

Quarterly Progress Report

Oct – Dec 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
SADCAS	Southern African Development Community Accreditation Service
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
UNBS	Uganda National Bureau Of Standards
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
WFP	World Food Programme
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 fourth Quarter of 2017 (1 October to 31 December 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, the amended Annual Work Plan for 2017 and the Annual Work Plan for 2018, which was discussed during the SQAM Project Annual Work Plan Retreat on 27 – 28 November 2017 in Zomba and approved during the SQAM Project Steering Committee Meeting on 30 November 2017 in Lilongwe, which however requires for a revision in order to reflect the actual figures of the UNIDO and MBS budget. The revision is planned during January 2018.

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 145,378.91 (see Annex 2: obligations and disbursements), bringing the total financial expenditure to USD 2,539,357.07. In terms of disbursements only (refer to Annex 1), the quarter reports a total of USD 118,702.20, bringing the total financial disbursement to USD 2,364,271.77.

In addition to the above figures, UNIDO is also reporting the financial implementation as of 15 January 2018 as the threshold to request the next instalment has been reached. By reaching 77% of the last instalment received (Annex III), UNIDO is therefore requesting with this quarterly report from UNDP the next instalment amounting to EUR 208,681.

The main focus of implementation by UNIDO during this reporting period was: (i) the mission of the International Expert on Conformity Assessments and Accreditation Systems to support the MBS in the application to SADCAS; (ii) the amendment of the contract to SADCAS in include the additional scopes for accreditation and pre-accreditation, as advised by the International Expert; (iii) the mission of the International Expert on ISO 9001 to provide technical assistance to cohort companies on Quality Management System (QMS) and to witness Stage 1 audits for the MBS auditors at the companies; (iv) finalization of the procurement of the CRMs and Peripherals and initiation of procurement of additional equipment: Oil Analysis System and X-Ray Fluorescence (XRF) Spectrometer.

While UNIDO interventions pertaining outputs 2, 4, 5 have been completed and output 1 is nearly completed, the current efforts are focusing on implementation of activities related to outputs 3, 6 and 8, towards reaching the targets of the project.

With regard to reaching the accreditation targets it should be noted that following the technical recommendations from SADCAS, the accreditation body, as well as from the International Expert on Conformity Assessments and Accreditation Systems, considering that MBS is applying for accreditation for the first time, the MBS should apply initially for one scope per laboratory only. The rationale for this is that the planned accreditation of scopes is to be seen as a pilot activity and learning experience towards gaining more practical and on the job exposure as well as to build up confidence in the MBS services and operations (in accordance with int. standards). Acceptance and reputation of the MBS and its services within the industrial community is equally if not more important the accreditation.

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 fourth Quarter of 2017 (1 October to 31 December 2017) in accordance with the Annual Work Plan for 2017.

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

- (i) the mission of the International Expert on Conformity Assessments and Accreditation Systems to provide technical assistance to the MBS in support of the preparation for the application to SADCAS for accreditation (Output 3);
- (ii) the amendment of the subcontract to SADCAS to include the additional scopes for accreditation and pre-assessments for selected scopes, as advised by the International Expert (Output 3);
- (iii) finalization of the procurement of the CRM and Peripherals and initiation of the procurement of the Oil Analyzer and XRF Spectrometer and technical evaluation of the offers received (Output 3);
- (iv) the mission of the International Expert on ISO 9001 to monitor the readiness and provide technical assistance to cohort companies on Quality Management System (QMS) and witness Stage 1 audits for the MBS auditors at the companies (Output 6);
- (v) regular project management activities, including the participation of the UNIDO CTA, Project Associate and project field team to the SQAM Project Annual Work Plan Retreat on 27 – 28 November 2017 in Zomba and to the SQAM Project Steering Committee Meeting on 30 November 2017 in Lilongwe.

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

Output 3:

- The Mission of the International Expert (IE) on Conformity Assessment and Accreditation Systems, Mike Peet, took place during 16-26 October 2017. The IE conducted an assessment of the status-quo of the four scopes for accreditation, provided workshops to the MBS staff, and reviewed the SADCAS applications packs for testing and metrology. The IE acknowledged the progress achieved and provided a number of recommendations and actions to be undertaken by MBS (Annex 4); the MBS is strongly committed to address the recommendation from the International Expert, which is a necessary condition to proceed with the accreditation process;
- The International Expert Conformity Assessment and Accreditation Systems advised to commence with the application to SADCAS for full assessment for the scopes selected for testing and metrology as well as for QMS ISO 9001 certification. The IE also advised to limit the application of the other two scopes ISO 22000 and product certification to pre-assessment level as the first batch of scopes was already at an advanced stage of implementation. The results from the pre-assessment would give a better detailed guidance on the way forward and will allow for the learning process and MBS capacity to mature with practical experience within these scopes. It is important to note that the current accreditation exercise should be seen as a pilot activity that provides the MBS a

valuable opportunity to learn and gain more experience and confidence in the delivery of internationally benchmarked conformity assessment services. Acceptance and reputation of the MBS and its services within the industrial community is equally if not more important than the accreditation.

- The recommendation from SADCAS, the accreditation body, as well as from the International Expert on Conformity Assessments and Accreditation Systems, is that considering that the MBS applying for accreditation first time, the MBS should apply initially for one scope only per laboratory. The rationale for this is that the planned accreditation of scopes is to be seen as a pilot activity and learning experience towards learning and gaining more practical experience of operating in accordance with international standards - it is needed for the industry to gain confidence in the 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.
- The subcontract to SADCAS was amended in order to reflect the end of activities on the work plans for the testing and calibration laboratories to be in April 2018 (as the SQAM project is ending in May 2018) and to include the additional scopes, as follows:
 - full accreditation of ISO / IEC 17021 with the scope of ISO 9001 for Quality Management System (QMS) Certification;
 - pre-assessment for Product Certification to ISO/IEC 17065 for bottled drinking water;
 - pre-assessment for Management System Certification against ISO 17021 for FSMS (Food Safety Management System) to ISO 22000.

The recommendation of applying for pre-assessment only for the scopes of product certification and ISO 22000 was given by the International Expert on Conformity Assessment and Accreditation Systems, considering the level of readiness of these two scopes.

- After the technical and commercial evaluation of the two Lots of the CRMs and Peripherals, UNIDO has submitted the Purchase Offer to the supplier and the items are to be delivered in Malawi by 28 February 2018;
- UNIDO HQ initiated the process of the procurement of the XRF Spectrometer and the Oil Analyser according to the Procurement Plan agreed and signed with the MBS. The CTA together with the MBS Director of the Testing Services finalized the technical evaluation of the XRF Spectrometer and the Oil Analysis System. The UNIDO Procurement Officer will take further decisions based on the financial offers and available budget;
- During the SC Meeting on 30th November 2017 the MBS presented to the SC Members the updated dashboards illustrating the level of readiness of the selected scopes for accreditation (also additional scopes, which are ready and could be considered in the future). The MBS has applied for full accreditation only for three scopes (light mass 1-200 g for calibration, aflatoxin for testing, ISO 9001 for QMS) and for pre-assessment of product certification for bottled water and QMS to ISO 22000, as advised by the International Expert. Considering that the MBS is only applying for full-accreditation for three scopes within the lifetime of the project, the SC Members have considered granting an extension of additional six months to the project to allow the MBS to apply for full accreditation for all the four scopes before the project ends. This is subject to the fact that,

based on the positive results of the pre-assessments, the non-conformities will be addressed by the MBS and that corrective actions will be undertaken in a timely manner considering that the accreditation should be achieved latest by November 2017 (if the project extension is granted).

- The CTA prepared in cooperation with the Directors of Testing and Metrology Services (DTS and DMS) a visual occupancy overview based on the actual floor plans and the equipment and items that will be moved to the new facility. This overview was shared on the 9th of November with the MBS and project team and shows an occupancy rate of approximately 70%, which is to be considered more than acceptable at the stage of building a new infrastructure that can accommodate the future growth of MBS according to its Strategic Plan.

Output 6:

- The National Expert NE, Rex Nyahoda, who has been guided since September 2017 to provide continuous support with the cohort companies, has undertaken follow-up activities with them to assist the work of the International Expert on ISO 9001 (in preparation of his mission between 10-22 December 2017) and of the International Expert on ISO 22000;
- 5th mission of the International Expert, Shashank Sheth, on QMS to ISO 9001 during 10 – 22 December 2017 to provide technical assistance to the Cohort I ISO9001 companies and monitor their implementation status and, together with the NE, to witness the stage 1 audits and provide feedback to the assisted companies and to the MBS auditors.
- The mission of the International Expert on ISO 22000, Anya Knoetze, which was originally planned to take place in December 2017, had to be postponed to January 2018 to avoid overlapping with the mission of the IE on ISO 9001 and due to the unavailability of the IE during the requested period. The NE is providing continuous support on the ground on this scope guided remotely by the IE.

Output 8:

- UNIDO CTA, Project Associate from HQ and project field team participated in the SQAM Project Annual Work Plan Retreat on 27 – 28 November 2017 in Zomba, in the 16th SQAM Project Steering Committee Meeting on 30th November 2017 in Lilongwe and in the 9th MATCB Project Steering Committee Meeting on 1st December 2017 in Lilongwe.

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.

	<ul style="list-style-type: none"> • 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 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. • It was reported to UNIDO and to the other SC Members during the 16th SQAM SC Meeting that since there were no further inputs from stakeholders, the report for the mapping of laboratory landscape was cleared. The profile for the laboratories would be printed and shared with the stakeholders in due course.
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 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.

<p>1.6 Enhancement and updating of the MBS website [MBS (UNDP)] During</p>	<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 was informed that the MBS engaged a contractor (Quedesign) in September 2017 to redesign and revamp the MBS website. The website was redesigned and became operational again by end of October 2017. • Despite UNIDO CTA’s proposal for three (3) Industrial Awareness Seminars, which was initially approved by the DG of MBS, only one seminar took place in Blantyre on the 20th of September. The two following ones, which were planned on 4 and 5 October 2017, respectively in Lilongwe and Mzuzu, were put on hold by the DG and did not take place in the last quarter of 2017.
<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>. The Food and Environmental Research Agency (FERA) in the United Kingdom (UK) is being considered as the training provider. FERA has not been contacted yet regarding the remaining training in <i>Elements</i> for two (2) MBS Officers because UNIDO was awaiting the next installment, which was received on 17 November 2017. During the 16th SC Meeting it was agreed to postpone this training to 2018. As soon as the Annual Work Plan for 2018 is approved, the MBS will make contact with FERA to determine application fees, duration of training and will provide UNIDO with the nominations one month before the start of the training. • Targeted training on new equipment is being delivered by the suppliers as this is part of the technical specifications. These training need to be agreed upon with MBS once the equipment is delivered (last training was given in December 2017 to the MBS technicians on the Universal Testing Machine from the engineers of Enkay Enterprises). It is advisable to request the suppliers to provide the MBS staff with training certificates.

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.
2.2 Awareness campaigns and training on "Better regulation". [MBS (UNDP/UNIDO)]	<ul style="list-style-type: none"> It was reported by the MBS that the process of selecting a National Consultant to conduct a documentary and field survey of Malawi Technical Regulations, Standards and Conformity Assessment procedures was completed. A successful candidate, Mr. George Naphambo of Naphambo and Company, was engaged and a Contract was issued by UNDP. The inception meeting for the Consultancy took place on 22nd August 2017. The Consultant completed a Desk Review and submitted an Inception Report an Acceptable Sampling and Draft report. The exercise would be completed by end of Q1 of 2018. The Study Tour to the Uganda National Bureau of Standards (UNBS), which took place during 25-29 September 2017, supported by UNIDO will be one of the highlights on the January issue of the Malawi Quality Time Digest Newsletter supported by the MATCB Project. The study tour enhanced the participants' knowledge and skills in WTO/TBT NEP operations and the capacity of the MBS as a National Enquiry Point for Malawi. A significant milestone, which was achieved thanks to this study tour, was the drafting and submission of 15 TBT notifications of draft Malawi standards to the WTO, which were approved and circulated to the Member States for comments.
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)]	
2.4 Preparation of a strategy and a plan for the institutionalization 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
3.1a Construction of the Metrology building. [MBS (GoM)].	<ul style="list-style-type: none"> This activity is under national implementation by MBS and the Government of Malawi. UNIDO notes the good progress on the construction of the building, which was reported at 57% during the 16th SQAM SC Meeting without any arrears as the Government of Malawi was honoring the certificates of payment on time. 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 November 2017 the MBS staff and the construction engineers from Terrastone undertook the Study Tour to the Botswana Bureau of Standards (BoBs) to illustrate to the participants how BoBs developed the facility. The objective for this study tour was to address questions related to some structural and environmental requirements for the new MBS/MSD facilities. The study tour created an opportunity for engineers and MBS staff to benchmark the quality of workmanship of the BoBs infrastructure with the MBS Laboratory complex which is being developed. Critical to this is the setup and design of the laboratories in meeting safety standards and achieving also the environmental conditions. The study tour team learnt from Bobs 'experience of the challenge in terms of maintenance and

	<p>sustainability of having a centralized air conditioning system, thus a decentralized system would be preferred in the MBS new facility.</p>
<p>3.1b Develop within MBS an accredited product certification body [MBS (UNIDO/UNDP)]</p>	<ul style="list-style-type: none"> ● The mission of the International Expert on Conformity Assessment and Accreditation Systems, Mike Peet, took place during 16-26 October 2017. He conducted a rapid assessment of the status-quo of the 4 accreditation scopes, visited MBS laboratories, interacted with the responsible technical staff, provided interactive workshops, reviewed the SADCAS applications packs of testing and metrology, provided guidance to the MBS and recommendations across all scopes and provided an update on the dashboards on MBS' accreditation readiness. The IE acknowledged the progress achieved within various scopes and provided a number of recommendations and actions to be undertaken by MBS, most of them already addressed by the anchors of the various scopes with the support of SQAM project, where needed. The IE advised to commence with the application to SADCAS for full assessment of the testing and metrology scopes as well as for QMS ISO 9001 certification. He also advised to limit the application for the other two scopes ISO 22000 and product certification to pre-assessment level for better detailed guidance on the way forward and to allow for the learning process and MBS capacity to mature with practical experience within these scopes. The IE stressed on the fact that the current accreditation exercise should be seen as a pilot activity that provides a valuable opportunity to learn and gain more experience and confidence in the delivery of internationally benchmarked conformity assessment services. It is critical however that future expansions of scope focus on supporting the strategic imperatives of the Malawian Government, industry and commerce. The future extension of scopes should therefore be based on a well-considered strategy that ensures that the conformity assessment services provided meet the needs and demands of public and private sector clients. If this is successfully achieved, it will go a long way to ensuring that these services can be provided sustainably and will also enhance the reputation of MBS as a valued and insightful CA service provider. ● UNIDO requested SADCAS to provide a quotation for the remaining two scopes (Management Systems Certification and Product certification) in order to finalize the contract to SADCAS and obligate the funds for the four scopes. The subcontract to SADCAS was amended to reflect on the work plans for the testing and calibration laboratories the end of activities in April 2018 (as the SQAM project is ending in May 2018). to include the additional scopes selected: to apply for full accreditation of ISO / IEC 17021 with the scope of ISO 9001 for Quality Management System (QMS) Certification; pre-assessment for Product Certification to ISO/IEC 17065 for bottled drinking water; pre-assessment for Management System Certification against ISO 17021 for FSMS (Food Safety Management System) to ISO 22000, as advised by the International Expert. ● During the SC Meeting on 30th November 2017 the SC

	<p>Members have been presented with the updated dashboards illustrating the level of readiness of the selected scopes for accreditation and of additional scopes. Considering that the MBS has applied for full accreditation only for three (3) scopes, which should be achieved within the lifetime of the project, the SC Members have considered granting an extension of six (6) months to the project to allow for the all the four scopes to apply for full assessment and, based on the pre-assessment findings, possibly achieve accreditation. This is subject to the fact that the non-conformities will be addressed by the MBS and that corrective actions will be undertaken in a timely manner considering that the accreditation should be achieved latest by November 2017 (if the project extension is approved).</p> <ul style="list-style-type: none"> • SADCAS has submitted to the MBS the application pack for the pre-assessment of the scope of bottled water for Product Certification to ISO/IEC 17065 and UNIDO CTA followed-up with the Director of the Quality Assurance Department (QSAD) to propose submission of the application to SADCAS for product certification by January 2018; • The CTA and IE Mike Peet met with the MBS Quality Assurance Department (QSAD) and the Testing Department (TSD) to discuss the independent assessment for the laboratory for testing bottled water for product certification. It was agreed that since product certification relates to laboratory testing from a recognized laboratory (where the recognition may refer to an accredited laboratory or a lab that might have undergone an independent assessment by a third party, i.e. experts in the water testing conversant with ISO 17025 requirements), the and that MBS testing labs are not accredited, the assessment should be done by an independent assessor. It was also agreed that QSAD should take the ownership of the independent assessment for the testing labs and that QSAD should also guide on how the cost of this assessment will be covered.
<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. • The International Expert on Conformity Assessment and Accreditation Systems, Mike Peet, advised to commence with the application to SADCAS for full assessment of QMS ISO 9001 certification. The IE also advised to limit the application of ISO 22000 to pre-assessment level as the other scope was already at an advanced stage of implementation. The results from the pre-assessment would give a better detailed guidance on the way forward and will allow for the learning process and MBS capacity to mature with practical experience within the scope of ISO 22000. If the project extension will be granted there is a chance for the MBS to apply for full accreditation for the scope of management system certification for ISO 22000 within the lifetime of the project and possibly achieve the objective of accreditation. This is subject to the fact that the non-conformities will be addressed by the MBS and

	<p>that corrective actions will be undertaken in a timely manner considering that the accreditation should be achieved latest by November 2017 (if the project extension is approved).</p>
<p>3.3 Upgraded and accredited testing laboratories in MBS [MBS (UNIDO)]</p>	<p><u>Accreditation:</u></p> <ul style="list-style-type: none"> • The status on accreditation is the same as that of activity 3.1b. • SADCAS received the application packs from the testing laboratories and provided the work plan with end of activities in April 2018 (as the project is officially ending in May 2018). The Director of Testing Services (DTS) has been provided with a set of recommendations from the IE Mike Peet (see Annex 4) and has engaged in addressing them as a matter of urgency in order to meet the targets by the end of the project. <p><u>Procurement of equipment:</u></p> <ul style="list-style-type: none"> • The instalment of EUR 208,682 (equivalent to USD 250,819.71) was received at UNIDO on 17 November 2017. This allowed UNIDO to continue with the procurement of equipment (finalization of pending equipment and initiation of new biddings) until the end of the project in May 2018 among other priority activities. • UNIDO has initiated the requests for bidding for the XRF Spectrometer and for the Oil Analysis System, for which some offers were received and technically evaluated in December 2017. The commercial evaluation is currently being conducted by the UNIDO Procurement Officer at HQ. The UNIDO Procurement Officer will take further decisions based on the financial offers and available budget, as per the signed Procurement Plan agreed with the MBS; • UNIDO managed to finalize the technical and commercial evaluation of the two Lots of the CRMs and Peripherals (re-bidding) and awarded the contract to Amex GmbH. UNIDO has submitted the Purchase Offer to the supplier and the items are to be delivered to the MBS by 28 February 2018; • The Centrifuge and Deionized Water Purification system was delivered at the MBS by the supplier (Amex GmbH) and final payment to the supplier has been processed; • The UPLC/MS/MS was delivered by the supplier, Chemetrix (South Africa), at the MBS in October 2017 and Certificate of Acceptance is expected with urgency to be received from the MBS to allow for the supplier to install the machine and provide training before the warranty expires and for UNIDO to release the final payment to the supplier for the service rendered. • The UTM Accessories were installed by the engineers sent by the supplier, Enkay Enterprises, in December 2017. The engineers provided technical support also to the Universal Testing Machine and trained the MBS technicians. • MBS is preparing the TS for Laboratory Management System (LIMS).

3.4 Upgraded and accredited calibration laboratories in MBS

- See also status on activity 3.1b
- 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.
- SADCAS received the application packs from the testing and calibration laboratories and provided work plans related to the scopes of testing and calibration with end of activities in April 2018 (as the project is officially ending in May 2018). The Director of Metrology Services (DMS) has been provided with a set of recommendations from the IE Mike Peet (see Annex 4) and has engaged in addressing them as a matter of urgency in order to meet the targets by the end of the project.
- The 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. The result produced from this activity was a commitment by the MBS of financial support from own resources to support further infrastructure upgrading at MSD.
- During the MATCB Steering Committee Meeting on 1st December 2017 UNIDO reported to the SC Members the following:
 - i. All outstanding issues on the Heavy Mass and Volume Laboratory to obtain certificate of occupation and also environmental conditions were resolved and also that all upgraded length and volume laboratories, the environmental conditions were improved following the installation of two new air conditioners;
 - ii. UNIDO managed to receive quotations for the procurement of the hybrid electrical installation system for the MSD to ensure that there is consistent and quality electricity supply to the laboratories. The procurement process was commenced with UNIDO HQ;
 - iii. The electrical installation upgrade of the MSD was completed and this ensures safety of appliances at the facility. Sharma Electrical Contractor was contracted to do the electrical installation upgrade;
 - iv. The procurement for the remainder of equipment and consumables (e.g. laboratory furnishing incl. tables for mass/dimension) has commenced and the equipment arrived at MBS during this reporting period (mass and volume metrology equipment).
 - v. The procurement process to procure Pre-packages equipment and toolboxes was completed and equipment delivery is expected at MSD; MBS needs to distribute the pre-packages equipment in the three regions to enhance capacity for inspection on pre-packages.

3.5 Develop a training business unit.
[MBS (UNIDO)]

3.6 Establish a pool of Malawian auditors
[MBS (UNIDO)]

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)]

- 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 can be supported by the international experts recruited under output 6 to support SMEs on quality and food safety management system.
- A meeting with the UNIDO CTA, UNIDO Project Associate at HQ and the Director of the Quality Assurance Department (DQAS) at MBS took place on 6th December 2017 to discuss on the way forward, follow-up actions and how UNIDO can support the MBS in this activity.
- A study tour at SABS for the MBS Quality Assurance Department is being considered. As the MBS is getting qualified as an accredited certification body for Quality Management System ISO 9001 and Food Safety Management System ISO 22000, the objectives of the visit will be: to learn about SABS experience in building up their system, the business model, key success factors, challenges faced and success stories, to visit a couple of SABS clients to appreciate the systems in place at SMEs level, to witness one or two audits conducted by SABS (as a practical experience to MBS auditors) and to share with SABS the recent developments and accreditation at MBS in the area of Quality Assurance Services. The mission would consider 3-4 participants for a duration of 5 days. DQAS informed that there is no need for International Experts, local solutions can be found to address gaps and for competence building of the auditors.
UNIDO CTA is facilitating the communication with SABS but the activity is under MBS budget.
- 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 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 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.
<p>5.3 Review and upgrade the legislation for the SPS infrastructure [MBS (UNIDO)]</p>	

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
<p>6.1 Preparation of an overall training and technical assistance programme for SMEs, in particular female and youth headed SMEs. [MBS (UNDP/MoIT)]</p>	<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.
<p>6.2 Technical assistance to 15 SMEs, in particular female and youth headed SMEs, to comply with HACCP / ISO 22000 Food safety management systems</p>	<ul style="list-style-type: none"> • The instalment of EUR 208,682 (equivalent to USD 250,819.71) from UNDP was received at UNIDO on 17 November 2017. Due to this reason and that the funds at UNIDO were depleted, the mission of the International Expert on ISO 22000 had to be delayed until the installment

<p>[MBS (UNIDO)]</p>	<p>was received.</p> <ul style="list-style-type: none"> • The difficulties encountered due to the delayed receipt of the installment caused a delay in the engagement of the International Expert. UNIDO therefore decided to complement their work by immediately engaging the National Expert, Rex Nyahoda, who has been guided since September 2017 to assist the work of the IE and ensure a constant follow-up with the cohort companies in preparation of the mission of the International Expert on ISO 22000; • The mission of the International Expert on ISO 22000, Anya Knoetze, which was originally planned to take place in December 2017, had to be postponed to January 2018 to avoid overlapping with the mission of the IE on ISO 9001 and due to the unavailability of the IE during the requested period. The NE is providing continuous support on the ground on this scope guided remotely by the IE.
<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>	<p><u>4th mission (18 Sept – 17 Oct) of the International Expert on ISO 9001:</u></p> <ul style="list-style-type: none"> • The 4th mission of the International Expert on ISO 9001 Shashank Sheth, took place between 18 September and 17 October 2017 to support the 4 companies in the preparation for stage 1 audit. The IE was supported by the NE, Rex Nyahoda, in the Blantyre region as well as in the central and northern regions. • Pre-briefing meeting by the International Expert QMS to ISO 9001, CTA and Mike Peet, IE on Conformity Assessment and Accreditation Systems, prior to the start of the mission of the IE Mike Peet, helped all stakeholders to address the concerns and action plans, which has been conveyed to the MBS for necessary actions along with time frame. • 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 communicated to MBS several observations and areas of improvements at MBS side resulting from his engagement with the companies. Observations are around timelines of MBS services (testing and metrology), availability of MS and reference standards, and gaps in testing capabilities in relation to products of companies that MBS is certifying as well as outdated standards that are still in use. • The IE 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. • Communication tools have been established for each cohort company with the International Expert, National Expert, UNIDO CTA, top management and process owners to monitor the progress of QMS implementation, providing necessary guidance and support, follow-up for critical pending issues, sharing of status with entire responsible staff of each cohort company. Benefits and results of this

	<p>communication have been found effective so far.</p> <p><u>5th mission (10-22 December) of the International Expert on ISO 9001:</u></p> <ul style="list-style-type: none"> • The 5th mission of the International Expert on QMS to ISO 9001 took place during 10 – 22 December 2017 to provide technical assistance to the Cohort I ISO9001 companies and monitor their implementation status and, together with the NE, to witness the stage 1 audits, to provide an advanced training on ISO 9001 to a group of national experts, MBS auditors and selected quality managers from target companies and to provide feedback to the assisted companies and to the MBS auditors. • Main objectives of this mission were to (1) monitor the readiness of each 4 Cohort I companies for stage 1 audit to be conducted by certification body – MBS (2) To review the status of compliance of mandatory documentation and record keeping at each 4 Cohort I companies by NE, prior to stage 1 audit (3) Witness the Stage 1 audit along with NE at each 4 Cohort I companies, to be conducted by certification body – MBS (4) provide technical feedback to MBS auditors on auditing methodology, gaps or improvements if any and action plan for stage 2 accreditation body witness audit (5) providing guidance and mentoring to NE for gaps observed during stage 1 audit, reported by certification body – MBS and (6) providing guidance and mentoring to NE for gaps observed by IE as part of missing documentation requirements, records keeping, how to close the gaps found out by certification body – MBS as well as IE. • The overall progress at each cohort companies has been found more than satisfactory The IE provided a set of recommendation for each company, for the MBS and for the NE, which they are committed to address in preparation of the Stage 2 Audit and for the successful achievement of the project objectives. • Stage 1 audit for selected SMEs, has been completed by MBS in December 2017. Based on successful completion of stage 1 audit, the selected SMEs shall comply with stage 2 audit, which is a necessary step on the way to the accreditation of MBS as an internationally accredited certification body as per ISO 17021 requirement and certification of selected SMEs for ISO 9001. • Hiring of a NE for providing continual technical assistance to each cohort company, has actually strengthened the process of effective implementation of documented QMS at each cohort company, successful completion of Stage – 1 audit and readiness of each cohort company for Stage – 2 audit as per planned schedule (April 2018).
<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.

6.5 Trainers-cum-counsellors and auditors: Training in HACCP / ISO 22000 Food safety management systems. [MBS (UNIDO)]	<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.
6.6 Training in ISO 9001 Quality management systems for trainers-cum-counsellors and auditors. [MBS (UNIDO)]	<ul style="list-style-type: none"> • This activity was concluded in 2016 Q3.
6.7 Trainers-cum-counsellors: Training in "Initiating quality improvement in selected sectors" [MBS (UNIDO)]	<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.
6.8 Awareness seminars: ISO 14000 Environment management systems; GLOBALG.A.P. (Good Agricultural Practice) [MBS (UNIDO)]	<ul style="list-style-type: none"> • This activity was concluded in 2016 Q4.
6.9 Trainers-cum-counsellors and auditors: Training in ISO/IEC 17025 [MBS (UNIDO)]	<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 organizational and operational bylaws and business plan for the Malawian accreditation body. [MBS (UNIDO)]	<ul style="list-style-type: none"> • This activity was concluded in 2015.

Output 8: Programme Management

ACTIVITY	STATUS
8.1 Operational Management Team	<ul style="list-style-type: none"> • Provision for International Technical Assistance and related costs (PMU), including the project CTA and project associate at UNIDO HQ. • The instalment of EUR 208,682 (equivalent to USD 250,819.71) was received at UNIDO on 17 November 2017. This allowed UNIDO to extend the contracts of the project personnel (CTA and Project Associate at UNIDO HQ) until the end of the project in May 2018 among other priority activities. • The UNIDO CTA, Project Associate from HQ and project field team participated in the SQAM Project Annual Work Plan Retreat on 27 – 28 November 2017 in Zomba. • The UNIDO CTA, Project Associate from HQ and project field team participated in the 16th SQAM Project Steering Committee Meeting on 30th November 2017 in Lilongwe.

	<ul style="list-style-type: none"> • The UNIDO CTA, Project Associate from HQ and project field team participated in the 9th MATCB Project Steering Committee Meeting on 1st December 2017 in Lilongwe.
<p>8.2 Communications and Visibility [MBS]</p>	<ul style="list-style-type: none"> • The UNIDO 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. Despite the proposal of UNIDO CTA for three (3) Industrial Awareness Seminars, which was initially approved by the DG of MBS, only one seminar took place in Blantyre on the 20th of September. The two following ones, which were planned on 4 and 5 October 2017, respectively in Lilongwe and Mzuzu, were put on hold by the DG and did not take place in the last quarter of 2017. • 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. UNIDO was informed that the MBS engaged a contractor (Quedesign) in September 2017 to redesign and revamp the MBS website. The website was redesigned and became operational again by end of October 2017.

C. Financial Status and Utilization

Summary of financial payments to date include receipt of first instalment 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 instalment was received on 10 October 2014 totaling EUR 1,009,728, equivalent to USD 1,283,009.68 (USD 1,199,074.47 excluding support costs).

The third instalment 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 (instalment 1 + instalment 2 + instalment 3) to USD 2,881,469.

The threshold for claiming the fourth instalment was reached on 27 April 2017. This was requested by UNIDO in both Q1 and Q2 progress reports as well as during the 14th and 15th Project Steering Committee Meetings held in June and August 2017. The fourth instalment for the amount of EUR 208,682 (equivalent to USD 250,819.71) was received at UNIDO on 17 November 2017. This brought the amount of total funds received (instalment 1 + instalment 2 + instalment 3 + instalment 4) to USD 3,132,288.85.

Furthermore, on 31 July 2017 UNIDO and UNDP also signed 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 fourth quarter of 2017 was equal to 81% of total instalments received.

In addition to the above figures, UNIDO is also reporting to have reached the threshold in order to claim the next instalment as the financial implementation as of 15 January 2018 was equal to 77% of the last instalment received (Annex III). UNIDO is therefore requesting with this report to UNDP the next instalment amounting to EUR 208,681 as per the schedule of payments reflecting on the 2nd Amendment of the Inter-Agency Agreement.

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 instalment, 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.
- 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.
- The recommendation received from SADCAS, the accreditation body, as well as from the International Expert on Conformity Assessments and Accreditation Systems, is that any institution applying for accreditation for the first time should apply initially for one scope per laboratory only. The rationale for this is that the accreditation process is to be seen as a pilot activity and learning experience for the MBS to gain more confidence in its services and operations in accordance with the international standards- once that is achieved it will be easy for MBS to add additional scopes of accreditation. Acceptance and reputation of the MBS and its services within the industrial community is equally if not more important than the accreditation.
- The International Expert on Conformity Assessment and Accreditation Systems, Mike Peet, who conducted his mission during 16-26 October 2017 stressed on the fact that the current accreditation exercise should be seen as a pilot activity that provides a valuable opportunity to learn and gain more experience and confidence in the delivery of internationally benchmarked conformity assessment services. It is critical, however, that future expansions of the scope of accreditation focus on supporting the strategic imperatives of the Malawian Government, industry and commerce. The future extension of scopes should therefore be based on a well-considered strategy that ensures that the Conformity Assessment services provided meet the needs and demands of public and private sector clients. If this is successfully achieved, it will go a long way to ensuring that these Conformity Assessment services can be provided sustainably and will also enhance the reputation of MBS as a valued and insightful Conformity Assessment service provider.
- The difficulties encountered due to the late receipt of the installment (only in November 2017) also caused a delay in the engagement of the International Experts. UNIDO therefore decided to complement the work of the International Experts by recruiting and immediately engaging the National Expert on ISO 9001 and ISO 22000 to assist the work of the IEs. 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. The assistance provided by the National Expert

shall further strengthen the process of effective implementation of documented QMS at each cohort company and readiness of each company for Stage 1 and Stage 2 audits in the process leading to accreditation.

- As witnessed by the International Expert on QMS to ISO 9001 during the Stage 1 Audit at participating SMEs, the MBS auditors and Lead Auditor on ISO 9001 (DQAS) have demonstrated technical capabilities and practiced excellent auditing methodology. MBS can further leverage these opportunities by exposing their technical personnel (auditors, inspectors etc.) by practicing the “Train the Trainer” concept. The “Train the Trainer” concept (i.e. the International Expert training the National Experts and in-turn developing local capabilities) will help capacity building for the technical experts to provide further technical assistances to SMEs for successful implementation and certification of Quality management system as per ISO 9001.
- UNIDO CTA together with the International and National Expert on ISO 9001 interacted in person with the top management of two of the cohort companies (CORI and FLOWTECH). This resulted in affirmation and commitment from top management to provide all support and resources for successful certification of ISO 9001-2015. The direct involvement of top management at the cohort companies shall ensure that necessary resources are provided in a timely manner and in this way process owners shall be more accountable and responsible for implementation of QMS as per ISO 9001-2015 requirements. Infrastructure and work environment related issues in particular, were well addressed by CORI’s management. CORI can be showcased as classic examples and role model for industries in Malawi, on how technical input provided by IE / NE in right perspective and genuine commitment by management, transforms the plant infrastructure in to a truly world-class manufacturing set up capable of producing safe quality food products.

E. Conclusion

While UNIDO has finalized the process of subcontracting SADCAS for the accreditation of the four scopes (full accreditation only for three scopes: light mass 1-200 g for calibration, aflatoxin for testing, ISO 9001 for QMS and, as advised by the International Expert, for pre-assessment of product certification for bottled water and QMS to ISO 22000) as a priority, the work and continuous commitment towards the project objectives remain now in the hands of the MBS to ensure the implementation of the systems and to address the findings and recommendations raised by the International Expert on conformity assessments and accreditation, who has assisted the MBS to apply for accreditation as well as to address the gaps identified by SADCAS on the application for accreditation. Failure to address and implement them timely poses a serious risk to the success of the accreditation process during the lifecycle of the project.

In November 2017 UNIDO received the installment amounting 208,682 (equivalent to USD 250,819.71), which was claimed in April 2017 and by 15 January 2018 reached the threshold to claim the next installment (77% from the previous installment). As the project approaches the final stage of the implementation cycle, it is critical for UNIDO to receive in a timely manner the last two installments as per disbursement plan from the Inter-Agency Agreement (Amendment n. 2) to ensure timely completion of ongoing activities, under outputs 3, 6 and 8 by May 2018. An important aspect of the IAA to avoid any discontinuity in the implementation and to ensure the project meets its targets is the timely payment of the instalments.

The schedule of instalments payment dates as per the IAA is as follows:

Nov-2017 EUR 208,681

May-2018 EUR 115,566

The Annual Work Plan for 2018 was discussed and approved during the SQAM Project Steering Committee Meeting on 30 November 2017 in Lilongwe.

As the budget figures for UNIDO and MBS needed to be further reviewed and reconciled with UNDP, UNIDO and the MBS, there is a need for an urgent revision of the work plan, which was discussed during the SQAM Project Annual Work Plan Retreat on 27 – 28 November 2017 in Zomba, in order to reflect the actual figures of the UNIDO and MBS budget. The revision of the Annual Work Plan is planned for January 2018.

With regard to the procurement of equipment at this stage of the project there is a need to consider that procurement processes, which includes transportation/delivery/customs, installation and training, are often lengthy (approximately six months) and challenging as this 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.

The ability for UNIDO to deliver on the equipment expectation for 2018 is also dependent on:

1. Timely receipt of the forecasted USD amount from the last two installments as per Inter-Agency Agreement (Amendment 2) to allow necessary lead times in the procurement (usually 6 months);

2. Any exchange rate losses will affect the work plan as the amounts allocated will need to be revised to accommodate reduced budget
3. Timely submission from the MBS of the missing Technical Specifications for the equipment on the Procurement Plan are submitted to UNIDO;
4. Further approval by the donor (EU) of the extension of the project of additional 6 (six) months to allow the finalization of the logistics, delivery, installation of the equipment and release of final payment to the suppliers.

In addition, UNIDO CTA prepared in cooperation with the Directors of Testing and Metrology Services (DTS and DMS) a visual occupancy overview based on the actual floor plans and the equipment and items that will be moved to the new facility. This overview was shared on the 9th of November with the MBS and project team. The picture shows an occupancy rate of approximately 70%, which is more than acceptable at this stage of building a new infrastructure that can accommodate the future growth of MBS according to its Strategic Plan.

F. Future Work Plan

Work plan until project closure (May 2018):

The Annual Work Plan for 2018 was discussed during the SQAM Project Annual Work Plan Retreat on 27 – 28 November 2017 in Zomba and approved during the SQAM Project Steering Committee Meeting on 30 November 2017 in Lilongwe. However, as the consolidated figures on the available budget for UNIDO and MBS needed to be reconciled, it requires an urgent revision and amendment in order to reflect the actual figures of the UNIDO and MBS budget. The revision of the Annual Work Plan is planned for January 2018.

The key activities from the Annual Work Plan 2018 (AWP2018) for implementation by UNIDO for the first two quarters of 2018 until project completion in May 2018 are subject to the availability of funds coming from the next two instalments and include:

Output 1:

- Activity 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. The Food and Environmental Research Agency (FERA) in the United Kingdom (UK) is being considered as the training provider. Due to the delay in receiving the last installment from UNDP it has been agreed during the 16th SC Meeting to postpone this training to early 2018. FERA will be contacted by the MBS to enquire about application fees, duration of training and will provide UNIDO with the nominations one month before the start of the training.
- Targeted training on new equipment (UPLC, XRF Spectrometer and Oil Analysis System) will be delivered by the suppliers as this is part of the technical specifications. These trainings need to be agreed upon with MBS once the equipment is delivered. It is advisable to request the suppliers to provide the MBS staff with training certificates.

Output 2:

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

Output 3:

- Finalization of the procurement of equipment before project closure (May 2018): UPLC, CRMs and Peripherals, XRF Spectrometer, Oil Analysis System in accordance with the budget allocations reflecting on the Procurement Plan and Annual Work Plan for 2018.
- Independent assessment of MBS testing laboratories based on ISO 17025 requirements as part of the requirements of ISO 17065 for product certification (bottled water).
- Develop within MBS a management systems certification body for ISO 9001 (quality management systems).
- Pre-assessment for Management System Certification against ISO 17021 for FSMS (Food Safety Management System) to ISO 22000.
- Upgraded and accredited testing laboratories in MBS with initial scope limited to aflatoxin. Implemented i.t.o. MBS approved roadmap for pilot phase. To possibly expand scope in the future to microbiology, pesticides, food chemistry/elements and fortification.
- Upgraded and accredited calibration laboratories in MBS with initial scope limited to light mass (0 – 200g).

- Pre-assessment for Product Certification to ISO/IEC 17065 for bottled drinking water.
- Establish a pool of Malawian Auditors to ensure that MBS has experienced auditors (MBS budget). This requires a certain level of audit experience. Auditor mentoring by IRCA registered auditor is needed. A study tour at SABS for the MBS Quality Assurance Department is being considered. DQAS informed that there is no need for International Experts, local solutions can be found to address gaps and for competence building of the auditors.

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 first quarter of 2018. The next missions of the IE Anya Knoetze has been planned during 21 January and 10 February 2018 to provide technical assistance to the participating Cohort I companies in the implementation of Food Safety Management System (FSMS) according to ISO 2200, to provide coaching to the NE on basic training on the HACCP methodologies and other relevant topics and to witness mock audits for the MBS auditors at the companies and provide related feedback to the assisted companies and to MBS auditors.
- Technical Assistance to companies through the NE in support of implementation of Quality management systems to ISO 9001 and 22000 on Cohort 1 SMEs and to the MBS for successful implementation and certification of Quality management system as per ISO 9001 towards full accreditation and for pre-assessment of ISO 22000.

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 at HQ) as provided under UNIDO responsibility until the end of the project in May 2018.

Work plan during six months extension (May – November 2018):

During the 16th SQAM Steering Committee Meeting on 30th November 2017 it has been discussed the possibility of a 6-months cost extension until November 2018 to reach the objectives of the project. If the extension is granted the planned activities would include:

Output 3:

- Finalization of equipment purchase as per agreed Procurement Plan, subject to receipt of funds from UNDP as per disbursement plan on the IAA (amendment n. 2) and budget allocated in the AWP for 2018. No additional equipment will be purchased during the extension. The extension will only allow the finalization of the logistics, delivery, and installation of the equipment and release of final payments to the suppliers.
- Based on the results of the pre-assessment and corrective actions from the MBS on addressing non-conformities in a timely manner, develop within MBS a Management System Certification against ISO 17021 for FSMS (Food Safety Management System) to ISO 22000.
- Based on the results of the pre-assessment and corrective actions from the MBS on addressing non-conformities in a timely manner, develop within the MBS a Product Certification body for the application of the ISO/IEC 17065 for bottled drinking water.

Output 8:

- Activity 8.1 Operational Management Team: UNIDO to continue providing international technical assistance through the oversight of the work of the UNIDO project personnel (CTA and Project Associate at HQ) during the project extension.

Annexes:

1. Annex 1: Financial figures as reported and accepted by UNDP HQ (UNEX) comprising Disbursements to date (4th quarter 2017: Oct – Dec 2017).
2. Annex 2: Financial reporting comprising Obligations + Disbursements to date (4th quarter 2017: Oct – Dec 2017).
3. Annex 3: Financial figures (Obligations + Disbursements of the last installment of EUR 208,682, equivalent to USD 250,819.71) as per 15 January 2018 in order to claim next installment.
4. Annex 4: Recommendations of the International Expert on Conformity Assessment and Accreditation System

ANNEX 1

OUTPUT	USD (\$)	USD (\$)	USD (\$)
	Oct - Dec 2017 QUARTERLY EXPENDITURE	TOTAL EXPENDITURE AS AT PREVIOUS QUARTER	TOTAL EXPENDITURE
Output 1: Increased efficiency and sustainability of the Malawi Bureau of Standards	-	204,564.17	204,564.17
Output 2: Better technical regulations - Support to the reviews and development of technical regulations	3,766.54	46,846.78	50,613.32
Output 3: Enhancement of the Malawi Bureau of Standards capacity	48,477.43	999,251.27	1,047,728.70
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	25,453.86	140,635.82	166,089.68
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)	29,011.67	630,365.53	659,377.20
SUB-Total Project Direct Eligible Costs (EXCLUDING CONT)	106,709.50	2,076,029.28	2,182,738.78
CONT (2.75%) - has to be ≤ 5%		-	-
SUB-total Project Direct Eligible Costs (INCLUDING contingency)		-	-
Output 1 Support Costs	2,102.79	13,473.24	15,576.03
Output 2 Support Costs	1,124.69	3,572.74	4,697.43
Output 3 Support Costs	27,353.90	78,511.62	105,865.52
Output 4 Support Costs	-	2,311.46	2,311.46
Output 5 Support Costs	(5,429.90)	5,500.18	70.28
Output 6 Support Costs	5,229.28	8,420.48	13,649.76
Output 8 Support Costs	(18,388.06)	57,750.57	39,362.51
Indirect Costs (GMS 7%): Administrative Costs has to be ≤ 7% of Direct Eligible Costs	11,992.70	169,540.29	181,532.99
GRAND TOTAL (Including contingency)	118,702.20	2,245,569.57	2,364,271.77

ANNEX 2

OUTPUT	USD (\$)	USD (\$)	USD (\$)
	Oct - Dec 2017 QUARTERLY EXPENDITURE	TOTAL EXPENDITURE AS AT PREVIOUS QUARTER	TOTAL EXPENDITURE
Output 1: Increased efficiency and sustainability of the Malawi Bureau of Standards	-	211,385.44	211,385.44
Output 2: Better technical regulations - Support to the reviews and development of technical regulations	(62.34)	53,816.76	53,754.42
Output 3: Enhancement of the Malawi Bureau of Standards capacity	114,042.75	1,030,317.89	1,144,360.64
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	17,047.37	151,567.82	168,615.19
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)	2,358.43	715,416.50	717,774.93
SUB-Total Project Direct Eligible Costs (EXCLUDING CONT)	133,386.21	2,216,870.12	2,350,256.33
CONT (2.75%) - has to be ≤ 5%		-	-
SUB-total Project Direct Eligible Costs (INCLUDING contingency)		-	-
Output 1 Support Costs	2,102.79	13,473.24	15,576.03
Output 2 Support Costs	1,124.69	3,572.74	4,697.43
Output 3 Support Costs	27,353.90	86,079.37	113,433.27
Output 4 Support Costs	-	985.23	985.23
Output 5 Support Costs	(5,429.90)	5,500.18	70.28
Output 6 Support Costs	5,229.28	8,420.48	13,649.76
Output 8 Support Costs	(18,388.06)	59,076.80	40,688.74
Indirect Costs (GMS 7%): Administrative Costs has to be ≤ 7% of Direct Eligible Costs	11,992.70	177,108.04	189,100.74
GRAND TOTAL (Including contingency)	145,378.91	2,393,978.16	2,539,357.07

ANNEX 3

OUTPUT	USD (\$)	USD (\$)	USD (\$)
	1 Oct 2017 - 15 Jan 2018 EXPENDITURES + OBLIGATIONS	TOTAL EXPENDITURE AS AT PREVIOUS QUARTER	TOTAL EXPENDITURE
Output 1: Increased efficiency and sustainability of the Malawi Bureau of Standards	-	211,385.44	211,385.44
Output 2: Better technical regulations - Support to the reviews and development of technical regulations	(62.34)	53,816.76	53,754.42
Output 3: Enhancement of the Malawi Bureau of Standards capacity	114,042.75	1,030,317.89	1,144,360.64
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	32,867.67	151,567.82	184,435.49
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)	47,773.82	715,416.50	763,190.32
SUB-Total Project Direct Eligible Costs (EXCLUDING CONT)	194,621.90	2,216,870.12	2,411,492.02
CONT (2.75%) - has to be ≤ 5%		-	-
SUB-total Project Direct Eligible Costs (INCLUDING contingency)		-	-
Output 1 Support Costs	2,102.79	13,473.24	15,576.03
Output 2 Support Costs	1,124.69	3,572.74	4,697.43
Output 3 Support Costs	9,498.19	86,079.37	95,577.56
Output 4 Support Costs	-	985.23	985.23
Output 5 Support Costs	(5,429.90)	5,500.18	70.28
Output 6 Support Costs	6,420.06	8,420.48	14,840.54
Output 8 Support Costs	3,595.88	59,076.80	62,672.68
Indirect Costs (GMS 7%): Administrative Costs has to be ≤ 7% of Direct Eligible Costs	17,311.71	177,108.04	194,419.75
GRAND TOTAL (Including contingency)	211,933.61	2,393,978.16	2,605,911.77

Recommendations of the International Expert on Conformity Assessments and Accreditation Systems

Internal Audit

Recommendation 1: It is recommended that in future internal audits, MBS should ensure that technical experts with the appropriate knowledge for the areas being audited are used.

Recommendation 2: It is recommended that internal audits of the calibration and testing laboratories be led by the manager of the other technical area, e.g. Head of Testing for Calibration and vice versa.

Recommendation 3: It is recommended that the internal audits for the calibration and testing laboratories be repeated as a matter of urgency so that any technical issues can be highlighted and appropriately addressed prior to the visit by the AB.

Recommendation 4: It is recommended that the resolution of Non-conformities that may arise from the internal audits in the laboratories, be the responsibility of the DDG and the two Heads of Laboratories (Calibration and Test) supported by the two Quality Managers from these laboratories so that synergies can be sought in addressing common technical issues collectively.

Recommendation 5: It is recommended that internal audits of the MBS certification activities also appropriately address the requirements contained in the IAF MD series of documents.

Calibration – ISO / IEC 17025 - Mass (0 – 200g)

Recommendation 6: It is recommended that the calibration laboratory address the issue of housekeeping and also ensure that obsolete equipment is either stored elsewhere or disposed of prior to the visit by the AB assessment team.

Recommendation 7: It is recommended that the calibration laboratory ensure that the calibration of equipment, including that used to monitor temperature, having an impact on the results is maintained up to date and calibrated by an accredited laboratory to ensure integrity of traceability.

Testing – ISO / IEC 17025 - Aflatoxin

Recommendation 8: It is recommended that the Test laboratory ensure that the calibration of all test equipment, including that to monitor temperature, that has an impact on the Aflatoxin test results is maintained up to date and calibrated by an accredited laboratory to ensure integrity of tests.

Recommendation 9: It is recommended that the test laboratory urgently address the way that reports are filed to ensure that they were easily accessible, especially Aflatoxin related test data and other test results.

Recommendation 10: It is recommended that the test laboratory urgently address, with the MBS IT department, the need for regular and accessible back up procedures for Aflatoxin test data stored on computers.

Recommendation 11: It is recommended that the test laboratory arrange to urgently purchase, have traceably calibrated, and install environmental

Certification – ISO / IEC 17021 (ISO 9001 and ISO 22000)

Recommendation 12: It is recommended that MBS urgently resolve the issue of liability insurance based on the ISO 17021 requirement.

It was noted that ISO / IEC 17021 requires that “The certification body shall be able to demonstrate that it has evaluated the risks arising from its certification activities and that it has *adequate arrangements (e.g. insurance or reserves) to cover liabilities* arising from its operations in each of its fields of activities”. MBS could be covered by a larger insurance policy or, as a public entity, Government guarantee, both of which are acceptable solutions in terms of this clause. A major milestone, as recorded in the internal audit report, is the availability of an evaluation of risks associated with performing certification related work.

Recommendation 13: It is recommended that MBS takes urgent steps to ensure that the quality manual covering the certification section is approved.

Product Certification – ISO / IEC 17065 (Bottled Water)

Recommendation 14: It is recommended that, given the recent training and implementation of internal auditing, that the product certification division use these skills to perform an internal gap analysis between its current product certification activities and the requirements contained in ISO / IEC 17065.

Recommendation 15: It is recommended that the outcomes of recommendation 14 are used to create a prioritized action list to close any identified gaps between current operations and those required for compliance to ISO / IEC 17065.