures (regulations) by other Member states that may affect the exporting business community. This would enable the business community to have an opportunity to comment on such impending regulations and prepare, before they come into force.</p>
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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. • 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. In line with the agreement 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, the Botswana Bureau of Standards (BOBs) was contacted. The MBS officers and the contractors/architects submitted the study tour forms. The preparations and arrangements for the study tours to BOBs are accomplished and the actual study tour which due to administrative challenges was rescheduled to November 2017 will address remaining uncertainty between parties concerned regarding the structural requirements for MSD facilities. • At the Steering Committee Meeting on 1st June 2017 it was reported that the construction works for the new MBS Laboratory Complex was at 45% and that all Certificates of Payment were being honored by the Malawi Government. The construction works were expected to be completed by April 2018. The SQAM Project was allocated K1 billion in the 2016/2017 Fiscal Year but it was later revised upwards to K1.4 billion. It was also reported that the project was allocated with K4 billion in 2017/2018. Expected earliest date for completion of the new MBS buildings is April 2018. • Specialist technical assistance to MBS and national

	<p>contractor in place to ensure new laboratory infrastructure environmental requirements are addressed. Appropriate infrastructure is one of the essential elements required in order to achieve ISO/IEC 17025 accreditation.</p> <ul style="list-style-type: none"> • The NE in Construction Management, Mr. Hendrix Mgawana completed his assignment with UNIDO. He was contracted provide oversight the clearing of the defects developed on the buildings after the facility was handed over and also to ensure that the facility is issued a certificate of occupation. Circle plumbing finalized and cleared all outstanding issues and safety features were supplied and installed in the facility. The Blantyre City Assembly issued the Certificate of Occupation after inspections and satisfying themselves that the building is fit for use. Final Report by NE in Construction Management was submitted. • Final Report, Construction Works on Heavy Mass and Large Volume Laboratories and Existing Laboratories at MSD, September 2017, by Circle Plumbing Limited submitted. • Certificate of Occupation was issued by the Blantyre City Assembly in accordance with the requirements of the Department of Buildings in the Ministry of Transport and Public Works. • The 2015 Master Plan for MSD developed by IE, Mr. Benjamin Van Der Merwe is being implemented and necessary equipment is being procured. The house keeping of the MSD facility is in progress and unwanted items partially disposed.
<p>3.1b Develop within MBS an accredited product certification body [MBS (UNIDO/UNDP)]</p>	<ul style="list-style-type: none"> • After internal consultation it has been agreed to run a formal internal audit exercise at the MBS in order for them to provide an update on the status of implementation for each accreditation roadmap, on the selection of scopes for accreditation and on the level of readiness for submission of applications to SADCAS. • The internal audit activities starting on the 24th of July 2017 continued throughout August and September. The project team attended some of the meetings and audit activities and audit reports were shared by the project in early October. The audit activities showed that there is a need for an international expert to guide and advise MBS on the accreditation process and review the completeness of the documents in preparation for the application to accreditation and to provide back end support to the project and MBS on the same. CTA discussed this matter with MBS DG on the 31 July and a TOR has been prepared for the IE and shared with MBS on 4 August for inputs and comments. This activity has then been presented to the Project Management Meeting on the 23rd of August and approved by the Steering Committee on the 24th of August. The International Expert Mike Peet has been contracted to undertake this assignment and preparations for his mission to Malawi (16-26 October) were finalized in cooperation with MBS. Mission Agenda is prepared in participation of MBS Management and relevant documents were shared with IE for preliminary

	<p>feedback. The application files to SADCAS for the two scopes ISO 17025 for Aflatoxin Testing and ISO 17025 for small mass calibration has been finalized by MBS and will be shared with the IE for review and comments before sending to SADCAS.</p> <ul style="list-style-type: none"> • Evaluation report for SADCAS offer was prepared and discussed with MBS DDG and UNIDO PM on the 11th of August. SADCAS offered two scopes for accreditation which are the ISO 17025 for aflatoxin testing and ISO 17025 for small mass metrology lab (up to 200 g). The SQAM PM visited the South African National Accreditation System (SANAS) on 28 August 2017 to address the possible way forward, given the fact that SADCAS did not submit an offer for two accreditation scopes: i) product certification, and ii) management system certification. Considering that SADCAS does not have an international recognition for these scopes, there is an arrangement in place to grant internationally recognized accreditation in partnership with SANAS. It was agreed that SANAS would coordinate with SADCAS, upon request for clarification from UNIDO. • In terms of the accreditation scope agreed upon with MBS Management for product certification, as per the agreement reached with the DG of the MBS during his visit to UNIDO HQ on 15 September 2017, considering that bottled water was still behind in terms of tests required for accreditation, UNIDO has recommended, if the scope is bottled water for product certification, to subcontract tests to an accredited laboratory, or to apply for testing for bottled water, instead of product certification. MBS should be evaluating the options and select one of the option suggested. • Bottled water tests were reported to be almost ready: 8 tests were conducted out of 12 following procedures according to ISO 17025. It has also been reported that there are many companies in the country (over 40) to be certified for bottled water. • Concerning the scope of management system certification, it was reported in the presentation during the Steering Committee Meeting on 24th August 2017 that the progress reported on ISO 22000 was considerably behind in relation to the progress for ISO 9001, therefore the question is whether the MBS should only apply for ISO 9001 or if it would be recommendable for the MBS to apply for both ISO 9001 and ISO22000 considering the progress reported on ISO 22000.
<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"> • The status on accreditation is the same as that of activity 3.1b. • UNIDO was informed by UNDP during the mission in August 2017 that due to exchange rates variation

	<p>throughout the project duration, there may be a risk of an exchange rate loss amounting to 200,000 EUR, which may affect the procurement plan among other activities. This message was communicated to MBS to prioritize the items pending in the procurement plan.</p> <ul style="list-style-type: none"> • The due instalment of 208,682 EUR to be transferred from UNDP to UNIDO is being awaited since May 2017. <p>Procurement of equipment:</p> <ul style="list-style-type: none"> • Re-bid for the procurement of CRMs and Peripherals (Lot1 and Lot2) has been evaluated by CTA and sent to Director of Testing Services (DTS) to provide his inputs to the evaluation. • Shipment of the Centrifuge and Deionized Water Purification system by Amex GmbH to the MBS is being processed; • UPLC/MS/MS procurement was shipped by Chemetrix (South Africa), arrived to Lilongwe and the custom clearance is being processed by UNDP. • Delivery of UTM Accessories was shipped by Enkay Enterprises. UNIDO and MBS are waiting for the installation from the Enkay Enterprises Engineers to come to Malawi in October 2017. • MBS is preparing the TS for Laboratory Management System (LIMS).
<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 light mass (1-200 g) being implemented in close collaboration with the MATCB project. • MBS advanced with actions to improve the road infrastructure at MSD which will be implemented through MBS's own resources and demonstrates the continued willingness by MBS management to sustain improvements required at MSD beyond the scope of the project. • UNIDO carried out an assessment of the upgrading infrastructure work and the procurement of the following services and items was launched: <ul style="list-style-type: none"> i. Motorized mechanism for the door into the heavy mass calibration laboratory. Local company was engaged by UNIDO and started installing the Motorized mechanism for the door into the heavy mass calibration laboratory. ii. Repair of control cards for the four air conditioners and installation of these; the contractor repaired two air conditioners in the mass and heavy mass laboratories and failed to repair the other two due to the extent of their damage. In line with the recommendation to replace those two with new air conditioners, the contract was awarded to local contractor to replace the two air conditioners. iii. UNIDO contracted SHARMA Electrical Contractors who commenced in May 2017 the rehabilitation of the electrical installation at MSD to ensure the safety of all electrical appliances in the facility. Technical Specifications for all outstanding works at MSD were developed,

	<p>technical evaluation completed, contract awarded. The SHARMA Electrical Contractors has completed all outstanding works on the Laboratory: the bicycle wheels were replaced with proper aluminium pulleys for the roll up door of the Heavy Mass Laboratory; three fire extinguishers were installed with regard to the safety of the Heavy Mass and Large Volume Laboratory.</p> <p>iv. UNIDO contracted KTTM electrical engineering consultants to conduct load analysis of the MSD facility and including future demand of the facility. KTTM electrical engineering consultant conducted load analysis of the MSD facility and submitted the final report in consultation with MSD UNIDO.</p> <p>v. UNIDO is in process of procuring services of the contractor to provide a hybrid electrical installation at MSD. Terms of Reference were formulated to procure and install hybrid electrical system; technical evaluation of tenders was completed; contract is to be awarded to the local contractor.</p> <ul style="list-style-type: none"> • There is no framework to monitor the utilization of inspection vehicles in line with the project objectives, thus discussions with DMS on best arrangement for monitoring are ongoing. • The procurement of Pre-packages equipment for MSD was accomplished and the equipment will be received in October at MBS. Procurement of furniture and some consumables for MSD facility was suspended to allocate funds first to priority areas like the generator and electrical installation upgrade and rehabilitation. • The Action Plan for MSD to mainly reflect the revision of the road maps for accreditation (April 2018 not December 2018) as previously planned by the department was drafted as discussed in the last Steering Committee meeting and submitted to DMS for inputs and comments. The action plan was circulated to all members of the Steering Committee. • See also status on activity 3.1b
<p>3.5 Develop a training business unit. [MBS (UNIDO)]</p> <p>3.6 Establish a pool of Malawian auditors [MBS (UNIDO)]</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

<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>	<p>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 can be supported by the international experts recruited under output 6 to support SMEs on quality and food safety management system.</p> <ul style="list-style-type: none"> • This activity is a national implementation activity under MBS as was concluded during 2014.
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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 responsibilities go beyond only the MBS: <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] • UNIDO encourages MBS to ensure regular updating thereof, including of national implementation activities under this project and to maintain hyperlinks to all project partners.

Output 5: Sanitary and Phytosanitary (SPS) infrastructure improved and mainstreamed into National policies	
ACTIVITY	STATUS
<p>5.1 Review the national SPS infrastructure [MBS (UNIDO)]</p>	<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.
<p>5.2 Develop a road map to improve the Malawian SPS infrastructure. [MBS (UNIDO)]</p>	<ul style="list-style-type: none"> • The work on development of the Food Safety Legislation was expected to continue outside the SQAM Project, FAO

5.3 Review and upgrade the legislation for the SPS infrastructure [MBS (UNIDO)]	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.
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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"> • Due to the delay in receiving the next installment from UNDP the missions of the International Expert on ISO 22000, Ms. Anya Knoetze, which was planned to be during the third semester of 2017, has to be further postponed to end of November / beginning December. • Two National Experts, Rex Nyahoda and Alexander Maonga, were recruited to support the IEs on both ISO 9000 and ISO 22000 and to provide field and follow up support between their missions. This activity is also thought to develop the national capacity in this field. The contract of one of the experts, Alexander Maonga, had to be released due unsatisfactory performance but he will be still considered for future trainings targeting NEs. • CTA informed IE on the developments regarding the recruitment of NEs and shared with her JDs and CVs. The IE shared with CTA a to-do list for the 3 supported companies so that the NE can use as a follow up tool. A conference call will be arranged to introduce NE to IE and to agree on the modalities for work, communication and follow up.
6.3 Technical assistance to 10 SMEs, in particular female and youth headed SMEs, to comply with ISO 9001 Quality management systems. [MBS (UNIDO)]	<ul style="list-style-type: none"> • The mission of Shashank Sheth, the International Expert on ISO 9001 is being conducted from 18 September to 17 October to support the 4 companies in the preparation for stage 1 audit. The IE is supported by the NE Rex Nyahoda in Blantyre region and with NE Alexander Maonga in central and northern regions. The contract of Mr. Maonga has been suspended due to unsatisfactory performance but he will be considered for future trainings to NEs. • The IE has been informed with the reductions of funds as well as with the delay in the next installment. It was agreed that the next mission (subject to the availability of funds) will be planned for December. The focus will be to validate the work of the NE, to attend Stage 1 audits and to provide an advanced training on ISO 9001 to a group of national experts, MBS auditors and selected quality managers from target companies. • The IE met with MBS team headed by the MBS DDG. MBS is updated with the developments at the cohort companies and that the 4 of them will be ready for Stage 1 audit by the second week of December. The IE

	<p>communicated to MBS several observations and areas of improvements at MBS side resulting from his engagement with the companies. Observations are around timeliness of MBS services (testing and metrology), availability of MS and reference standards, gaps in testing capabilities in relation to products of companies that MBS is certifying as well as outdated standards that are still in use.</p> <ul style="list-style-type: none"> • The IE expert updated the action plan for the 4 companies to be ready for stage 1 audit by second week December. The plan will be followed up on the ground by the NE with remote support by the IE. Tools have been provided by IE to NE. CTA has agreed with both experts on modalities for communication and follow. • CTA visited CORI and FLOWTECH companies with IE and NE and met with respective MDs. Both companies appreciate the support provided by the project and are developing their systems to be ready for Stage 1 audit in December.
<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 under 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.
<p>6.9 Trainers-cum-counsellors and auditors: Training in ISO/IEC 17025 [MBS (UNIDO)]</p>	<ul style="list-style-type: none"> • This activity was concluded in 2016 Q3. The international expert (Steve Sidney) undertook the ISO/IEC 17025 training course to 45 participants during the week of 15-19 August. The results of the course were reported to UNIDO.

Output 7: MBS Compliant with International Regulations established

ACTIVITY	STATUS
7.1 TA for the preparation of the	<ul style="list-style-type: none"> • This activity was concluded in 2015.

organizational and operational bylaws and business plan for the Malawian accreditation body.
[MBS (UNIDO)]

Output 8: Programme Management

ACTIVITY	STATUS
<p>8.1 Operational Management Team</p>	<ul style="list-style-type: none"> ● Provision 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. ● Next Instalment from UNDP is still delayed. ● UNDP informed of the possibility of a reduction of the project budget by 200,000 Euro due to exchange rate losses which will affect mainly the UNIDO budget. ● The Annual Work plan was amended and approved by the SC to accommodate for the recruitment of national experts under output 6 and for the purchase of a laptop for CTA. ● UNIDO HQ and CTA have suggested strategic measures to be taken based on the reduction of the budget and prioritize the activities to be implemented till the end of the project. ● UNIDO participated to the 14th SQAM Project Steering Committee Meeting on 1st June 2017 ● Based on the urgency to sort out the progress of the accreditation processes in terms of milestones requested by member at the 14th Steering Committee meeting, the UNIDO SQAM PM travelled again to Malawi to attend 15th Project Steering Committee meeting and Project Management Meeting in August 2017. ● During the August mission, UNIDO also participated to the Validation workshop for the MBS 2017-2021 Strategic Plan and laboratory mapping report (NIM), Inception meeting with NE (NIM) for survey of technical regulations.
<p>8.2 Communications and Visibility [MBS]</p>	<ul style="list-style-type: none"> ● CTA alerted MBS on the importance to strengthen MBS visibility and improve its image within the industry. This to happen by commencing with the industrial awareness seminars to share with the industry the developments at MBS and to market its services. Another important point raised is the necessity to relaunch MBS website which is down for some months. It is a requirement for accreditation that the certification body maintain full information about its certification processes. A follow-up meeting took place on the 8th of August with the Director of Standards Development who is in charge for the communication to agree on the way forward on these two matters. ● The Industry Awareness Seminars took place in Blantyre on the 20th of September and two following ones for Lilongwe and Mzuzu were put on hold by the DG. With respect to the website, a contract has been signed in early September with a service provider to redesign and relaunch it by October.

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.

Further to agreement with UNDP, UNIDO's Donor Relations Office has processed the second Amendment of the Intern-Agency Agreement with the necessary updates on the schedule of payments, reporting obligations and reflection of funds reallocation from Output 6 to Output 3 from the EU-UNDP Contribution Agreement dated 21 December 2016.

The total financial implementation by the end of the third quarter of 2017 is equal to 100% of total instalments received. Therefore, the next installment is critical to be received.

D. Lessons Learned

- As the project approaches the final stage of the implementation cycle, it is crucial to maintain all stakeholders and development partners informed in current and future project activities as well as challenges encountered (i.e. delay in receiving next installment, impact on implementation activities, necessary lead times in the procurement of additional equipment, missing funds due to exchange rate losses). It is fundamental that they remain included and informed to ensure effective coordination of activities and avoid duplication of efforts resulting from a lack of information.
- The communication structure within the MBS has resulted in ineffectiveness in communicating the progress and gaps encountered related to the road maps for accreditation. The presentation on the progress towards accreditation and milestones resulting from the internal audit exercise and reports has demonstrated the need for establishing a bottom-down communication channel to allow an effective and transparent sharing of information to the MBS management.
- The difficulties encountered due to the non-receipt of the next installment from UNDP have caused a delay in the engagement of the International Experts. It has been therefore decided to complement their activities with the recruitment of National Experts to assist their work with the cohort companies. This activity has resulted to be well received by the MBS and has been proved to be beneficial as a continuous follow-up of the work of the IEs by providing full support and corrective actions to the companies in the process leading to accreditation.
- Most challenges faced during preparations for accreditation origin from the lack of the business approach and client orientation in providing the services. Enhancement of system documents, processes, competencies of personnel and activities shall originate from the business needs and through continuous improvements in response to interactions with clients from the industry and following an overall management and quality policy within MBS. The planned accreditation of scopes is to be seen as a pilot activity and learning experience towards improving confidence in MBS services and not as an ultimate goal. Acceptance and reputation of the MBS and its services within the industrial community is equally if not more important than the accreditation.

E. Conclusion

While UNIDO is finalizing the process of subcontracting SADCAS for the accreditation of two scopes as a priority and is enquiring about the possibility to bid for the other two scopes, nevertheless, much work remains now in the hands of the MBS to ensure the implementation of the systems and to pay very careful attention to the findings and recommendations that will be reported by the International Expert on conformity assessments and accreditation, who will assist the MBS to apply for accreditation. Failure to implement those timely poses a serious risk to the success of the accreditation process during the lifecycle of the project.

UNIDO emphasized and continuously followed up in several occasions (i.e. 14th and 15th Project Steering Committee Meetings held in June and August 2017) the importance of receiving from UNDP the expected funds amounting EUR 208,682, as agreed in the Inter-Agency Agreement, to ensure timely completion of ongoing activities, under outputs 3, 6 and 8. UNIDO has triggered the threshold for the next installment already at the end of April 2017 and claimed it in the submission of both Q1 and Q2 progress reports.

After having taken due action on the priorities as per amended AWP 2017, the project funds are depleted and UNIDO is awaiting as a matter of urgency the next installment, so as to sustain and ensure smooth implementation of the remaining activities under outputs 3, 6 and 8, including work relevant to the achievement of accreditation, extension of contracts for project personnel, procurement of some additional equipment as per agreed Procurement Plan dated February 2017, etc.

For additional scopes, UNIDO requires additional funds, hence the importance of receiving the next installment.

In addition, procurement processes as well as transportation/delivery, installation and training, are often lengthy and challenging as has been proven through past occasions. There is a real risk that if UNIDO launches additional procurement bids at this stage, such equipment may not be received and installed before the close of project.

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, there was a need to further amend the IAA Amendment no. 1 to reflect those developments, as well as to bring better clarity on the reporting deadlines. Therefore, the amendment no. 2 of the Inter-Agency Agreement (IAA) was concluded and agreed among the relevant parties on 31 July 2017. An important aspect of the IAA to avoid any discontinuity in the implementation and ensure the project to meets its targets in terms of accreditation is the timely payment of the installments.

Remainder of installments payment dates as per the IAA, are:

Apr-2017	EUR 208,682
Nov-2017	EUR 208,681
May-2018	EUR 115,566

From the exchanges held during the last mission of the Project Manager to Malawi in the week of 21st August 2017, the understanding was that the funds would be arriving at UNIDO before end of August. Notwithstanding the installment has not yet arrived, therefore

the need to receive the next installment at UNIDO HQ is absolutely critical for the project to meet its targets and avoid any discontinuity in the implementation.

F. Future Work Plan

The key activities from the Annual Work Plan 2017 (AWP2017) for implementation by UNIDO for the last quarter of 2017 are subject to the availability of funds coming from the next installment and 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:

- UNIDO last activities were concluded in this quarter in terms of this Output.

Output 3:

- Develop within MBS a product certification body. Implemented i.t.o. MBS approved roadmap; Management system for the application of the ISO/IEC 17065.
- Develop within MBS a management systems certification body for ISO 9001 (quality 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.
- Upgraded and accredited calibration laboratories in MBS.
- Complete the purchase of equipment of CRMs.
- Establish a pool of Malawian Auditors to ensure that MBS has experienced auditors. This requires a certain level of audit experience. Auditor mentoring by IRCA registered auditor is needed. The IE Mike Peet recommended a cost effective alternative, to provide the trainings by the already contracted IEs Shashank Sheth and Anya Knoetze and to co-sign the training certificates by UNIDO.
- MBS to finalize provision of all inputs to UNIDO MATCB team to ensure the study tour in regard to MBS new laboratory complex to be implemented.

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 and to the MBS will continue during the last quarter of 2017. The next missions of the IE Anya Knoetze will be planned based on budget availability and in accordance with the AWP 2017.
- Technical Assistance to companies through IE in support of implementation of ISO 9001 Quality management systems on Cohort 1 SMEs and to the MBS will continue during the last quarter of 2017. The next missions of the IE Shashank Sheth will be planned based on budget availability and in accordance with the AWP 2017.

Output 8:

- Activity 8.1 Operational Management Team: UNIDO will continue to provide international technical assistance through the oversight of the work of the UNIDO project personnel (CTA and Project Associate) as provided under UNIDO responsibility.

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(\$)
	July	September	TOTAL EXPENDITURE AS AT PREVIOUS	TOTAL EXPENDITURE
	2017 QUARTERLY EXPENDITURE		QUARTER	
Output 1: Increased efficiency and sustainability of the Malawi Bureau of Standards	5.129,99		204.564,17	209.694,16
Output 2: Better technical regulations support to the reviews and development of technical regulations	2.155,18		26.846,78	29.001,96
Output 3: Enhancement of the Malawi Bureau of Standards capacity	7.338,66		299.251,27	306.589,93
Output 4: Enhanced Capacity of National Enquiry Points (NEP). Proactive and responsive NEP info and notification requirements of WTO/TBT/SPS agreements	0,00		4.074,71	4.074,71
Output 5: Strengthened Sanitary and Phytosanitary Infrastructure	0,00		0.291,00	0.291,00
Output 6: Small and Medium Enterprise (SME) meet quality requirements	17.815,39		140.635,82	158.451,21
Output 7: Preparation of the organisational and operational internal by-laws and business plan for national Malawian Accreditation	0,00			
Output 8: Operational Management Team operation costs and visibility)	59.281,74		630.365,53	689.647,27
SUB-Total Project Direct Eligible Costs (EXCLUDING CONT)	1.720,96		2.076.029,28	2.167.750,24
CONT (2.75%) has to be 5%				
SUB-total Project Direct Eligible Costs (INCLUDING contingency)				
Output 1 Support Costs	-786,12		3.473,24	2.687,12
Output 2 Support Costs	-664,46		3.572,74	2.908,28
Output 3 Support Costs	5.414,83		28.511,62	33.926,45
Output 4 Support Costs	0,00		2.311,46	2.311,46
Output 5 Support Costs	0,00		5.500,18	5.500,18
Output 6 Support Costs	-335,42		3.420,48	3.085,06
Output 8 Support Costs	9.892,07		7.750,57	7.642,64
Indirect Costs (GMS 7%): Administrative Costs has to be 7% of Direct Eligible Costs			146.954,29	153.061,19
GRAND TOTAL (including contingency)	05.241,86		2.245.569,57	2.350.811,43

ANNEX 2

OUTPUT	USD(\$)	USD(\$)	USD(\$)
	April-June 2017 QUARTERLY EXPENDITURE	TOTAL EXPENDITURE AS AT PREVIOUS QUARTER	TOTAL EXPENDITURE
Output 1: Increased efficiency and sustainability of the Malawi Bureau of Standards	-100,01	11.385,44	11.285,43
Output 2: Better technical regulations to support the reviews and development of technical regulations	3.859,04	3.816,76	7.675,80
Output 3: Enhancement of the Malawi Bureau of Standards capacity	437.791,20	1.030.317,89	1.468.109,09
Output 4: Enhanced capacity of National Enquiry Points (NEP) Proactive and responsive NEP on info and notification requirements of WTO/TBT/SPS agreements	0,00	4.074,71	4.074,71
Output 5: Strengthened sanitary and phytosanitary infrastructure	0,00	0.291,00	0.291,00
Output 6: Small and medium enterprise (SME) meet quality requirements	21.589,88	51.567,82	73.157,70
Output 7: Preparation of the organisational and operational internal by-laws and business plan for national Malawian Accreditation	0,00		
Output 8: Operational Management Team operation costs and visibility)	4.806,77	15.416,50	20.223,27
SUB-Total Project Direct Eligible Costs (EXCLUDING CONT)	68.046,89	216.870,12	684.917,01
CONT (2.75%) has to be 15%			
SUB-total Project Direct Eligible Costs (INCLUDING contingency)			
Output 1 Support Costs	-786,12	3.473,24	2.687,12
Output 2 Support Costs	-664,46	5.572,74	4.908,28
Output 3 Support Costs	5.414,83	6.079,37	11.494,20
Output 4 Support Costs	0,00	985,23	985,23
Output 5 Support Costs	0,00	5.500,18	5.500,18
Output 6 Support Costs	-335,42	3.420,48	3.085,06
Output 8 Support Costs	9.892,07	9.076,80	18.968,87
Indirect Costs (GMS 7%): Administrative Costs has to be 7% of Direct Eligible Costs	3.520,90	77.108,04	90.628,94
GRAND TOTAL (including contingency)	81.567,79	393.978,16	875.545,95