



Republic of Namibia

PROGRESS REPORT ON KEY HARAMBEE ACTIVITIES AND OUTCOMES

13 DECEMBER 2017
STATE HOUSE
WINDHOEK



TABLE OF CONTENTS

EFFECTIVE GOVERNANCE AND SERVICE DELIVERY	2
ECONOMIC ADVANCEMENT	4
SOCIAL PROGRESSION	6
INFRASTRUCTURE DEVELOPMENT	8
ENERGY	8
WATER	8
TRANSPORT	9
INFORMATION COMMUNICATION	9
INTERNATIONAL RELATIONS AND COOPERATION	11
HPP STRUCTURE	13



EFFECTIVE GOVERNANCE AND SERVICE DELIVERY

Namibia continues to make good progress in strengthening its Governance architecture.

The philosophy of the current administration is that *Transparency and Accountability will result in improved levels of trust*. Key indicators adopted to track Namibia's governance performance during the Harambee period include: the Mo-Ibrahim Governance Index; the Transparency International Index and the Press Freedom Index by Reporters Without Borders.

During the year under review, Namibia's overall governance score as measured by the Mo-Ibrahim Governance Index improved to 71.2 points from 70.4 points the previous year.

To put this into perspective, the average score for Sub-Saharan Africa was 50.8 points, placing Namibia's score 20.4 points above the average. Moreover, Namibia is one of 18 countries in Africa that has achieved consistent improvements in governance over the period of a decade, while the pace of improvements in Namibia, has accelerated over the last 5 years. This demonstrates Namibia's resolve to continuous improvement.

Namibia retained her rating as the country with the freest press on the African continent and a respectable 24th position globally, as measured by Reporters Without Borders. In addition, Namibia obtained the maximum score of zero on the 'abuse' sub-index, of the press freedom index. This means no journalist has been harassed in any manner during the review period.

Although Namibia did not improve her relative ranking in Africa for transparency, as measured by Transparency International, Namibia remains one of the most transparent nations on the continent and globally. Namibia was ranked number 53 of a total 176 countries, while more closer to home, Namibia was rated the 5th "cleanest" country on the continent with regard to corruption.

Other new and ongoing activities carried out in 2017 to further enhance Namibia's governance architecture, include:

- The new and fully operationalized Public Procurement Act. Following enactment and gazetting of all supportive regulations and guidelines in 2016, this year saw the appointment of all members of the Central Procurement Board (CPB), including the full time positions of Chair and Deputy Chairpersons of the Board, as well as all members of the Review Panel. The new CPB has already adjudicated over some tenders in line with the agreed upon thresholds. Moreover, all State Owned Enterprises (SOEs), who represent a significant procurement share of public goods and services, have been directed to align their procurement policies to the objects of the new Act.
- Among others, President Geingob signed both the Whistle Blowers Protection Act and the Witness Protection Act into law on 6 October 2017.
- Government successfully conducted the first annual Citizen Satisfaction Survey. The survey was carried out by the Namibia University of Science and Technology (NUST) to measure public perceptions of the quality of service in government Offices, Ministries and Agencies (OMAs) and SOEs across all 14 regions of the country. The Survey Report was submitted to the Office of the Prime Minister (OPM) by NUST on the 31 October 2017 and presented to Permanent Secretaries on 29 November 2017. The Report has been circulated to all OMAs and the other assessed institutions, to come up with corrective measures to address issues reflected in the findings of the Report. OMAs were given until 30 January 2018 to submit corrective measures to the Secretary to Cabinet.
- Government continues to make strides in the rollout of e-governance solutions, to bring Government even closer to the people. These include improvement of the Unified Communication System (UCS) to provide efficient communication services to the public service. This service enables OMAs access to their official emails from anywhere, anytime and on any device (24/7/365). Twenty-seven Offices/Ministries and Agencies have been migrated to the new centralized UCS. Migration of the remaining O/M/As is in progress.

• The following nine (9) services were prioritized to go online during Financial Year 2016/2017 and have been achieved:

1. **Online Application for Environmental Certificate (MET):** a web-based application for environmental impact assessment <http://eia.met.gov.na>.
2. **E-Justice (OOJ):** electronic platform for filling, case management, service and diarizing of court document within the litigation process and case management www.ejustice.moj.na.
3. **ASYCUDA (MOF):** web-based system for Customs & Trade Transactions.
4. **Online Business Registration (MITSMED):** company name reservations tool www.bjpa.gov.na.
5. **Government Communication Feedback & FAQs (OPM):** system meant to improve government communication with citizens and visitors.
6. **Social Assistance System (MGECW & MPESW):** web-based system to improve the efficiency of registration processes and management of social benefits, such as the old age social grants and maintenance grants.
7. **E-Birth Notification System (OPM / MHAI / MHSS):** web-based system for timely registration of births through early notification. This system also aims to enhance provision of data at national, district and regional levels and to improve the health, wellbeing and social protection of mothers and children.
8. **Adults Education Information Management System (AEIMS) (MoEAC):** web-based system to record the information about promoters of adult education and student activities.
9. **Electronic Labour Information Management System (ELIMS) – (MLIREC):** system enables employees and employers to file for cases online e.g. unfair dismissals and treatment.

• Continued rollout of the National Anti-Corruption Strategy and Action Plan. During the period 01 January to 07 December 2017, 60 cases have been successfully investigated and handed over to the Prosecutor-General with recommendation to prosecute. In comparison, 38 cases were dealt with and recommended for prosecution the previous year.

- **Declaration of assets and income by Public Office Bearers and civil servants within 3 months into new financial year.** Staff members are declaring their interest in terms of Section 34(1) of the Public Service Act, 1995 (Act No. 13 of 1995). Regulation 11 of the Regulations issued under this Act was amended to make it mandatory for all Public Servants to declare their private business interests. All Permanent Secretaries have declared their interest to the Secretary to Cabinet. Other staff members have declared and submitted their declaration forms to Permanent Secretaries for analysis. The OPM is to engage an expert to assist with the development of a robust process and IT system to facilitate applications and proper analysis of declarations.
- Ongoing signing of annual performance agreements and regular reviews and evaluations.



ECONOMIC ADVANCEMENT

The year 2017 continued to be characterized by slower than usual economic activity, particularly in the construction and retail sectors.

The year also witnessed the downgrade of internationally issued Namibian debt instruments, to sub-investment standard, by ratings agencies Moody and Fitch. Domestic debt and debt issued in the South African market, however remains rated at investment class.

Namibia minimally overshoot its debt to GDP target by 7-percentage points, compared to the programmed ratio of 35 percent, for Year Two of HPP. The slight increase in the debt ratio, although not welcomed by rating agencies, was required to settle outstanding invoices and to provide additional support to a slowing economy. Government remains committed to responsible and pro-growth fiscal consolidation. Not settling outstanding invoices would have caused harm to the economy, in particular to the sector of small and medium sized enterprises.

Notwithstanding subdued economic activity, the underlying fundamentals of the Namibian economy have improved meaningfully, as reflected in a slower rate of increase in overall Government debt, slower consumer price inflation, narrowing in the trade deficit and significant increase in net international reserves to more than 5 months of import coverage, compared to the HPP target of 3 months. In absolute terms, Namibia's international reserves exceeded N\$31.5 billion at the end of September 2017, compared to only N\$13.5 billion at the end of 2014.

To ensure fiscal stability, Government continued to introduce stricter cost control measures and improved expenditure prioritization. Non-essential spending such as DSA has been slashed by more than 50 percent.

Proposal to curb the size of public service wage bill has been finalized and measures deemed feasible will be gradually introduced over the next medium term.

To minimize uptake of expensive loans, Government has finalized the PPP law, to facilitate the attraction of private sector investment for infrastructural development. Thus far, 35 infrastructure projects have been identified for potential PPP development. In addition, a study on options for PPP investment for 3 projects, is near completion.

With regard to economic transformation, ten sector growth strategies have been launched during year one of HPP. Building on this success, a number of associations, such as the Charcoal Association, have been established during Year Two of HPP, to catalyse development at sub-sector level.

The revived equipment aid scheme continues to yield transformational impact on the operations of beneficiaries. Since the reintroduction of this scheme in 2016, 187 eligible SMEs have benefitted, to date.

Implementation of the Namibia Retail Sector Charter has gained momentum, with greatest impact recorded in the cosmetics and horticulture industries. To date, 12 retailers, 1 distributor and 3 manufacturers have voluntarily signed the Charter. In addition, the Retail Association of South Africa for clothing and apparel will be signing up, with the potential to present significant breakthroughs for local textile manufacturing.

Consultations on the Namibia Equitable Economic Empowerment Framework have been concluded. The revised document will be subject to a Cabinet workshop early next year, before it is finalized and shared with the public.

Other transformational activities which have been completed or are nearing completion include:

- Garment manufacturing plant in Keetmanshoop;
- Servicing of 24 hectares of industrial land at Brakwater to be completed during the current financial year;
- Servicing of an additional 34 hectares of industrial land at Walvis Bay during the current financial year. Eventually this site will reach 400 hectares;

- Establishment of the cold storage facility in Walvis Bay is gaining traction and upon completed, will advantageously position Namibian beef exports;
- Finalisation of the youth entrepreneurship policy; and
- Establishment of 9 of youth owned rural enterprises, while 140 VTC graduates have been trained in entrepreneurship development and teamed with 28 advisors to provide ongoing mentorship in entrepreneurship.

With regard to economic competitiveness, Namibia declined both in the World Economic Forum's competitiveness index and the World Bank's Ease of Doing Business Ranking. With respect to the latter, Namibia dropped to number 108 in 2017 from 104 in 2016. Namibia's ranking on the African continent remained unchanged however, at number 9 and still among the top ten. We are however hopeful, that owing to ongoing reform measures, Namibia's score will improve significantly by the end of the Harambee period (2019/20).



SOCIAL PROGRESSION

With regard to poverty eradication, the country continues to make inroads in the fight against hunger poverty. According to the latest available national statistics, overall poverty declined to 18 percent in 2015/16 from 37.7 percent in 2003/04, while food poverty declined to 5.8 percent from 9.0 percent during the same period.

The blueprint on poverty eradication and its associated implementation plan has been finalized and launched. The framework and objectives have also been successfully socialized in all regions, through regional information sharing workshops.

Food bank operations in Windhoek continue to positively impact the lives of vulnerable beneficiaries. As a result of Year One lessons learned, the monthly number of registered households showed steady decline from approximately 18,600 households or 80,000 individuals, to 15,700 households or 69,000 individuals. The idea has always been that the food bank should benefit food insecure households in urban and peri-urban centers and that beneficiaries must graduate over time from the food aid, once they no longer meet the minimum income requirement. Similarly, the number of street committee members has reduced from 305 to 267. The stories of beneficiaries are encouraging and confirm that the food bank provides much needed aid, where it matters most. It is for this reason that Government will continue with the rollout of additional food banks in Keetmanshoop and Luderitz, once the economic situation improves. At the same time, Government remains acutely aware that food banks and handouts are not the panacea to poverty eradication. That is why reforms aimed at improving the business environment and developing the vocational and technical training sector, remain of strategic priority.

While the drought programme came to an end in March 2017, as a result of good rainfalls received, food distribution continued, especially of rice that was donated by the People's Republic of China. In total 214,171 households continued to benefit from food distribution during the period April to November 2017; giving meaning to Government's slogan that *no Namibian should die as a result of hunger*.

At total of N\$68.9 million was spent, of which N\$47 million was for actual food purchases and N\$21.7 million towards logistical expenditure.

Similarly, the administration of targeted social grants continues to contribute towards the livelihood of vulnerable citizens. The Old Age Social Grant remains the most significant. As at November/December 2017, 168,738 senior citizens were registered recipients of this monthly grant, representing coverage rate of 99 percent. This figure is up from 163,373 one year earlier. The total monthly expense for this grant is N\$202.5 million to Government. Similarly the number of Namibian beneficiaries of the disability grant, increased from 38,065 in November/December 2016 to 40,482 in November/December 2017.

With regard to land service delivery, housing and sanitation, the following have been achieved since launch of the HPP:

- The total number of plots serviced since March 2016 stands at 8,769 of which 2,414 have been serviced through the Government funded Massive Urban Land Servicing Programme (MULSP); another 2,524 through Government funded capital projects; 1,190 by local authorities; 2,003 through PPP arrangements and 525 by the GIPF.
- The total number of houses constructed stands at 8,100, of which 3,405 have been constructed under the Mass Housing Initiative, with a high subsidy component for occupants; 1,598 have been constructed on PPP basis, 1,487 by private developers and 223 by the GIPF, primarily for uniformed personnel.
- Total number of rural toilets constructed stands at 1,850. Due to financing constraints, this particular activity is very much behind schedule.
- Government has identified 1,856-bucket toilets countrywide. Since inception of the HPP in April 2016, 876 new toilets have been constructed to replace these bucket toilets. Moreover, the remaining toilets are under construction. The goal to have the bucket system eliminated by the end of FY 2017/18 is therefore attainable.

Pertaining targets on infant and maternal mortality, the following are notable achievements:

- Twelve health workers have been trained in advanced midwifery;
- Twenty eight health workers were trained in Growth Monitoring and Promotion;
- Twenty two tutors were trained in Nutrition Assessment Counseling and Support;
- Twenty nine tutors were trained in management of malnutrition;
- Eighty seven community health workers were trained in infant and young child feeding;
- Twelve ambulances for use of any type of emergency, including maternity cases, were procured and deployed. This brings the number of new ambulances that have been procured since the launch of HPP to 72;
- Two maternity wards, [Rundu and Onandjokwe] are under construction and due to be completed in June 2018 and August 2018, respectively.
- Preparations for the construction of maternal shelters at Outapi, Katima Mulilo and Nyangana Hospitals are in advanced stage.

The rollout and expansion of vocational education training continues to exceed expectations. The HPP target was to increase enrollments from 15 thousand per annum in 2015 to 25 thousand by 2020. By 2016 the number of enrollments was 25,000 and this year it further increased to 28,571. Recognition of prior learning has also exceeded expectation. The target was to have 2000 candidates certified, however 3000 applicants are currently undergoing assessment. The same goes for training-of-instructors to improve quality, where over 600 trainers have been undergoing training, contrasting to the targeted 200.

With regard to the establishment of VTCs in regions which do not have public training centers, progress is as follows:

- Nkurenkuru VTC: ground breaking for bulk services was held on 04 October 2017;
- Khorixas VTC: ground breaking for services was held on 04 December 2017;
- Omuthiya VTC: ground breaking scheduled for March 2018;
- Keetmanshoop VTC: ground breaking scheduled for March 2018; and
- Kai//Ganaxab: upgrading to commence in the second quarter of 2018.



INFRASTRUCTURE DEVELOPMENT

Energy

With regard to energy supply security, the key HPP target is that no load shedding is to take place during the HPP period.

No load shedding has occurred since commencement of HPP implementation.

HPP also targets to increase local electricity generating capacity from 400MW to 600MW during the HPP period. The following progress has been recorded since HPP inception:

- **Refurbishment of the runners at the Ruacana hydro-power plant was completed:** which increases Ruacana's total generating capacity from 332MW to 347MW and thereby increases the total local electricity generating capacity of plant owned and operated by NamPower to approx. 464.5MW
- **National Integrated Resource Plan (NIRP):** was finalised and approved by Cabinet and now serves as the overall framework for the main electricity supply sector developments in the coming years.
- **Draft Electricity Bill 2016 and Draft Energy Regulator Bill 2016:** are expected to be finalised the last quarter of FY 2017/18.
- **Renewable Energy Policy:** was finalised and approved by Cabinet.
- **National Energy Policy:** was finalised and approved by Cabinet.
- **Draft Independent Power Producer Policy:** was compiled and is currently in the process of finalization.
- **The Interim REFIT Programme:** has attracted 14 new Independent Power Producers, who are expected to add a total of 70MW. A total of 40 MW has already been added, to date.

With regard to the electrification of all schools and health facilities by 2020, the following progress has been recorded during the reporting period:

- 27 Schools, 4 Public Institutions, 53 Households and 5 Business Centers have been electrified during FY 2016/2017.

- 29 Households and 2 Community Centers have been electrified during FY 2017/2018. 6 Schools in the Kavango West region are 95% completed, while another 6 schools in Kavango East are also nearing completion.
- Tenders were advertised in the following regions: Omusati, Oshikoto, Omaheke, Kavango West, Oshana, Otjozondjupa, Hardap, Zambezi, Ohangwena. The closing date is on 28 December 2017.

With regard to the increase of the rural electrification rate to 50% by 2020, the following progress was made in the reporting period:

- A scoping study "*Towards a 50% Electrification Rate in Namibia*" was commissioned, developed and stakeholder inputs incorporated. Study is completed and is in the process to be submitted to Cabinet for approval.
- The Study developed a framework for defining access to electricity, based on the Energy Sector Management Assistance Programme (ESMAP), was adjusted to optimally fit the local requirements and context. This multi-tier framework (MTF) includes electrification approaches by way of both on-and off-grid electricity provision, as is increasingly used by international development and financing organisations, including several African countries.

Water

The HPP outlines two key desired outcomes with regard to water supply security; namely to increase access to water for human consumption to 100 percent by 2020 and ensure sufficient water supply for business activity during the HPP period.

With regard to the first outcome, the Intercensal Demographic Survey of 2016 shows 92.9 percent of Namibians have access to safe drinking water, up from 80 percent in 2011. Almost all households [99.6 percent] in urban areas have access to safe water for drinking, while in rural areas it is lower at 85 percent.



With regard to the second outcome, the following key interventions by the water supply security committee, including the Windhoek managed aquifer recharge; good rainfalls during the last rainy season ensured that central Namibia is secured of sufficient water until the end of the HPP period. In addition, long term plans have been approved to ensure water supply security, beyond the Harambee period. These include increased desalination capacity, completion of the Neckartal Dam by mid 2018 and development of national water carriers.

Transport

Completion of the deepening and expansion of the Port of Walvis Bay is progressing well. The upgrade of key roads to bitumen and dual carriage are on track, while air safety security remains intact. There has been a delay on the upgrade of the national railway system. However, part of the N\$10 billion AfDB loan will be utilized to fast track this important project, from 2018 onwards.

Road projects completed during 2017/18 financial year are:

- Oranjemund-Rosh Pinah, 92km
- Oshakati-Omungwelu-Ongenga, 38km; and
- Otjinene – Okamatapati, 127 km.

Other ongoing projects to be completed before end FY 2017/18 include:

- Okamatapati to Grootfontein, 110 km
- Gobabis-Aminuis, Phase 1, 110 km; and
- Okatana-Endola-Ohnuno, 36 km

The HPP Road Upgrade annual target for FY 2017/2018 was 190km and since April 2017, a total length of 224 kms have been completed nationally.

Information Communication

With regard to ICT development, the following milestones are notable:

- The population coverage stands at 78% for Radio and 74.5% for television (NBC).
- MTC added 46 new LTE (4G) sites to its current network bringing the percentage population covered by Broadband Technology to 72.8.
- According to Research ICT Africa, Namibia ranks 16th among African countries in terms of cheapest voice and SMS products in a country. Namibia is ranked 21st in Africa and 5th in Southern Africa Development Community in terms of offering affordable mobile prepaid broadband prices.

Regarding ICT Infrastructure Expansion, the following has been achieved:

- Five Post Offices have been equipped with Internet and other business equipment. Current Post Offices in rural communities are used for the selling of handsets, to improve Internet access .
- Nine new fixed broadband access nodes and 8 new Fixed Wireless access nodes have been introduced countrywide.
- International link capacities were upgraded to provide access to higher bandwidth capacities. Specifically, a 10 Gigabits per second direct peering link was established with Google in Johannesburg, bringing the total internet upstream carried on the Telecom Namibia network to 33.86 Gigabits per second.
- Backhauling links connecting the international Points of Presence in Frankfurt, London, Johannesburg, and Cape Town to the national Telecom Namibia backbone network were consolidated from multiple STM-4 links into 10 Gigabits per second Ethernet links to improve network performance, capacity and efficiency. There is currently enough capacity to meet demand, however additional 10 Gigabit per second Ethernet links are expected to be completed by mid-2018 to support growth and cater for resilience in case of West Africa cable System (WACS) failure.



- A number of new Long Term Evolution (LTE) sites were introduced across the country (Mobile and 8 x Fixed), and a number of sites were upgraded from 3G to 4G by Telecom Namibia.
- A new fibre link was established between Buitepos, De Hoek and Tallismanus. In the Kavango West, the fibre optic link between and Nkurenkuru was rejuvenated, and the network was expanded by constructing a fibre link to connect Ngone to the national fibre optic grid.
- A project to establish a fibre optic link between Okongo and Eenhana has been initiated and is expected to be completed mid-2018. In addition, 102.96 Kilometres of last mile fibre links were established to provide high-speed connectivity to corporate, wholesale, retail and public entities.

With regard to bridging the digital divide, Government has equipped 24 Rural ICT Centres (formerly known as Multi-Purpose Community Centres [MPCCs]) with Internet connectivity (i.e. WIMAX, hotspots), out of the targeted 26. All these Centers are in remote rural areas. For instance, the community of Queen Sofia (i.e. which have an average population density of 800 families benefitting from this Center, it is situated 75 kilometres between Outjo and Otavi, in Outjo constituency within Kunene region) will now be able to stream live His Excellency the President's State of the Nation's address or HPP Progress report due to the now available Internet connection at the Queen Sofia Rural ICT Center.

Progress has also been made with the development of Bills and Policies. The following are notable achievements:

- **Electronic Transactions and Cybercrime Bill** is at an advanced stage and will be tabled in Parliament in early 2018.

- **Availability of Guidelines on Dissemination of Information to the Public and approved Social Media Use Policy.** The Government Communication Plan and Social Media Use Policy were approved by Cabinet in April and subsequently endorsed by the National Assembly in June 2017. These two documents are complimentary to the Access to Information legislation and are there to pave the way for public to have access to information for them to make informed decisions.
- **Access to public information/data and enact access to information laws.** The Access to Information Bill is in advanced stage as it was subjected to substantial stakeholder interrogation and will be tabled in Parliament in 2018.
- **Broadband (BB) Policy is at advanced stage and will be tabled in Cabinet in due course.**



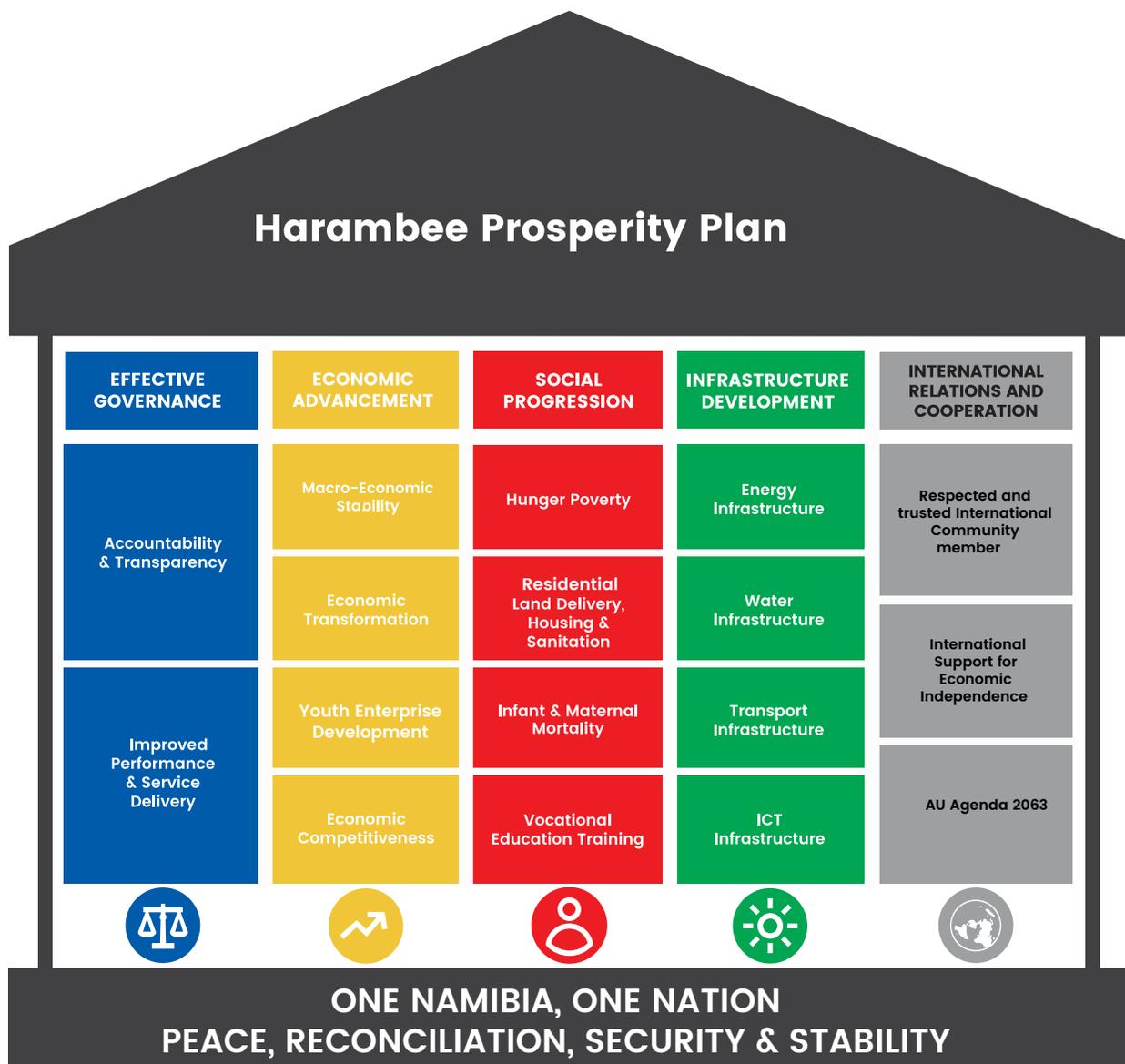
INTERNATIONAL RELATIONS AND COOPERATION

With regard to International Relations and Cooperation, key outcomes are for Namibia to continue to be a respectable member of the international community; for the International Community to assist Namibia to translate her political independence into economic independence; and for Namibia to contribute and to benefit from the AU agenda 2063.

It is our assessment that Namibia continues to be on track with regard to all three stipulated outcomes. What is worthy to mention is that in this year Namibia received grant funding from the Green Climate Fund worth US\$20 million. In addition the Green Climate Fund also approved a climate change readiness proposal worth US\$300 thousand.

Namibia continue to promote conservation and reduce the killing of protected species. In this connection, conservancy chairperson forum meetings have been held in all fourteen regions; a human wildlife policy was approved by cabinet and will be submitted to Parliament; a total of 40 rhinos were dehorned; and 18 wildlife crime cases were opened, with 53 suspects arrested for possession of various wildlife products, including ivory and pangolin skin, and 13 firearms were confiscated.

HPP STRUCTURE



The **HARAMBEE PROSPERITY PLAN (HPP)** is constructed around the Namibian narrative. It acknowledges that we are not starting afresh, but that we must continue with the construct of an inclusive Namibian House, built on a solid foundation of peace and stability. We are unified by our national identity and stand united in Cause, to usher Namibia into the epoch of Prosperity.



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