



Namibian Standards Institution

Strategic Plan: 2017 – 2021

Final

30 November 2016

Document information


Document Information		
Document Number		
Document type	Final Draft	
Title	NSI Strategic Plan	
Revision number	v1.12.1	
Revision date	30 November 2016	
Department / Section		
Author	Ms Chie Wasserfall – CEO, NSI	
Document Approval		
Position	Signature	Date
CEO		16/02/2017

Table of contents

Table of contents.....	3
Executive summary.....	6
Acronyms and abbreviations	7
Foreword by the CEO.....	8
Statement of confidentiality and non-disclosure	9
1 Introduction	10
2 Objective of this document	10
3 Links with NDP4 and Vision 2030	11
4 Mandate of the NSI.....	12
4.1 Standards.....	13
4.2 Certification	13
4.3 Metrology	14
4.3.1 Scientific metrology	14
4.3.2 Industrial metrology.....	15
4.3.3 Legal metrology.....	15
4.4 Testing and inspection	16
4.4.1 Food testing laboratories.....	16
4.4.2 Inspectorate	17
5 Current reality.....	18
5.1 Strengths, weaknesses, opportunities and threats (SWOT).....	18
5.2 Case for change	19
5.2.1 Mandate and scope of activities.....	19
5.2.2 Finances and funding.....	23
5.2.3 Organisation.....	23
5.3 Strategic imperatives.....	24
6 Core ideology	24
6.1 Desired end state	24
6.1.1 Vision	24
6.1.2 Mission.....	25
6.1.3 Brand promise.....	25
6.2 Core values	25
6.3 Stakeholder expectations and value propositions	26
6.4 Business model.....	27
6.4.1 Product for market.....	27

6.4.2	Key partners.....	30
6.4.3	Critical resources and core competencies.....	30
6.5	Critical success factors (CSFs)	30
7	Ends planning	31
7.1	Strategic goals.....	31
7.2	Strategic pillars.....	31
7.3	Strategic objectives	31
7.4	Strategic themes	32
8	Organizational Strategy	32
8.1	Grand strategy.....	32
8.2	Market strategy.....	32
8.3	Competitive strategies.....	32
8.4	Promotion and advertising strategy	33
8.5	Sales strategy.....	33
8.6	Organisation model and structure	33
8.6.1	Properties of the ideal design.....	33
8.6.2	New organisation structure.....	34
9	Financing and funding model	40
9.1	Standards Act, 2005.....	40
9.2	Problem statement	41
9.3	Financing principles.....	42
9.3.1	Best practices.....	42
9.3.2	NSI's financing goal	43
9.3.3	Financing principles: Framework.....	43
9.4	Financing principles applied	45
9.5	Financial plan 2017 to 2021	46
9.6	Revenue shortfalls and leakages	46
9.6.1	Revenue shortfalls	46
9.6.2	Revenue leakages	47
9.7	New revenue streams	47
9.7.1	Standards.....	47
9.7.2	Certification	47
9.8	Regulatory and Consumer Protection (RCP)	48
9.8.1	New income opportunities within current service offerings.....	49
9.8.2	New potential revenue streams.....	49
10	Risks and risk mitigation.....	50
11	Implementation plan	50
11.1	Strategic initiatives	50
11.2	Strategic roadmap.....	51

Ok

11.3	Implementation monitoring.....	57
12	Conclusion.....	57

LIST OF FIGURES

Figure 1:	New funding model in relative terms over time.....	44
-----------	--	----

LIST OF TABLES

Table 1:	Current Certification services	14
Table 2:	SWOT.....	19
Table 3:	Changes to Standards mandate	20
Table 4:	Changes to Certification mandate	21
Table 5:	Changes to Metrology mandate.....	22
Table 6:	Changes to Inspection mandate	23
Table 7:	Stakeholder value propositions	27
Table 8:	Products and services	30
Table 9:	International best practices – Publication by UNIDO & ISO, 2008	43
Table 10:	Proposed NSI financing framework	44
Table 11:	Proposed NSI financial plan	46
Table 12:	New Certification revenue streams.....	48
Table 13:	Revenue gaps in RCP current business practices.....	49
Table 14:	New Metrology, Testing and Inspection revenue streams	50

ck

Executive summary

The Namibian Standards Institution's (NSI) is a specialised agency of government, responsible for standardisation and quality assurance, a role closely linked to the main goal of Vision 2030 of a "prosperous and industrialised Namibia", hence, it is subject to performance agreements as per the State Owned Enterprise (SOE) Governance Act, 2006.

The previous NSI Strategic Plan covered the period 2013 to 2018. An update of this Strategic Plan (2017 to 2021) has been expedited due to the following reasons:

- A requirement of the newly appointed Chief Executive Officer to review the strategic direction of the NSI, and subsequently;
- A decision of the Namibian Standards Counsel (NSC) to request an increase of the mandate and scope of the NSI from the Government of Namibia.

This Strategic Plan builds on the previous plan to ensure continuity, with added inputs from a Strategic Blueprint commissioned by the NSC in August 2015 to review the NSI's mandate, scope of activities and financial sustainability.

This document highlights the current reality of the NSI and sets out its future course of direction. In so doing, strategic goals and objectives have been formulated and the NSI's organisation structure has been enhanced. Particular emphasis is also placed on a new funding model for the NSI which distinguishes between government delegated functions and services provided on a commercial basis. This is an important step in the NSI's journey to become increasingly self-sufficient.

Finally, the document sets out a roadmap to guide the NSI's journey to 2021.

Acronyms and abbreviations

CA	Competent Authority
CEO	Chief Executive Officer
EMS	Environmental Management System
EU	European Union
GM	General Manager
HR	Human Resources
HSE	Health, Safety and Environment
ISO	International Organisation for Standardization
MRA	Mutual Recognition Agreement/Arrangement
MFMR	Ministry of Fisheries and Marine Resources
MITSMED	Ministry of Industrialisation, Trade and SME Development
NAMS	Namibian Standards
NQP	National Quality Policy
NDP4	Fourth National Development Plan
NMI	National Metrology Institute
NRCS	National Regulator for Compulsory Specifications
NSB	National Standards Body
NSC	Namibian Standards Council
NSI	Namibian Standards Institution
RCP	Regulatory and Consumer Protection
QMS	Quality Management System
SQAM	SADC Programme on Standardization, Quality assurance, Accreditation and Metrology
SMEs	Small and Medium sized Enterprises
SOEs	State Owned Enterprises
SWOT	Strength, Weaknesses, Opportunities and Threats
TBT	Technical Barriers to Trade
TC	Technical Committee
WTO	World Trade Organisation

Foreword by the CEO

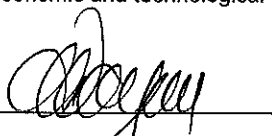
The NSI as Namibia's National Standards Body (NSB) is mandated to determine, promote, regulate and maintain Namibian standards relating to the quality of commodities.

Taking into account Namibia's Vision 2030, the Harambee Prosperity Plan, the effects of globalisation, the rate of inventions and technological convergence and new commodities on the market, the Strategic Plan 2017-2021 is designed to enable the NSI to fulfil its role in such a way that Namibia benefits from global trade.

As such, this Strategic Plan captures the essence of Vision 2030 and the Harambee Prosperity Plan combined with the Goals of NDP6 and Growth at Home Strategy which focuses on the development and support to the Micro, Small and Medium Sized Enterprise (MSME), the coordination and support of the implementation of the National Quality Policy (NQP), the promotion of NSI conformity assessment services to increase its commercial capabilities for it to be self-sustainable in the long run.

The Strategic Plan reaffirms the NSI's future direction consisting of the Vision, Mission, Core Values and Brand Promise, by articulating the strategic high level statements. Both internal and external environments were analysed and priority challenges and constraints that are likely to affect its operations in the future are identified. In order to respond to these demands, the NSI adopted appropriate actions to be taken. The success of the implementation of the key strategic initiatives and action steps of this Strategic Plan depends on the commitment and ownership of all staff members of the NSI under the leadership of the Namibian Standards Council (NSC), from its senior management to its technical and administrative staff.

I thank the NSC, its Chairperson and the other members for their strategic leadership and support. I encourage the NSI management and staff to make the implementation of this plan a reality. Every NSI staff member is urged to study this strategic plan; to own and use it as reference to other documents that guide the activities of the NSI and, with a view to ultimately, ensuring that activities highlighted in this plan are successfully implemented for the benefits of the people and the socio-economic and technological development of Namibia.



Chie Wasserfall (Ms)

Chief Executive Officer

Statement of confidentiality and non-disclosure

This document contains proprietary and confidential information. All data submitted is provided in reliance upon its content not to use or disclose any information contained herein except on the context of its business dealings with the Namibian Standards Institution (NSI). The recipient of this document agrees to inform its present and future employees and partners who view or have access to the document's content of its confidential nature.

The recipient agrees to instruct each employee that they must not disclose any information concerning this document to others except that such matters are generally known to, and are available for use by, the public. The recipient also agrees not to duplicate or distribute or permit others to duplicate or distribute any material contained herein without the NSI's express written consent.

NSI retains all title, ownership and intellectual property rights to the material and trademarks contained herein, including all supporting documentation, files, marketing material, and multimedia.

BY ACCEPTANCE OF THIS DOCUMENT, THE RECIPIENT AGREES TO BE BOUND BY THE AFOREMENTIONED STATEMENT.

1 Introduction

The role of National Standards Bodies (NSB's) is constantly evolving internationally. Globalisation has led to increased trade within and between countries, whilst the areas considered suitable for standardisation has extended to include management systems, the service sector and new technologies.

Standards are increasingly being used to support technical regulations, and are more and more addressing fast-moving and converging technologies. New requirements for standards are a constant feature of the society we live in.

The same is happening in Namibia, where the role of the NSI as a body that is tasked with the development of standards, is integral to Namibia's national and international development. Conformity assessment, accreditation, metrology and standards, which are all components of a country's quality infrastructure, all play a part in the integrated technical mix that is necessary for Namibia to be able to trade successfully, both bilaterally and within the multilateral trading system.

As part of a developing economy, the NSI needs to continually assess its role and contribution to the economy. Its present reassessment of its mandate and scope of activities is particularly relevant the years after the promulgation of the Standards Act (2005), and combined with the fact that no ready-made model for quality infrastructures exists, either in terms of the components that are required, the degree of sophistication they should have, or the way in which quality infrastructure services are delivered.

This Strategic Plan has been developed to replace the previous Strategic Plan 2013 – 2018. It is the result of:

- An NSC decision to increase the mandate and scope of the NSI

2 Objective of this document

The objective of this document is to set out a comprehensive five year Strategic Plan as a basis for the NSI annual Business Plans. In so doing, the document reviews and clarifies the role, vision and mandate of the NSI and formulates end state objectives, plans and implementation initiatives.

3 Links with NDP4 and Vision 2030

The Namibian government designed national priorities, spelled out in the National Development Plans (NDPs), which serve as the medium term mechanisms to achieve the long term goals stated in what is known as 'Vision 2030'. The main goal of Vision 2030 is to accelerate Namibia's economic growth and development through industrialisation.

The overall development goals of the Government of the Republic of Namibia are human development and poverty reduction for improved living conditions of her people (UNDP, 2007). Vision 2030 singles out several central elements that need to be addressed if the vision of a 'prosperous and industrialised Namibia, developed by her human resources, enjoying peace, harmony and political stability' is to be realised by 2030.

Among the eight thematic areas laid down in Vision 2030, there are a few areas in which the NSI will play a critical role to ensure that the Vision 2030 is achieved. Since the current strategic plan of the NSI almost coincides with the period of NDP4, The Strategic Plan 2017-2021 positions the NSI to contribute to the three goals of the NDP4 namely, high and sustained economic growth, increased income equality and, employment creation. In order to improve, economic growth, equality and social welfare, thus reducing poverty. The NSI shall promote the use of standards with a view to ensuring that the majority of Namibian businesses, Large enterprises (LEs), and micro, small and medium sized enterprises (MSMEs) meet the required standards for their products to be certified, not only for the local market, but also for the international market.

With Namibia's heavy reliance on agriculture and natural resource extraction for economic survival, the NSI shall increase its role to improve market access for Namibian products through development and adoption of Namibian standards.

As a State Owned Enterprise (SOE) which is wholly owned by the Government, the NSI's Strategic Plan 2013-2018 is designed to continue its contribution to the successful implementation of the country's Industrial Policy and is, hence, aligned with the economic priority areas of Namibia's Fourth National Development Plan (NDP4) with a view to facilitating the achievement of NDP4 Desired Outcome 8, namely, manufacturing.

The NSI's voluntary standards may be referenced in legislation to achieve legitimate policy objectives of the Government of the Republic of Namibia for the protection of human health or safety, protection of animal or plant life or health, the protection of the environment, protection of the national security interests and the prevention of deceptive practices. As Namibia's national standards body (NSB) the NSI has a crosscutting role to play in contributing towards Namibia achieving the objectives of NDP4.

OM

In all of the ten (10) identified desired outcomes (NDP4) there are elements requiring standardisation and quality assurance.

Large, micro, small and medium sized enterprises (MSMEs) are encouraged to use Namibian standards to facilitate manufactured product access to regional and international markets and thereby increasing Namibia's manufacturing capacity and export potential. The implementation of the NSI Strategic Plan 2017 - 2021 will increase the institution's capacity in the areas of testing, inspection, certification, legal metrology and measurement traceability to better serve public sector institutions and Namibian industries.

4 Mandate of the NSI

The NSI's existence and mandate stem from the Standards Act (Act No. 18 of 2005). Other important legislation that impacts the operations of the NSI includes:

- Trade Metrology Act (Act No. 77 of 1973) [amended several times, with the latest amendment in 2005].
- Aquaculture Act (Act 18 of 2002)
- Food Safety Bill (Draft June 2014)
- Marine Resources Act (Act 27 of 2000)
- Public and Environmental Health Act (Act 1 of 2015).

The objectives of the NSI are as follows:

- To promote standardisation and quality assurance in the industry, commerce and the public sector in Namibia, with the aim of improving product quality, industrial efficiency and productivity, and to promote trade, so as to achieve optimum benefits for the public of Namibia in general;
- To liaise with, and obtain membership of, international and regional standards bodies that have objects similar to those of the NSI, and to achieve compliance with any internationally or regionally agreed instruments or organizations regarding standardization, of which bodies Namibia is a member or is intending to become a member; and
- To become progressively more self-sufficient and self-supportive.

Translated into operational terms, the NSI plays a role in standards development, certification, inspection, testing and metrology.

4.1 Standards

The overarching function of the NSI is the development of Namibian standards, including code of good practice and specifications. According to the International Organisation for Standardisation (ISO), standardisation is the process of formulating and applying rules for an orderly approach to a specific activity for the benefit and cooperation of all concerned, and in particular for the promotion of the overall economy, considering due safety requirements. In so doing;

- It determines classes of a commodity or service that has fixed limits
- It involves the determination of basic limits
- It provides scientific language to define a commodity and serves as the yardstick of quality.

A standard is a document approved by a recognised body, such as the NSI, that provides for common and repeated use, rules, guidelines or characteristics for products or related processes and production methods, with which compliance is not mandatory. It may also include or deal exclusively with terminology, symbols, packaging, marking or labelling requirements as they apply to a product, process or production method. Standards can be divided into three categories:

- Products: The quality and safety of goods and services.
- Processes: The conditions under which products and services are to be produced, packed and refined.
- Management systems: Systems that help organisations to manage their operations. They are often used to create a framework within which an organisation consistently achieves the requirements set out in product and process standards.

In Namibia, standards are governed by the Standards Act (2005). International Standards such as the ISO, International Telecommunications Union (ITU-T), Codex Alimentarius and International Electrotechnical Commission (IEC) standards and other national standards are also widely used at national, regional and local government levels by trade organisations, purchasers, consumers, testing laboratories and other interested parties. Since the use of standards generally reflect the best experience of industry, researchers, consumers and regulators worldwide, and cover the common needs in a variety of countries, standards contribute to the removal of technical barriers to trade. The NSI has established Technical Committees (TCs) to assist with the preparation, adoption, and publication of standards in accordance with the WTO Code of Good Practice for the Preparation, Adoption and Application of Standards to which the NSI subscribes.

4.2 Certification

The primary function of Certification is to encourage and support the business community's need for certification services. This NSI service has been established as a third party assessment for

management systems, products and persons to the requirements of ISO/IEC 17021, ISO/IEC 17065 and ISO/IEC 17024.

Current NSI Certification services are set out below.

Management System Certification Scheme	Product Certification Scheme	Persons Certification Scheme
<ul style="list-style-type: none"> Quality Management System (ISO 9001) Food Safety Management Systems (ISO 22000 & HACCP) 	<ul style="list-style-type: none"> Dairy Canned fish Cement Salt Rice 	<ul style="list-style-type: none"> Quality Management System (QMS) Internal Audits [dormant until internal human resources are qualified as assessors]

Table 1: Current Certification services

4.3 Metrology

Metrology (measurement science and technology) is the science and practice of precision measurements. The impetus of facilitating world trade and the associated need to eliminate technical barriers to trade is leading to a greater awareness worldwide of the role that measurement plays in underpinning activities in all areas of science and technology. It is now recognised that metrology provides a fundamental basis not only for the physical sciences and engineering, but also for chemistry, the biological sciences and related areas such as the environment, medicine, agriculture and food.

4.3.1 Scientific metrology

The NSI's role in scientific metrology is to establish a measurement system and standards for the country aimed at facilitating trade. Examples of scientific metrology measures include length, time, temperature, mass, and volume. Without these measures, even the simplest of transactions would be open to abuse and fair trade would be impossible, and legislation aimed at protecting the health and welfare of citizens would be of no effect. No standards could exist for products because there would be no reliable means of measurement of their performance against requirements. A national measurement system is therefore the first step in facilitating trade. All other disciplines of conformity assessment are underpinned by a solid measurement system.

The NSI is responsible for the National Metrology Institute (NMI) for Namibia. International recognition of the scientific and industrial metrological competence of the NSI is established through peer reviews, inter-laboratory comparisons with NMIs from the sub-regional metrology organisations

OK

(sRMO), regional metrology organisations (RMOs) and reference standards calibrated by a Metrology Institute.

4.3.2 Industrial metrology

NSI industrial metrology has to ensure the adequate functioning of measurement instruments used in industry, in production and testing processes. Industrial metrology calibrates measuring equipment and instruments for customers in order to ensure accuracy, traceability and international recognition of the results for the benefit of the national economy and the avoidance of Technical Barriers to Trade (TBTs). Primary metrology fields of focus are:

- Mass and volume: balances, scales, weights and pipettes, measuring cylinders, burettes (lab graduated glassware), moisture testers, etc.
- Dimensional: micrometers, vernier callipers, gauge blocks, steel rules, dial test indicators, feeler gauges, etc.
- Electrical: calibrators, multi-meters, ammeters, voltmeters, power supplies, frequency counters, oscilloscopes, signal generators, tachometers, etc.
- Temperature: calibrators, thermocouples, thermometers, temperature indicators, etc.

4.3.3 Legal metrology

Legal metrology is concerned with measurements that influence the transparency of economic transactions. Consumers are protected and assured of correct measurement results used in official and commercial transactions. Legal metrology offers two major services:

- Verification of prescribed measuring instruments:
 - Verification is a preventive measure by which instruments are examined to see if they comply with the requirements of technical regulations, are of an approved model and are within the prescribed permissible error limits, under working conditions, throughout the whole period of use.
 - One of the mandates of the NSI Legal Metrology is to provide consumers with 'peace of mind' and confidence in the knowledge that accurate measuring instruments have been used in the measurement of the goods they have purchased.
- Inspection of pre-packages and labelling:

01

-
- Pre-packages are controlled in order to provide buyers with a guarantee that they are in fact receiving the identified product in the quantity that is indicated on the package within certain limits that are set for the product and the type of packaging.
 - Labelling regulations for pre-packaged products require that the name and place of business of the manufacturer, packer, distributor, importer or retailer be specified conspicuously.

While the NSI as a larger organisation was established by the Standards Act (Act No. 18 of 2005), the Metrology Department has a specific mandate to administer the Trade Metrology Act (Act No. 77 of 1973). The function was officially transferred on 1st April 2011, when the then Ministry of Trade and Industry transferred Legal Metrology from the Directorate of Commerce to the NSI. This came together with staff, a rented building and equipment. The Act was amended several times, with the latest amendment (2005) signed by the President (but not gazetted).

A new Metrology Bill has been drafted to replace the 1973 Act (amended in 2005), with compliance to OIML D1 and was submitted to the MITSMED in February 2013. Once promulgated, the new Act will:

- Provide for the systematic use in Namibia of the measuring units of the International System of Units (SI),
- Give the powers to the NSI for administration of legal metrology provisions and incorporates all provisions of the old Act, and;
- Provide for the Minister to make regulations that are in line with the state of science and technology and best practice in metrology.

Upon realising that the New Act will take a long time before coming into effect, a submission was made to the MITSMED for the replacement of the old set of regulations with new regulations based on new Namibian standards, as well as regional and international recommendations.

4.4 Testing and inspection

4.4.1 Food testing laboratories

Testing services are provided by the NSI Food Laboratory which houses the Chemistry, Microbiology and Molecular Laboratories in Walvis Bay. Testing services provided include chemical analysis on fish and shellfish products for the Marine Biotoxins in Shellfish, and Microbiological analysis on fish and fishery products, shellfish, water and swabs.

The Food Laboratory is accredited to ISO/IEC 17025:2005 - General requirements for the competence of testing and calibration laboratories. The scope of the accreditation covers the following:

- Chemical testing in fresh and frozen shellfish:
 - Amnesic Shellfish Poisoning (ASP) toxicity by HPLC
 - Diarrhetic Shellfish Poisoning (DSP) toxicity by Mouse Bioassay
 - Paralytic Shellfish Poisoning (PSP) toxicity by Mouse Bioassay
 - Heavy metals, including mercury, lead and cadmium.
- Microbiological testing in frozen and chilled fish:
 - Enumeration of total viable colony count
 - Detection and enumeration of Enterobacteriaceae.
- Molecular testing (2016 onwards):
 - Noro virus
 - Hepatitis A
 - Legionella.
- Microbiological analyses on shellfish:
 - Enumeration of Escherichia coli by MPN method.
- In all water samples:
 - Total viable colony count.
- In potable water, filter seawater and effluent/ waste water:
 - Total Coliform count
 - Total E.coli by Colilert method
 - Faecal Coliform and E.coli
 - Enumeration of Faecal streptococci.

The laboratory offers testing for a number of other parameters not listed above which are in the process of being added to the accreditation scope.

4.4.2 Inspectorate

The NSI Fisheries Inspectorate carries out the following services on behalf of MITSMED:

- Inspection and surveillance services cover the inspection of factories / processing plants and fishing vessels and evaluation of food processing systems for compliance to statutory requirements,
- Sampling and product inspection services include physical and sensory examination / inspection of raw material and final product (mainly frozen, chilled and canned fishery

OK

products as well as canned meat) and issue complying consignments with health guarantees, and;

- Water, ice and sea water sampling for monitoring purposes.

The NSI Fishery Inspectorate facilities in Walvis Bay, Luderitz and Windhoek are accredited to ISO/IEC 17020: 2012 - General criteria for the operation of various types of bodies performing inspection. The scope of the accreditation covers the following:

- VC8017 GN No. R979 - 4 July 2003 - Compulsory specification for frozen fish, frozen marine mollusks and frozen products derived there from,
- 570 Proc 013 - 30 September 2010 - Procedure for inspection of chilled fish for export,
- VC8014 GN No. R790 - 9 July 2004 - Compulsory specification for the manufacture, production, processing and treatment of canned marine mollusks, canned fish and canned crustaceans, and;
- VC8019 GN No. R791 - 9 July 2004 - Compulsory specification for the manufacture, production, processing and treatment of canned meat products.

The NSI Fisheries Inspectorate also carries out Shellfish Sanitation Inspection and Surveillance on behalf of the Ministry of Fisheries and Marine Resources (MFMR). It includes management, inspection and monitoring of the growing areas, product and water sampling and administration of the aquaculture regulations.

5 Current reality

This section sets out the NSI's current situation and builds a case for change to the mandate and scope of the NSI as well as the requirement for a revised funding model.

5.1 Strengths, weaknesses, opportunities and threats (SWOT)

Strengths	Weaknesses
<ul style="list-style-type: none"> • Credibility of the NSI • International recognition as a National Standards Body (NSB) • Accreditation of conformity assessment services • Modern infrastructure (laboratories, buildings and equipment) 	<ul style="list-style-type: none"> • Weak financial position and unpredictability of income (high operational cost, unpredictability of GRN grant) • Revenue leakages • Inadequate understanding of stakeholder needs due to absence of

all

<ul style="list-style-type: none"> • Skilled, specialised and competent staff • GRN commitment 	<ul style="list-style-type: none"> • robust marketing of NSI services • Inefficiencies due to manual processes (lack of adequate IT and process automation) • Lack of staff retention strategy • Poor implementation of the performance management system • Not fully implemented market related salaries • Absence of health and safety management • Lack of wellness programme • Inadequate quality management
<p>Opportunities</p> <ul style="list-style-type: none"> • Capacity to increase revenue (e.g. training, handling fees, inspection fees, levies) • Expansion of mandate / scope (e.g. National Quality Policy, implementation of import and market surveillance) • Improved cooperation with Regulators • ISO 9001 compliant NSI support services 	<p>Threats</p> <ul style="list-style-type: none"> • Increasing level of competition in Namibia (e.g. conformity assessment) • Poor understanding of the relevance and importance of NSI products and services by public and industry • Changes in regulatory frameworks • Declining financial support from GRN • Inadequate national quality infrastructure

Table 2: SWOT

5.2 Case for change

Three drivers for change exist. The primary drivers relate to the NSI's mandate / scope of activities and funding, whilst the NSI's organisation structure requires changes as an important means to execute its mandate and strategies.

5.2.1 Mandate and scope of activities

An amendment to the Standards Act is required. This would require NSI to be mandated to participate in the process of developing a national technical regulations framework that would support the use of international standards in the formulation of technical regulations.

OK

Note: The development of technical regulations is generally not part of the scope of a national Standards Body; however, their existence and approach to formulation impact the application of standards in the country.

#	Proposed changes	Implication/s	Impact on NSI
1	NSI to be mandated to participate in the process of formulating technical regulations that have an impact on health and safety, environmental protection and trade [proposal: National Regulatory Authority to be established to take the lead]	Absence of technical regulations formulated according to good regulatory practices	High (prerequisite for the application of standards where necessary)
2	Functions of NSI to be expanded to include the management and coordination of the implementation of the National Quality Policy for Namibia in the Standards Act [currently delegated from the Ministry of Trade – now MITSMED]	Expanded role of NSI	High (resources required)
3	National regulations framework to be included in the National Quality Policy by the Ministry of Industrialisation, Trade and SME Development (MITSMED)	Absence of the national technical regulations framework in the National Quality Policy inhibits the implementation of this Policy	High (no other Policy compels the development of a national technical regulations framework)

Table 3: Changes to Standards mandate

Two issues should potentially be addressed in the mandate of Certification and require changes to both Sections 21 and 23 of the Standards Act:

#	Proposed changes	Implication/s	Impact on NSI
1	Standards Act does not make provision for:		
	<ul style="list-style-type: none"> Certification of Namibian made products to other 	NSI unable to provide services; hence potential	High (also undermines the

OK

	national standards	clients can seek services from other conformity assessment bodies	credibility of the NSI)
	<ul style="list-style-type: none"> Certification of foreign made products in the country of origin to Namibian standards (destined as imports) 	NSI unable to respond to industry needs. This may also result in a loss of potential trade	Medium (demand not high, but does exist)
2	Absence of regulations mandating the NSI to certify products for compliance	Current NSI services are voluntary and at the discretion of the industry, which results in a lack of services. Implementation of import inspection market surveillance required	High (NSI unable to play a role in protecting the health and safety of the nation and the environment)

Table 4: Changes to Certification mandate

Changes to the legal framework in which Metrology operates are also required.

#	Proposed changes	Implication/s	Impact on NSI
1	Trade Metrology Act and Regulations are out of date	The Principal Act (1973) was amended several times, with the latest amendment (2005) signed by the President but not gazetted. The new Metrology Bill has been submitted to the Minister during 2013 and it is still work in progress.. The absence of a comprehensive Metrology Act results in the lack of a clear legislative framework for regulatory functions, e.g. inspectors are not appointed in terms of the Trade Metrology Act. The promulgation of the	High (outdated regulations are in force in Namibia and negatively impact on trade facilitation)

OK

		Metrology Bill into an Act is required	
2	Metrology technical regulations do not exist which are to be harmonised with international best practices	Supportive regulations for scientific and industrial metrology need to be developed	High (negative impact on trade)
		Legal metrology technical regulations need to be based on international (OIML/ SADC MEL recommendations) standards and / or Namibian standards	High (consumer protection at risk due to inconsistent approach to regulation)

Table 5: Changes to Metrology mandate

Changes to the legal framework in which Inspection operates are also required.

#	Proposed changes	Implication/s	Impact on NSI
1	Absence of technical regulations for fish products	Standards Act does not clearly provide for the administration of technical regulations used by the Fisheries Inspectorate	High (Fishing industry seriously exposed) <i>Note: South Africa in process to change their compulsory regulations – GRN needs to develop own as soon as possible (also generally)</i>
2	Unclear role demarcation between Ministry of Health and MITSMED	Overlapping jurisdictions among inspections agencies and regulators creating grey areas (e.g. Ministry of Health issuing health certificates for export)	High (duplication of functions)
3	Absence of aquaculture technical	Current aquaculture inspection and surveillance	High (absence of legal basis to appoint NSI as

	regulations	take place without a legal mandate from Ministry of Fisheries and Marine Resources	Competent Authority)
		Inspectors are appointed in accordance with Aquaculture Act (18 of 2002)	

Table 6: Changes to Inspection mandate

5.2.2 Finances and funding

The NSI is experiencing significant pressure on its ability to create a long term, sustainable financial situation. Major financial challenges include:

- The NSI's annual grant from Government often falls short from its planned budget and expectations
- The uneven allocation of the grant allocations often leads to cash flow challenges
- Revenue leakages within the NSI
- Certification does not offset its operational costs from its revenue.

The net result of these financial pressures is the requirement for the NSI to:

- Increase its ratio between own income and the grant it receives from Government
- Become more commercial (*Note: NSI is struggling to meet its own revenue budget from commercial activities*)
- Reduce operating cost (particularly staff cost, head office rental space requirements, improved inventory management).

5.2.3 Organisation

Proposed changes to the NSI's organisation structure are merited as follows:

- Approximately ninety percent of NSI own generated revenue is attributable to one department (RCP). Significant potential for increased revenue exists in metrology, testing and inspections.

-
- There is a lack of marketing function which is critical if NSI wants to become a more commercial enterprise (i.e. self-sufficient and self-supportive).

5.3 Strategic imperatives

In a changing environment, the NSI needs to redefine and enhance its role to underscore its relevance and contribution to the Namibian economy. The time is also right to revisit its mandated activities at this time of its development.

Firstly, the NSI needs to expand its mandate and scope of activities and place increased focus on revenue generation in order to become more self-supportive financially. Secondly, the NSI further needs to become more relevant through self promotion and cooperation with Regulators. Thirdly, the NSI's effectiveness and efficiency needs to be enhanced through improved structures and operational processes and systems.

Finally, if the NSI not adequately financed, it will not be able to meet its legislated mandate.

6 Core ideology

The remainder of this document sets out the desired end state plans of the NSI.

6.1 Desired end state

6.1.1 Vision

To be recognised as the centre of excellence for standardisation in Namibia

Description:

- *Definitions:*
 - *Excellence = Ensure that our customers and stakeholders regard our performance to be to standards and expectations*
 - *Centre of excellence (CoE) = Team of people that promote collaboration and using best practices to drive businesses or customer valued results*
 - *Quality of being outstanding in terms of how we conduct our business using resources optimally.*

-
- *Pillars:*
 - *Technology*
 - *Best practices*
 - *Customer and stakeholder perceptions of us*
 - *Operational excellence = consistency, reliability.*
 - *Measures:*
 - *Recognised = Market surveys: national, regional and international*
 - *Excellence = Benchmarked against peers.*

6.1.2 Mission

Promoting standardisation of products for the safety of consumers, protection of the environment and improved access to global markets

Definition:

- *Standardisation is the process of developing and implementing technical standards that can help to maximise compatibility, interoperability, safety, repeatability and quality. It can also facilitate commoditisation of formerly custom processes.*

6.1.3 Brand promise

“Creating peace of mind”

6.2 Core values

The organisational values of the NSI are an important building block to its desired end state.

- **Stakeholder and customer centricity**
- **Responsiveness**
- **Integrity and ethics**
- **Respect for people**
- **Excellent & quality**
- **Accountability.**

OK

6.3 Stakeholder expectations and value propositions

#	Stakeholder group	Expectations	NSI value proposition
1	GRN Ministries	Facilitation of standards development	Expertise in trade facilitation to support national economic growth
		Representing GRN regionally and internationally on standardisation matters	
		Compliance to WTO/ TBT and SPS agreements obligations	
		Maintain national quality infrastructure	
2	Regulators	Availability of standards	Provision of standards as basis for technical regulations
		Acting as Competent Authority	Expertise; specialised service
3	Public Enterprises (e.g. Roads Authority, RCC, NamPower, NamWater)	Availability of standards	Provision of standards as basis of technical regulations; provision of conformity assessment services
4	Private Sector and SMEs	Availability of standards	Provision of standards; provision of conformity assessment services
5	General public	'Peace of mind'	Assurance that products are safe for consumption and fit for purpose
6	Development cooperation partners (DCPs)	Commitment and delivery	Results
7	International and regional	Participation and contribution	Commitment to deliver the

	standardisation organisations		objectives
--	-------------------------------	--	------------

Table 7: Stakeholder value propositions

6.4 Business model

6.4.1 Product for market

The NSI's services are categorised as either services rendered on behalf of Government, or services provided on a commercial basis at a fee.

#	Product / service	Value proposition/s		Target market
1	Standards	GRN delegated services	Commercial services	
1.1	Standards development and promotion	Protection of health and safety, environment and trade facilitation		All sectors
1.2	Representing GRN & delegated missions	Articulate GRN position at regional and international forums		
1.3	Manage and coordinate National Quality Policy	Strengthen national quality infrastructure		All sectors
1.4	Sales of standards		Improved access to standards	Public and private sectors
1.5	Training of external stakeholders		Improved understanding and application of standards	Public and private sectors
2	Certification			
2.1	Representing GRN & delegated missions	Articulate GRN position at regional and international forums		

che

2.2	Certification services		Contribution to trade facilitation by providing assurance on conformity	Manufacturing, agriculture, fishing, food, construction, service
3	Metrology			
	<i>Scientific:</i>			
3.1	Provision of the national measurement system	Traceability of measurements to international standards		
	<i>Industrial:</i>			
3.2	Calibration services		Transfer of traceability from standards to users	Public and private sectors
	<i>Legal:</i>			
3.3	Verification	Compliance to legislation	Accuracy and reliability of measurements in trade	Public and private sectors
3.4	Inspection	Compliance to legislation (e.g. product labelling, accuracy of packaging information)		Manufacturing, retail
4	Testing			
4.1	Microbiological contamination testing of fish, fishery products, water and dairy products		Product safety, meeting quality specifications, regulatory compliance	Fishing, aquaculture, local authorities
4.2	Environmental microbiological testing for cleanliness		Product safety, meeting quality specifications,	Fishing

OK

	efficacy		regulatory compliance	
4.3	Testing of potable water		Consumer safety, meeting quality specifications, regulatory compliance	Fishing, local authorities, private water industry
4.4	Chemical contaminants testing of shellfish, fish and fishery products	Compliance to legislation	Consumer safety, meeting quality specifications, regulatory compliance	Fishing, aquaculture
4.5	Molecular testing for shellfish	Compliance to legislation	Consumer safety, meeting quality specifications, regulatory compliance	Food, aquaculture
4.6	Chemical testing on charcoal and petroleum products for compliance to standards		Market access	Petroleum industry, charcoal manufacturers
5	Inspection			
5.1	HACCP inspection for fishing establishments (land based and vessels)	Compliance to legislation	Market access	Fishing
5.2	Product inspection: chilled and frozen fish	Compliance to legislation	Consumer safety, market access	Fishing
5.3	Product inspection: canned fish and meat products	Compliance to legislation	Consumer safety, market access	Fishing
5.4	Health guarantees (attestation) for export		Market access	Fishing
5.5	Import inspection of specified products		Market access and consumer protection	Fishing

OK

5.6	Shellfish sanitation monitoring	Compliance to legislation		Aquaculture
5.7	Inspection and health guarantees (attestation) for shellfish		Market access and consumer protection	Aquaculture

Table 8: Products and services

6.4.2 Key partners

The NSI serves a significant number of stakeholders. Its key partners include GRN ministries, regulators, associations, forums, international and regional bodies and the business community.

6.4.3 Critical resources and core competencies

The NSI's services are dependent on the expertise of its staff, tied to its investment in technology (e.g. laboratories, testing equipment) and facilities.

The core competencies of the NSI are as follows:

- Standards development
- Food testing
- Calibration and measurement
- Management system audit
- Product and process inspection.

6.5 Critical success factors (CSFs)

The CSFs of the NSI are as follows:

- GRN commitment, support and collaboration
- Institutional reputation
- Relevance of NSI to end users and stakeholders
- Effective operational systems
- Skills and expertise
- Adequate funding.

7 Ends planning

7.1 Strategic goals

NSI's 2017 to 2021 strategic goals are as follows:

- To contribute to trade facilitation of products and services by providing competent conformity assessment services
- To increase participation and access to the national standardisation process and services
- To promote standards as enablers for the business expansion and the improvement of consumer understanding and confidence
- To provide measurement traceability to international standards.

7.2 Strategic pillars

NSI's strategic pillars that will support annual business planning are as follows:

- Pillar 1: To ensure prudent financial management
- Pillar 2: To secure and extend avenues of funding
- Pillar 3: To increase consumer awareness
- Pillar 4: To strengthen stakeholder relationships
- Pillar 5: To ensure sound corporate governance and risk management
- Pillar 6: To improve operational efficiencies
- Pillar 7: To build a performance culture.

7.3 Strategic objectives

The 2017 / 2018 to 2021 strategic objectives are as follows:

- Transitional objectives:
 - To finalise and agree the NSI funding model change with the GRN by 2017
 - To enter into new contracts for specific services rendered to GRN ministries by 2017
- To increase own income to be self-sustainable by 2021

-
- To achieve a labour cost to total income ratio of 50% by 2021
 - To increase the NSI awareness levels in Namibia to 75% by 2021
 - To increase the number of certification clients by 25 by 2021
 - To achieve a client satisfaction level of 80% by 2021
 - To increase the number of accredited scopes by 25 by 2021
 - To achieve an employee satisfaction rating of 4 by 2021.

7.4 Strategic themes

Strategic themes have been identified to support the strategic objectives as well as NDP4. These themes are as follows:

- Meeting and / or exceeding stakeholder expectations
- Meeting client service delivery requirements
- Creating an enabling environment for performance excellence
- Developing and maintaining operational capability and efficiency
- Ensuring long term financial sustainability.

8 Organizational Strategy

8.1 Grand strategy

The grand strategy of NSI is to grow its business activities in Namibia. This includes the expansion of its mandate and scope of activities, whilst continuously focussing on its financial sustainability.

8.2 Market strategy

The primary market strategy of the NSI is to grow its market. This strategy translates into creating new clients in areas in areas where its services are not yet utilised (e.g. bottled water).

8.3 Competitive strategies

The NSI's competitive posture is based on competitive pricing, operational excellence and speed of service.

8.4 Promotion and advertising strategy

The NSI's main promotional strategy centres on its website (www.nsi.com.na). The website will be used to educate the customers on what the use of standards can contribute to the customers businesses. In addition, as part of the ICT infrastructure Strategy Plan, the NSI website will be linked to the Ministry of Industrialisation, Trade and SME Development (MITSMED) to gain more marketing visibility especially those intending to trade with Namibia.

The institution's website will be promoted on all its marketing materials. It will advertise its website on the staff business cards and during its advertising campaign. Additionally, the institution will use keyword searches for positioning itself in the web market.

Furthermore, NSI will leverage social media with accounts on Facebook and Twitter. Normal print media will be used for advertising, supported by the NSI newsletter to reach its target audiences and the wider community. Finally, NSI will have corporate CDs which will be distributed to key stakeholders and which will be used to educate the business community and consumer at large about what NSI can do to gain access to the global market in the case of the businesses and NSI's role in ensuring consumers' health and safety as well as the environment they live in are protected.

8.5 Sales strategy

NSI's nature of business requires a direct sales strategy in order to realise its sales forecasts. It needs to engage with the relevant Ministries and Regulators to ensure that its services are known to them. An engagement plan has been drawn which outlines the meeting schedules to do presentations to key decision makers. Part of the engagement plan is to have an annual breakfast session with key businesses.

It is critical that NSI works closer to the business communities and hence it plans to embark customer visits on sites to sell its products and services. In addition, it will also have tour sessions to its laboratory for customers to view its facilities.

8.6 Organisation model and structure

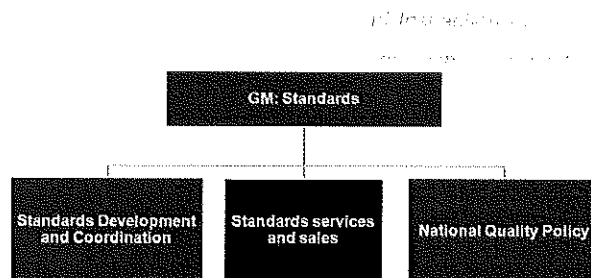
8.6.1 Properties of the ideal design

In support of the NSI's (current and proposed extended) mandate and scope of activities, the following principles provide design guidelines for the proposed new organisation structure (Tiers 1, 2 and 3):

- **Notes:**
 - RCP is split into Metrology and Testing and Inspection to create a more optimal span of control and to enhance focus on commercialisation. However, the additional cost of a General Manager will have to be offset through cost savings
 - Corporate Services to change to Corporate Marketing and Human Resources (name change only).

The proposed new organisation structure (Tiers 2 and 3) is as follows:

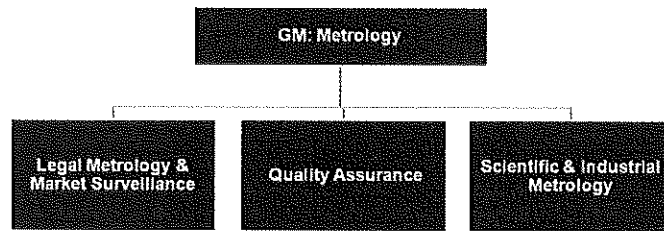
- **Standards:**



- Functions under Standards development and coordination:
 - Standards development
 - Management and coordination of:
 - TCs
 - Stakeholders
 - Participation in Regional and International TC work
- Functions under Standards, Services and Sales:
 - Standards gazetting
 - WTO/ TBT enquiry and notification
 - Standard sales
 - Standards promotion.
- Functions under National Quality Policy:
 - Manage and coordinate national implementation of NQP.

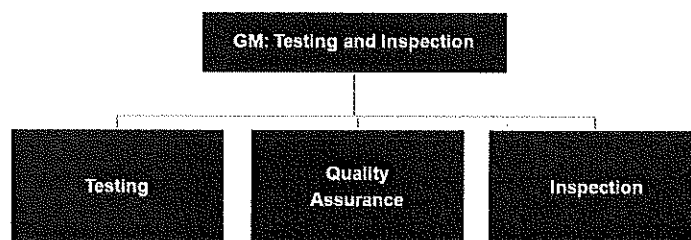
dh

- **Metrology:**



- Functions under Legal Metrology and Market Surveillance:
 - Verification
 - Inspection
 - Market surveillance
- Functions under Quality Assurance:
 - Implementation and maintenance of QMS
 - Coordination of internal audits and management reviews
 - Nominated representative for accreditation.
- Functions under Scientific and Industrial Metrology:
 - Establish and manage national measurement system
 - Calibration services.

- **Testing and Inspection:**

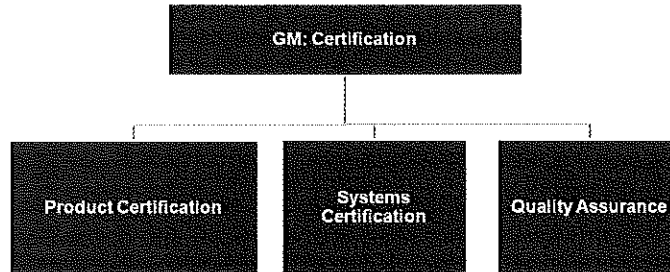


- Functions under Testing:
 - Chemistry
 - Microbiology
 - Molecular biology

du

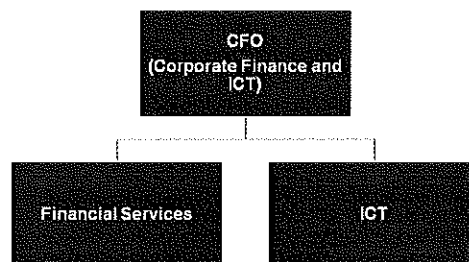
-
- Sampling.
 - Functions under Quality Assurance (QA):
 - Implementation and maintenance of QMS
 - Coordination of internal audits and management reviews
 - Nominated representative for accreditation.
 - Functions under Inspection:
 - Establishment and vessels
 - Product inspection
 - Health guarantees
 - Shellfish sanitation monitoring
 - Import inspection
 - Sampling.

- **Certification:**



- Functions under Product Certification:
 - Process inspection
 - Product sampling
 - Marks of conformity.
- Functions under Systems Certification:
 - Execution of management system audits
 - Certification conformity.
- Functions under QA:
 - Implementation and maintenance of QMS
 - Coordination of internal audits and management reviews
 - Nominated representative for accreditation.

- **Corporate Finance and Infrastructure:**

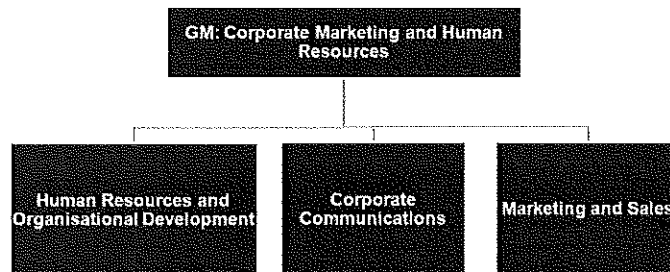


- Functions under ICT:
 - IT Management
- Functions under Financial Services:
 - Budgeting

AM

-
- Payments to suppliers
 - Cashbook and petty cash administration
 - Collections of debt
 - Financial reporting
 - Procurement
 - Property management
 - Fleet management
 - Tenders
 - Stock management and control
 - Contracts and SLA management.

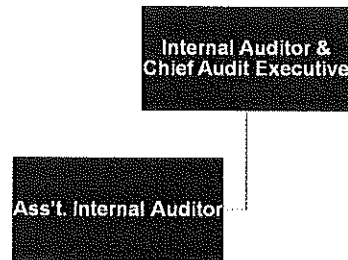
- **Corporate Marketing and Human Resources:**



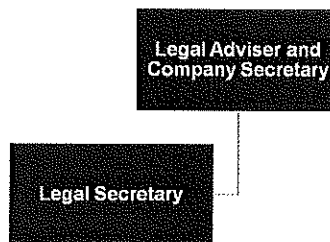
- Functions under Marketing and Sales:
 - Products and service development
 - Pricing
 - Selling of products and services
 - Publications
- Functions under Corporate Communication Services:
 - Corporate communications
 - Stakeholder liaison
 - Advertising
- Functions under Human Resource (HR) Services and Organisational Development:
 - Payroll management
 - Recruitment
 - HR policies
 - Organisation development
 - Performance management

-
- SHE
 - Industrial relations
 - Training.

- **Internal audit:**



- **Legal Advisor and Company Secretary:**



9 Financing and funding model

9.1 Standards Act, 2005

Extracts from Section 18(1) of the Standards Act, 2005 states that the NSI's funds consist as follows:

- a. Moneys appropriated by Parliament for the NSI;
- b. Moneys obtained by virtue of this Act;
- c. Moneys, donations, interest, dividends, royalties, rental of contributions received from any source;
- f. Revenue obtained from the sale of:
 - i. Publications prepared by the NSI, including publications containing Namibian standards; and
 - ii. Other publications that are relevant to the objects of the NSI.

Section 18(3) states that the NSI:

- a. Must submit to the Minister for approval each financial year, at the time and form determined by the Minister, a statement of the estimated Revenue and expenditure of the NSI relating to the next financial year; and
- b. May submit to the Minister for approval during a financial year supplementary statements of the estimated Revenue and expenditure of the NSI for that financial year.

Section 18(4) further states that the NSI may not incur, during any financial year, expenses that in total will exceed its gross revenue for that financial year.

9.2 Problem statement

The NSI's main sources of revenue are presently as follows:

- Grant from the Government of Namibia (request = N\$55m; allocated = N\$40m)
- Commercial and sales activities (budget = N\$16m). Major revenue streams are:
 - Levies charged to fishing companies (twice per year)
 - Frozen and chilled fish inspections
 - Micro-biology testing
 - HACCP audits
 - Chemistry testing
- *Note: Donor organisations fund some programmes (but not NSI's operations).*

The NSI is experiencing significant pressure on its ability to create a long term, sustainable financial situation. Major financial challenges include:

- The NSI's annual grant from Government often falls short from its planned budget and expectations
- The uneven allocation of the grant allocations often leads to cash flow challenges
- Revenue leakages
- Certification does not generate adequate income to justify its existence.

The net result of these financial pressures is the requirement for the NSI to:

- Increase its ratio between own income and the grant it receives from Government
- Become more commercial (*Note: NSI is struggling to meet its own revenue budget from commercial activities*)
- Reduce operating cost (particularly staff cost, head office rental space requirements, improved inventory management).

9.3 Financing principles

9.3.1 Best practices

It is proposed that the NSI's current financial model be transitioned to bring it in line with international best practices.

#	Domain	Principle/s	Rationale	Merit in Namibian context
1	Metrology	Public infrastructure funded by GRN	Public infrastructure in public interest	Yes
		Market surveillance supported by levies on industry and importers	Industry and importer compliance	Dependent on ability to fund through levies
2	Standards	Development of standards funded by GRN	Standards are for national good	Yes
		Costs can be partially offset by income from sales of standards or conformity assessments	Applied standards benefit user	Yes
		Subscription from industry to technical committees could be a long term source of funds		
3	Conformity assessments (i.e. certification or laboratory testing)	Income generation should ideally exceed cost		Yes – requires strategy

Oh

		In a developing economy (Namibia), conformity assessments is a GRN activity – but fair competition should be allowed		Yes
		Good practice require that GRN funding for core activities such as standards and metrology should not be used to subsidise conformity assessments; but it is often found that profits from these activities is used to support the standards body		Yes

Table 9: International best practices – Publication by UNIDO & ISO, 2008

9.3.2 NSI's financing goal

The NSI's ultimate financing goal is to become more commercial, and in so doing, to reduce its dependency on the GRN grant.

This goal is directly in line with Section 4(c) of the Standards Act, i.e. "to progressively become more self-sufficient and self-supportive".

9.3.3 Financing principles: Framework

The NSI duties and responsibilities should be divided between GRN duties as well as services rendered for specific clients:

GRN role	Example/s
GRN grant:	
Representing GRN	WTO/TBT, treaty obligations
On behalf of GRN	Competent authority on fish products, scientific metrology, facilitation of standards development

Legislative obligations	Complying with EU trade directives (regulations)
Own income:	
<ul style="list-style-type: none"> Regulatory services 	Legal metrology, fisheries inspections, fines (payable due to non compliance)
<ul style="list-style-type: none"> Commercial services (on demand) 	Certification, industrial metrology, food safety

Table 10: Proposed NSI financing framework

The new funding principles will be as follows:

- GRN grant where NSI fulfils a GRN role
- Contracts between individual GRN ministries and other entities for specific services (so-called regulatory services)
- Contracts with individual clients for specific services (commercial services).

Donor organisations funding of specific programmes should not be affected by these changes.

The proposed new NSI funding model will change in emphasis as follows:

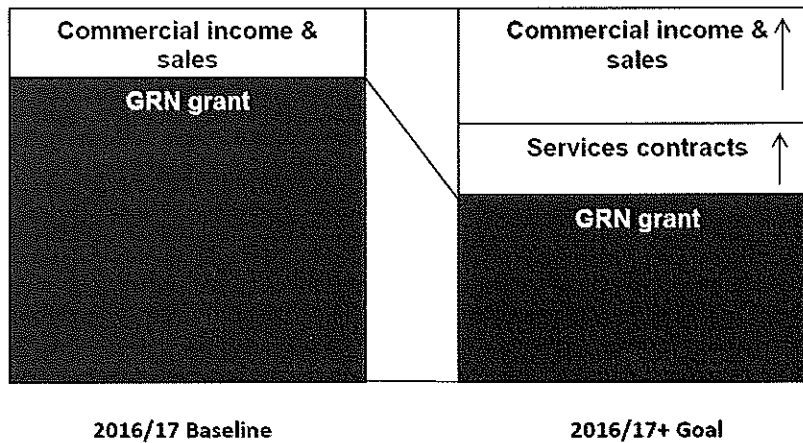


Figure 1: New funding model in relative terms over time

OH

The main change in this approach is the distinction between duties fulfilled for and on behalf of the GRN and services rendered to specific clients (including GRN Ministries).

The aim of this change in the NSI funding model is as follows:

- To limit the NSI's dependency on the GRN grant [the grant received from the GRN should in real terms decrease over time]
- To clearly distinguish between activities the NSI perform for and on behalf of the GRN from other value added services it offers
- To increase the commercial orientation of the NSI. This will allow the NSI to formulate clear value propositions to its clients, to grow its market and to be measured by its clients for service provision.

The long term aim of these proposed changes is to increase the financial sustainability of the NSI through a bigger income base and a lesser dependence on the Government grant. The new funding model will force the NSI to become more commercially driven through:

- Value added service offerings
- Potentially more clients
- Improved service levels and cost effective service delivery.

Note: This change in the NSI's funding model will also clarify that the NSI cannot be expected to provide "everything to everyone" because of the grant it receives (i.e. free services).

9.4 Financing principles applied

The new funding model will have the following effect on the NSI's three Departments:

- Standards:
 - Predominantly funded by GRN
 - Income from standards sales and standards training to offset some of the cost (limited opportunity).
- Certification:
 - Certification should aim to become self funding.
- Regulatory and Consumer Protection (RCP):
 - Poses the biggest opportunity for NSI own income generation (refer Paragraph 8.3).

9.5 Financial plan 2017 to 2021

The NSI 2017 to 2021 financial plan is set out below.

	FY 2016/2017	FY 2017/2018	FY 2018/2019	FY 2019/2020	FY 2020/2021
Income					
Sales	19,980,000	22,000,000	36,400,000	38,584,400	40,900,000
New Sales	0	14,400,000	2,184,000	2,315,064	2,454,000
Government Grant - confirmed	45,654,994	40,000,000	40,000,000	40,000,000	40,000,000
Government Grant - shortfall	0	450,706	3,377,000	6,500,000	9,808,000
Other Income plus new sales	7,219,210	5,662,318	5,500,000	5,300,000	5,100,000
Total Income	72,854,204	82,513,024	87,461,000	92,700,000	98,262,000
Operational Expenses					
Salaries and Wages	49,159,942	55,360,351	58,681,000	62,200,000	65,932,000
Other Operational Expenses	27,744,997	27,152,673	28,780,000	30,500,000	32,330,000
Total Operational Expenses	76,904,939	82,513,024	87,461,000	92,700,000	98,262,000
Net Surplus/ (Deficit)	(4,050,735)	0	0	0	0

Table 11: Proposed NSI financial plan

9.6 Revenue shortfalls and leakages

A number of revenue shortfalls and leakages have been identified in Regulatory and Consumer Protection (RCP).

9.6.1 Revenue shortfalls

Two significant amounts are outstanding from Government.

du

-
- N\$2m owed from the Ministry of Fisheries and Marine Resources for Shellfish Sanitation Monitoring programme laboratory testing
 - Annual payment of N\$5m for transfer of Legal Metrology to NSI is overdue from the Ministry of Industrialisation, Trade and SME Development (for 1st three years).

9.6.2 Revenue leakages

The following revenue leakages have also been identified:

- MeatCo (not charging for inspection and no levy on products)
- Canned fish (no inspection charge)
- Product re-inspection fees (no charges)
- After hours work not charged at overtime rates
- No after hours call-out fees charges
- Levies (verify production figures with Ministry of Fisheries and Marine Resources)
- HACCP audit invoicing
- Water, ice and sea water sampling (no charges for sampling)
- Namibian Shellfish Sanitation Inspection and Surveillance (sampling not charged).

9.7 New revenue streams

In line with the NSI's aim to become more commercial, new potential services will be introduced in the next two years.

9.7.1 Standards

Limited opportunity exists for Standards to generate additional revenue. The only practical approach will be to provide training on standards to external stakeholders at a fee.

9.7.2 Certification

Certification plans to introduce a number of new services in the next two years. The major inhibitors for the launch of these services are:

- The lack of technical expertise within the Certification Department limits its expansion of scope
- The NSI's lack of accreditation in packaging, food & beverage and agriculture. The NSI has submitted an application for accreditation to SADCAS to ISO/IEC 17021 - Conformity assessment - Requirements for bodies providing audit and certification of management

systems standard during the month of April 2016 in five scopes to be accredited by December 2017. These scopes are:

- food products, beverages and tobacco;
- paper products;
- rubber and plastic products;
- construction; and
- lastly engineering services, research and development

Potential new services are rated as High, Medium and Low in the table below.

Management System Certification Scheme	Product Certification Scheme	Persons Certification Scheme
<ul style="list-style-type: none"> • ISO 14001 (Environment Management System) - (H) • ISO 50001 (Energy Management System) - (H) 	<ul style="list-style-type: none"> • Bottled water - (H) • Farm Feeds - (H) • Maize meal flour - (H) • Jam / Honey - (H) • Chilli sauce - (H) • uPVC - (H) • Cleaning chemicals & detergents - (H) • Packaging materials - (H) • Refractory bricks - (M) • Fruit Juices - (H) 	<ul style="list-style-type: none"> • Registration of Mechanics under the Trade Metrology Act

Table 12: New Certification revenue streams

The service introductory timeframes of potential new services are as follows:

- Management System Certification Schemes by 2017/18
- Product Certification Scheme by 2017/18 (dependent on Namibian standards)
- Persons Certification Scheme by 2017/18.

In light of significant international certification competition in the Namibian market, a renewed focus will be placed on the SABS / NSI MOU which could create major opportunities for additional revenue.

9.8 Regulatory and Consumer Protection (RCP)

Significant opportunity exists to increase the income potentially to be generated by RCP.

OK

9.8.1 New income opportunities within current service offerings

Additional charges should be levied for services currently provided. These fees have not traditionally been invoiced, and are either invoicing omissions or justifiable value adding activities.

Testing centre	Metrology			Inspectorate	
	Scientific	Industrial	Legal	Fish & fisheries products	Shellfish sanitation
Handling fees (35% of Report)	-	Handling fee	Handling fee	Inspection fee on canned products	Handling fee
				Call out fee	

Table 13: Revenue gaps in RCP current business practices

9.8.2 New potential revenue streams

New services with the potential to be introduced in the next three years are set out below.

Testing centre	Metrology			Inspectorate	
	Scientific	Industrial	Legal	Fish & fisheries products	Shellfish sanitation
Water chemistry		Pressure metrology	Exploit legal metrology as a revenue stream (including prices)	Export to regional destinations	Levies

Molecular testing		Electrical metrology	E-marking (are fees significant)	Inspections for other markets excluding EU and Mozambique	Health certificate fee per consignment
			Legal metrology type approval		Inspection fee per consignment

Table 14: New Metrology, Testing and Inspection revenue streams

10 Risks and risk mitigation

The main risks of this Strategic Plan 2017 to 2021 are as follows:

- Transition towards increased commercialisation and the introduction of a new funding model
- Competition (many certification bodies & sales of Namibian standards subordinate to others)
- Management buy-in and commitment
- Changes in technology and adoption
- Ineffective use of human resources to perform core business activities
- Industrial action
- Lack of business continuity plan and disaster recovery plan
- Retention of skilled staff and attracting skilled staff
- Loss of accreditation and credibility loss.

These risks, together with ongoing operational risks identified, will be incorporated into the NSI's risk register.

11 Implementation plan

11.1 Strategic initiatives

The strategic initiatives shall be grounded on the overall strategic objectives of the NSI. These will be developed on an annual basis and taking into account the situation at that specific period and factors relating to customer demands, industry trends, availability of funds, etc., prioritization of these objectives will be done.

As per SOEG guideline, the NSI will prepare and submit an annual business plan which will outline the strategic initiatives for that specific financial year leading to the five (5) year overall strategic objectives of the NSI.

11.2 Strategic roadmap

The NSI's five (5) year strategic roadmap is shown below.

LONG TERM STRATEGIC OBJECTIVES	2017/2018 GOALS	2018/2019 GOALS	2019/2020 GOALS	2020/2021 GOALS	2021/2022 GOALS
STAKEHOLDER (Meeting and / or exceeding stakeholder expectations)					
To strengthen stakeholder relationships by regular engagement with key stakeholders to achieve a satisfaction rating of 75%	Establish quality and laboratory associations by at least 20% of the project plan	Establish quality and laboratory associations by at least 50% of the project plan	Establish quality and laboratory associations by at least 60% of the project plan	Establish quality and laboratory associations by at least 70% of the project plan	Establish quality and laboratory associations by at least 80% of the project plan
	Implement stakeholder engagement plan by 75%	Implement stakeholder engagement plan by 75%	Implement stakeholder engagement plan by 75%	Implement stakeholder engagement plan by 75%	Implement stakeholder engagement plan by 75%
	Sign 4 x MoUs with identified strategic partners	Sign 2 x MoUs with identified strategic partners	Sign 2 x MoUs with identified strategic partners	Sign 2 x MoUs with identified strategic partners	Sign 2 x MoUs with identified strategic partners
To strengthen stakeholder relationships by participating in standardization activities by at least 70%	Participate in international and regional standardization activities by at least 70%	Participate in international and regional standardization activities by at least 70%	Participate in international and regional standardization activities by at least 70%	Participate in international and regional standardization activities by at least 70%	Participate in international and regional standardization activities by at least 70%
	Formalise the NEC by 100%				
To ensure sound corporate governance and risk management by monitoring compliance of policies by 100%	Draft national standardization strategy and implementation plan by 100% availability of NSS and plan	Implement NSS plan by 25%	Implement NSS plan by 50%	Implement NSS plan by 75%	Implement NSS plan by 75%
	Conduct internal audits and corrective actions to be implemented by 100%	Conduct internal audits and corrective actions to be implemented by 100%	Conduct internal audits and corrective actions to be implemented by 100%	Conduct internal audits and corrective actions to be implemented by 100%	Conduct internal audits and corrective actions to be implemented by 100%
	Facilitate annual review of risk register and implement risk action steps by 100%	Facilitate annual review of risk register and implement risk action steps by 100%	Facilitate annual review of risk register and implement risk action steps by 100%	Facilitate annual review of risk register and implement risk action steps by 100%	Facilitate annual review of risk register and implement risk action steps by 100%

LONG TERM STRATEGIC OBJECTIVES	2017/2018 GOALS	2018/2019 GOALS	2019/2020 GOALS	2020/2021 GOALS	2021/2022 GOALS
CUSTOMER (Meeting client service delivery requirements)					
To strengthen stakeholder relationships by significantly raising quality of service delivery to client to have client satisfaction level of 80% by 2021	Conduct customer satisfaction level surveys of external client and obtain 75% satisfaction rating	Conduct customer satisfaction level surveys of external client and obtain 77% satisfaction rating	Conduct customer satisfaction level surveys of external client and obtain 78% satisfaction rating	Conduct customer satisfaction level surveys of external client and obtain 79% satisfaction rating	Conduct customer satisfaction level surveys of external client and obtain 80% satisfaction rating
	Close/address service levels gaps as identified in the survey by 100%	Close/address service levels gaps as identified in the survey by 100%	Close/address service levels gaps as identified in the survey by 100%	Close/address service levels gaps as identified in the survey by 100%	Close/address service levels gaps as identified in the survey by 100%
To increase consumer awareness by informing them about the NSI's services to 75% by 2021	Arrange industry meetings at least one session in Luderitz, Walvis Bay and Windhoek and meeting scheduled done by 100%	Arrange industry meetings at least one session in Luderitz, Walvis Bay and Windhoek and meeting scheduled done by 100%	Arrange industry meetings at least one session in Luderitz, Walvis Bay and Windhoek and meeting scheduled done by 100%	Arrange industry meetings at least one session in Luderitz, Walvis Bay and Windhoek and meeting scheduled done by 100%	Arrange industry meetings at least one session in Luderitz, Walvis Bay and Windhoek and meeting scheduled done by 100%
	Conduct market survey and obtain an awareness rating of 60%	Conduct market survey and obtain an awareness rating of 67%	Conduct market survey and obtain an awareness rating of 70%	Conduct market survey and obtain an awareness rating of 73%	Conduct market survey and obtain an awareness rating of 75%
	Draft and implement the NSI's MSME programme by 50% of the implementation plan completed	Draft and implement the NSI's MSME programme by 55% of the implementation plan completed	Draft and implement the NSI's MSME programme by 60% of the implementation plan completed	Draft and implement the NSI's MSME programme by 65% of the implementation plan completed	Draft and implement the NSI's MSME programme by 70% of the implementation plan completed

LONG TERM STRATEGIC OBJECTIVES	2017/2018 GOALS	2018/2019 GOALS	2019/2020 GOALS	2020/2021 GOALS	2021/2022 GOALS
PEOPLE (Creating an enabling environment for performance excellence)					
To build performance culture by implementing human resource related policies by at least 80% by 2021	Implement all identified policies by at least 50%	Implement all identified policies by at least 60%	Implement all identified policies by at least 65%	Implement all identified policies by at least 70%	Implement all identified policies by at least 80%
	Implement all IDPs and special trainings by 100%	Implement all IDPs and special trainings by 100%	Implement all IDPs and special trainings by 100%	Implement all IDPs and special trainings by 100%	Implement all IDPs and special trainings by 100%
To strengthen employee relationship by addressing employee needs to achieve an employee satisfaction rating of 4 by 2021	Conduct annual employee satisfaction survey and obtain a rating of 4	Conduct annual employee satisfaction survey and obtain a rating of 4	Conduct annual employee satisfaction survey and obtain a rating of 4	Conduct annual employee satisfaction survey and obtain a rating of 4	Conduct annual employee satisfaction survey and obtain a rating of 4
	Identify and address employees needs as per outcome of the survey by 80%	Identify and address employees needs as per outcome of the survey by 80%	Identify and address employees needs as per outcome of the survey by 80%	Identify and address employees needs as per outcome of the survey by 80%	Identify and address employees needs as per outcome of the survey by 80%

LONG TERM STRATEGIC OBJECTIVES	2017/2018 GOALS	2018/2019 GOALS	2019/2020 GOALS	2020/2021 GOALS	2021/2022 GOALS
--------------------------------	-----------------	-----------------	-----------------	-----------------	-----------------

INTERNAL PROCESSES (Developing and maintaining operational capability and efficiency)					
To improve operational efficiencies by ensuring well documented and automated processes by 100% by 2021	Implement management systems to maintain accreditation by 50% (LIMS)	Implement management systems to maintain accreditation by 100% (LIMS)	Implement 75% of the financial systems to reduce internal service requests turnaround time	Implement 90% of the financial systems to reduce internal service requests turnaround time	Implement 100% of the financial systems to reduce internal service requests turnaround time
	Implement 50% of the financial systems to reduce internal service requests turnaround time	Implement 65% of the financial systems to reduce internal service requests turnaround time	Replace old vehicles, laptops/desktops/equipment or instruments by at least 75%	Replace old vehicles, laptops/desktops/equipment or instruments by at least 75%	Replace old vehicles, laptops/desktops/equipment or instruments by at least 75%
To improve operational efficiencies by ensuring uninterrupted technical services and operations to achieve a customer satisfaction rating of 80% by 2021	Replace old vehicles, laptops/desktops/equipment or instruments by at least 75%	Replace old vehicles, laptops/desktops/equipment or instruments by at least 75%	Develop and implement marketing and sales strategy by 100% of the target implementation plan	Develop and implement marketing and sales strategy by 100% of the target implementation plan	Develop and implement marketing and sales strategy by 100% of the target implementation plan
	Develop and implement marketing and sales strategy by 100% of the target implementation plan	Develop and implement marketing and sales strategy by 100% of the target implementation plan	Acquire equipment/instruments and related infrastructure by at least 50%	Acquire equipment/instruments and related infrastructure by at least 60%	Acquire equipment/instruments and related infrastructure by at least 70%
To improve operational efficiencies by growing/developing institutional capacity to carry out mandate to achieve a customer satisfaction rating of 80% by 2021	Acquire equipment/instruments and related infrastructure by at least 50%	Acquire equipment/instruments and related infrastructure by at least 55%	Acquire equipment/instruments and related infrastructure by at least 60%	Acquire equipment/instruments and related infrastructure by at least 65%	Acquire equipment/instruments and related infrastructure by at least 70%
	Draft operational framework and implement the operations of the Training Centre and Information Centre by 100%	Collect overdue accounts by enforcing credit control policy to reduce overdue accounts more than 30 days to 10% of the total accounts receivable	Collect overdue accounts by enforcing credit control policy to reduce overdue accounts more than 30 days to 10% of the total accounts receivable	Collect overdue accounts by enforcing credit control policy to reduce overdue accounts more than 30 days to 10% of the total accounts receivable	Collect overdue accounts by enforcing credit control policy to reduce overdue accounts more than 30 days to 10% of the total accounts receivable
To improve operational efficiencies by improving or increasing productivity to achieve own income vs total income ratio of 50% by 2021	Implement the ICT plan as per schedule by 100%	Implement the ICT plan as per schedule by 100%	Implement the ICT plan as per schedule by 100%	Implement the ICT plan as per schedule by 100%	Implement the ICT plan as per schedule by 100%
	Conduct productivity analysis by 100%				

LONG TERM STRATEGIC OBJECTIVES	2017/2018 GOALS	2018/2019 GOALS	2019/2020 GOALS	2020/2021 GOALS	2021/2022 GOALS
FINANCIAL (Ensuring long term financial sustainability)					
To ensure prudent financial management saving costs on cost key drivers by 5% and to achieve a labour cost to total income ratio of 50% by 2021	Save on cost key drivers to achieve 5% cost savings	Save on cost key drivers to achieve 5% cost savings	Save on cost key drivers to achieve 5% cost savings	Save on cost key drivers to achieve 5% cost savings	Save on cost key drivers to achieve 5% cost savings
To secure and extend avenues of funding by increasing own income to government grant ratio of 50% by 2021	Increase own income vs total income by 50% Address all revenue leakages by 100%	Increase own income vs total income by 50% Address all revenue leakages by 100%	Increase own income vs total income by 50% Address all revenue leakages by 100%	Increase own income vs total income by 50% Address all revenue leakages by 100%	Increase own income vs total income by 50% Address all revenue leakages by 100%
To secure and extend avenues of funding by increasing own income and by increasing the number of certification clients by 25 by 2021	Obtain management systems accreditations for 5 industry sectors Obtain accreditation / Peer review of additional conformity assessment scopes / ranges / methods / fields by 50% (at least 5 accredited scopes which will be determined as per industry requirements)	Obtain management systems accreditations for 5 industry sectors Obtain accreditation / Peer review of additional conformity assessment scopes / ranges / methods / fields by 50% (at least 5 accredited scopes which will be determined as per industry requirements)	Obtain management systems accreditations for 5 industry sectors Obtain accreditation / Peer review of additional conformity assessment scopes / ranges / methods / fields by 50% (at least 5 accredited scopes which will be determined as per industry requirements)	Obtain management systems accreditations for 5 industry sectors Obtain accreditation / Peer review of additional conformity assessment scopes / ranges / methods / fields by 50% (at least 5 accredited scopes which will be determined as per industry requirements)	Obtain management systems accreditations for 5 industry sectors Obtain accreditation / Peer review of additional conformity assessment scopes / ranges / methods / fields by 50% (at least 5 accredited scopes which will be determined as per industry requirements)
To secure and extend avenues of funding by increasing own income and by increasing the number of accredited scopes by 25 by 2021	Develop new fields / methods / scopes and implement by 100%	Develop new fields / methods / scopes and implement by 100%	Develop new fields / methods / scopes and implement by 100%	Develop new fields / methods / scopes and implement by 100%	Develop new fields / methods / scopes and implement by 100%
To secure and extend avenues of funding by developing business opportunities to increase own income to government grant ratio of 50% by 2021	Sign an agreement re: fuel levy with Min. of Mines and Energy and implement by 100%	Increase own income vs total income by 50%	Increase own income vs total income by 50%	Increase own income vs total income by 50%	Increase own income vs total income by 50%
	Establish Import Inspection and Market Surveillance Programme by 50% Identify the DCP partners and secure funding for projects by 100%	Establish Import Inspection and Market Surveillance Programme by 60% Identify the DCP partners and secure funding for projects by 100%	Establish Import Inspection and Market Surveillance Programme by 70% Identify the DCP partners and secure funding for projects by 100%	Establish Import Inspection and Market Surveillance Programme by 80% Identify the DCP partners and secure funding for projects by 100%	Establish Import Inspection and Market Surveillance Programme by 90% Identify the DCP partners and secure funding for projects by 100%

11.3 Implementation monitoring

In order to ensure that the strategic goals are achieved at the end of the FY 2021/2022, the following will be implemented as monitoring systems:

- Full implementation of the performance management policy as from FY 2017/2018 incorporating all key performance indicators agreed
- Annual strategic planning will be conducted to review plan to ensure alignment with the needs and requirements of the stakeholders (government and its agencies, customers, etc.)
- Monthly operational reviews and bi-annual operational feedback to the NSC by management will be conducted

12 Conclusion

This document described the NSI's Strategic Plan for the period 2017 to 2021. The plan has been developed on two premises:

- The NSI's mandate is sound – but needs enhancements. The enhancements generally require changes to either the prevailing legislation or to regulations that implement the legislation
- The NSI's financial sustainability needs to be improved. This can be done in a variety of ways:
 - Improved revenue collection, and equally importantly;
 - A changed composition of the GRN grant and a different contracting model for services delivered to the GRN.