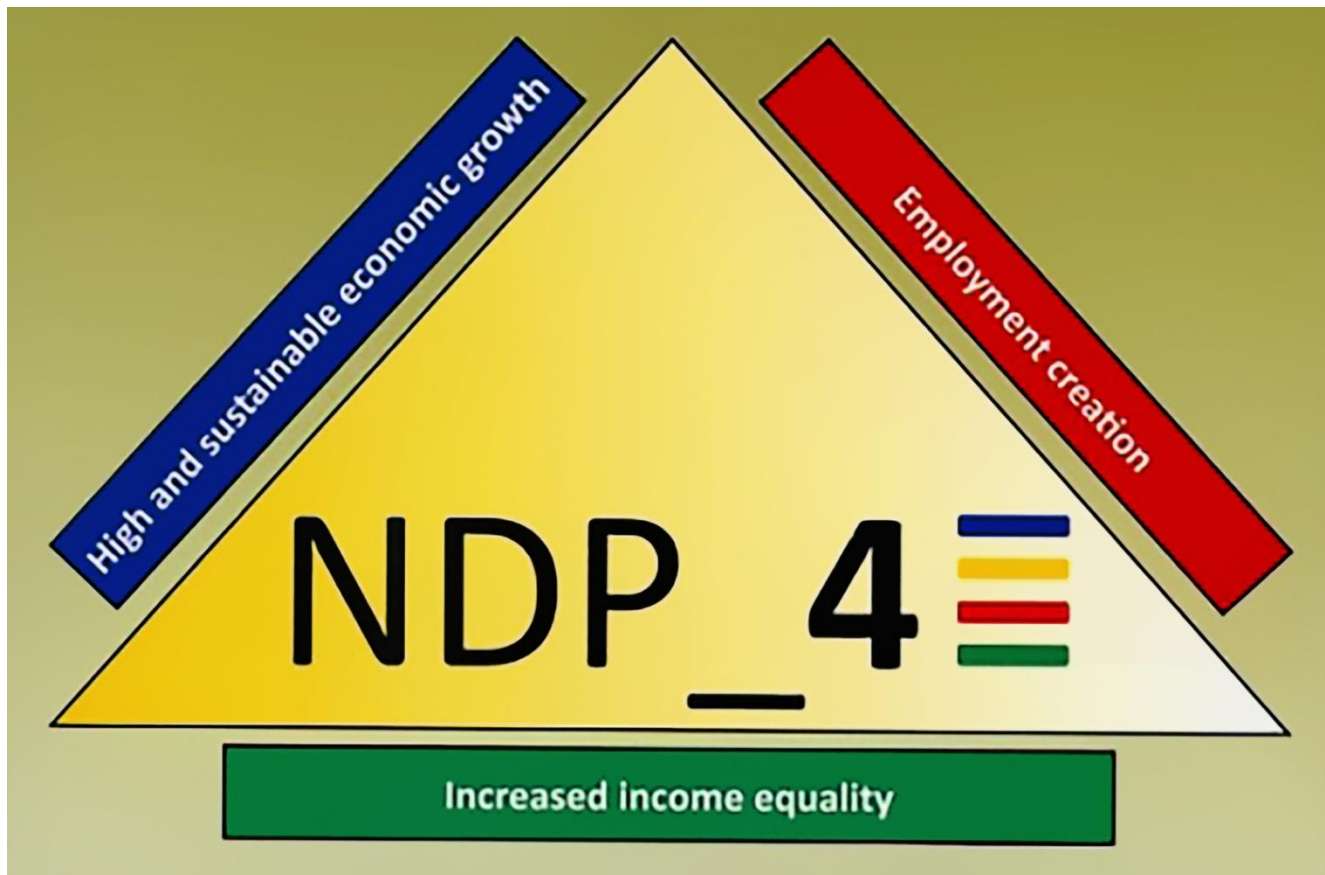




Republic of Namibia NDP4 Terminal Report

2012/13 - 2016/17



Review of NDP4 Progress

October 2017

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LIST OF RECURRING ACRONYMS AND ABBREVIATIONS

ACC	Anti-Corruption Commission
AGRIBANK	Agricultural Bank of Namibia
ASEPs	Annual Sectoral Execution Plans
BoN	Bank of Namibia
DBN	Development Bank of Namibia
DO	Desired Outcome
ECD	Early Childhood Development
ECB	Electricity Control Board
ETSIP	Education and Training Sector Improvement Programme
FLI	Financial Literacy Initiative
FY	Financial Year
GDP	Gross Domestic Product
GPA	Governance and Public Administration
HALE	Health-Adjusted Life Expectancy
ICRS	Integrated Computerised Registration System
ITAS	Integrated Taxation System
NLFS	Namibia Labour Force Survey
M&E	Monitoring and Evaluation
MAWF	Ministry of Agriculture, Water and Forestry
MET	Ministry of Environment and Tourism
MGECW	Ministry of Gender Equality and Child Welfare
MHAI	Ministry of Home Affairs and Immigration
MHETI	Ministry of Higher Education, Training, and Innovation
MoEAC	Ministry of Education, Arts and Culture
MoF	Ministry of Finance
MoHSS	Ministry of Health and Social Services
MoJ	Ministry of Justice
MPESW	Ministry of Poverty Eradication Social Welfare
OPM	Office of the Prime Minister
NPC	National Planning Commission
NHIES	Namibia Household Income and Expenditure Survey
R&D	Research & Development

O/M/As	Offices/Ministries/Agencies
PPP	Public Private Partnership
WEF	World Economic Forum
SIs	Strategic Initiatives

FOREWORD

The National Planning Commission (NPC) is established in terms of Article 129 of the Namibian Constitution and is mandated to “spearhead the identification of Namibia’s socio-economic development priorities and formulate short-term, medium-term and long-term national development plans.” NPC is also mandated by Section 4(c) of the National Planning Commission Act, (No. 2 of 2013) to “develop monitoring and evaluation mechanisms to ensure effective implementation of the national development plans.” It is in line with this mandate that NPC produces a Terminal Report at the end of each National Development Plan.

This terminal report for NDP4 outlines the overall progress made towards the achievement of the NDP4 goals, desired outcomes and strategic initiatives. The report also highlights some performance challenges experienced, lessons learned as well as the recommendations to improve planning and implementation of our development interventions.

The information in this report will support evidence based planning, policy making and reporting, a critical component in ensuring that public resources are used for their intended purposes and ensure efficient and effective service delivery to the citizens.

Tom K. Alweendo

Minister of Economic Planning and Director General of the National Planning Commission

NDP4 RESULTS AT A GLANCE

The table below summarizes NDP4 performance at the Desired Outcome level over the NDP4 period.

NDP4 Goal	Indicator	NDP4 Baseline	2012		2013		2014		2015		2016		Average
			Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	
High and Sustained Economic Growth	Real GDP Growth Rate	5.1	4.6	5.1	6.1	5.6	6.4	6.3	6.3	6.1	6.5	1.1	4.84
Employment creation	Number of Jobs created	-	18 615	32 259	18 615	25013	18 615	26298	18 615	15 636	18 615	- 32010	79 544
Increased income inequality	Gini-coefficient	0.597	0.48-	0.597	-0.48	-0.597	0.48-	0.597-	0.48	0.572	572	572	-

NDP4 Strategic Area	Indicator	NDP4 Baseline	NDP4 Target	2012/13	2013/14	2014/15	2015/16	2016/17	Average
Institutional Environment	Competitiveness ranking of Namibia in SADC Region (World Economic Forum)	4 th	1 st	5 th	5 th	4 th	4 th	4 th	-
Education	% learners that pass grade 10 *(passed with 30 points) (MoBEAC)	17.9	25	19.2 %	21.5%	21.2 %	21.2 %	22.7%	21.2%
	% learners that pass grade 12 *(passed with 25 points) (MoBEAC)	29.5	45	28.4 %	29.3%	30.8 %	29.9 %	31.4%	29.9%
	Quality of the Education system (World Economic Forum)	2.8	5.0	2.7	3.0	3.1	3.2	3.3	3.06
Health	Healthy Adjusted Life Expectancy (HALE) (DHS)	57	59	57	58	58	58	58	57.8
Extreme Poverty	Percentage of severely poor individuals in Namibia (NHIES)	15.8%	10%	15.8%	15.8%	15.8%	11%	11%	-
Transport	Percentage of railway network to comply with SADC axle load recommendation of 18.5 tons. (TransNamib)	46%	70%	46%	46%	46%	47%	47%	46.4%
Energy	Energy produced locally in Megawatts (MME)	495.5M W	750M W	496MW	496MW	502MW	511MW	503.5M W	501.7
Water	% of the population having access to water for human consumption (DHS)	85.5%	100%	87%	87%	87%	91%	91%	89%

NDP4 Strategic Area	Indicator	NDP4 Baseline	NDP4 Target	2012/13	2013/14	2014/15	2015/16	2016/17	Average
Housing	% Households living in modern housing (detached, semi-detached or flats) (NHIES)	41%	60%	41%	41%	41%	45.2%	45.2%	45.2%
ICT	Namibia's availability of latest technologies score out of 7, according to the World Economic Forum	5.5	6.0	5.2	5.2	5.1	5.1	5.0	5.1
Logistics	Cargo Volumes handled (Nairport)	6.2 mil	12.4 mil	6.5mil	3.5mil	5.4mil	5.7 mil	5.5 mil	5.32mil
Tourism	Namibia's ranking as a tourist destination in sub-Saharan Africa (World Economic Forum's Travel and Tourism Competitiveness Index)	3rd	1st	5th	5th	4th	4th	4th	-
	Namibia's tourism competitiveness score out of 7.0 (World Economic Forum)	3.84	4.40	3.77	3.77	3.69	3.69	3.59	3.7
Manufacturing	Percentage of general manufacturing contribution to the GDP (National Accounts)	12.5%	18.7%	12.2%	11.0%	10%	9.9%	11.0%	10.82
Agriculture	Real growth in agriculture sector per annum (National Accounts)	-3.6%	4	8.1	-19.3	11.1	-10.4	0.8	-1.9

EXECUTIVE SUMMARY

Goal Performance

During NDP4 the economy registered an average growth of 4.8 percent against the target of 6.0 percent. The growth rate achieved during NDP4 is however higher than the 3.6 percent growth recorded during NDP3.

The notable average economic growth resulted in increased employment opportunities in the first four years of NDP4 period. However, as economic growth slowed down to 1.1 percent in 2016, a loss of 49 497 jobs was experienced. Consequently, the targets of creating 90 000 jobs during NDP4 was not met as 79 544 jobs were created instead.

On reducing income inequality, NDP4 outcome was the Gini Coefficient of 0.572 against the target of 0.48 from the baseline of 0.597 in 2009.

Performance towards Desired Outcomes: Basic Enablers and Economic Priorities

Basic Enablers

The basic enablers identified in NDP4 were the institutional environment; education and skills; health; reducing extreme poverty; and public infrastructure. Progress on each enabler is as follows:

Institutional environment: The desired outcome for the institutional environment strategic area was for Namibia to become the most competitive economy in the SADC Region by 2017. Over the NDP4 period Namibia's competitiveness ranking was relatively stagnant as the country remains 4th after Mauritius, South Africa and Botswana according to World Economic Forum (WEF) rankings.

Education and Skills: The desired outcome for the education sector was to improve the overall quality of education and improve Grade 10 and 12 results. During the period under review, the quality of education ratings according to the WEF improved from a score of 2.8 out of 5 to 3.2. The average Grade 12 and 10 results of learners that passed with 25 and 30 points improved from 29.5 and 17.9 percent to averages of 29.96 and 21.2 percent respectively during the NDP4 period.

Health: NDP4 registered an improvement in HALE from the baseline of 57 to 58 against a target of 59. Progress is also noted in the reduction of the incidence of TB from 727 to 561 per 1000 persons.

Extreme poverty: Improved government efforts mainly the expansion of social protection systems resulted in the decrease in the percentage of severely poor individuals from 15.8 percent in 2009 to 11 percent in 2015/16.

Progress within the public infrastructure strategic area is outlined in five sectors of transport, energy, water, ICT and housing.

Transport: The sector's desired outcome was to achieve 70 percent in the rail network that meets the SADC recommendation of 18.5 axle load. Results show a 1 percent improvement to 47 percent from a baseline of 46 percent in 2012/13. Progress was registered in terms of both paved and unpaved roads in acceptable condition, in the same vein good progress was also made in terms of upgrading rural roads to bitumen standards. Progress was also made towards the completion of the New Container Terminal at the Port of Walvis Bay scheduled for completion in 2019. The Port Community System development was completed as planned.

Energy: The NDP4 target of achieving 750MW in Energy production was not met as the total production capacity of all electricity generating stations in Namibia stands at 503.5MW from 495.5 in 2011/12, mainly due to envisaged huge projects that could not be implemented during the period. However, local energy supply was supplemented by the import of energy from neighboring countries within the Southern African Power Pool (SAPP) as well as the commissioning of renewable energy projects in the country.

Water: During NDP4 there was an improvement in the percentage of the population with access to safe drinking water for both domestic and industrial consumption from a baseline of 85.5 to 91 percent in 2015/16. Some of the factors that hindered the achievement of the NDP4 target were climatic conditions such as the drought experienced during the last three years of NDP4 implementation.

ICT: There was a decline in Namibia's availability of latest technologies score from a baseline of 5.5 out of 7 in 2011/12, to 5.2 in 2012/13, to 5.1 in 2015/16 and finally 5.0 in 2016/17. This is despite recent interventions in ICT infrastructure development.

Housing: NDP4 resulted in an improvement in the percentage of households living in modern housing, from the baseline of 41 percent to 45.2 percent, against the target of 60 percent. However, shortage of plots and houses are still challenges that require concerted efforts to address.

Economic Priorities

The economic priorities identified in NDP4 were logistics; tourism; manufacturing; and agriculture. Progress on each economic priority is as follows:

Logistics: The NDP4 desired outcome to double cargo volumes from the baseline of 6.2 million tons was not achieved due to challenges experienced by countries in the SADC region that the ports serve in terms of cargo handling. Average Cargo volumes handled over the period were recorded at 5.3 million tons.

Tourism: During the NDP4 period, Namibia's travel and tourism competitiveness ranking in Sub-Saharan Africa deteriorated from 3rd place in 2011/12 to 4th place in 2016/17, following South Africa, Mauritius and Kenya. Namibia's World Travel and Tourism Competitive Index score also declined from 3.84 in 2011/12 to 3.59 out of 7.0 in 2016/2017. However, tourist arrivals in the country increased from 4,851,524 during NDP3 to 5,534,143 during NDP4.

Manufacturing: During NDP4 period manufacturing contributed an average of 10.8 percent to GDP from the baseline of 12.5 percent in 2012 against a target of 18.7 percent. The average growth rate over the same period shows a contraction of 7.2 percent compared to a positive growth of 5.4 percent recorded during NDP3 period. The decline in performance can be attributed to meat processing, beverages, textile and wearing apparel and basic non-ferrous metals subsectors that registered declines in 2014/15 and 2015/16 financial years.

Agriculture: During NDP4 period, the agricultural sector contracted by an average of 1.9 percent due to drought and the outbreak of foot and mouth disease especially in the last three years of NDP4 implementation. This contraction is however an improvement from the average contraction of 3.6 percent recorded during NDP3.

Government spending over NDP4

The NDP4 Period recorded an overall budget allocation of N\$269 billion of which N\$42 billion was allocated to the Development Budget, while N\$227 was allocated to the Operational Budget. An expenditure outturn of N\$270 billion was recorded during the NDP4 period, translating into a 100.1 percent execution rate.

Out of the overall NDP4 expenditure, N\$36 billion (13 percent) was spent on economic priority sectors namely; Logistics, Tourism, Manufacturing and Agriculture. An amount of N\$105 billion (39 percent) was spent social sectors (Health, Education and Housing) while the remaining N\$128 billion (48 percent) was spent on Other Sectors, such as: Energy, Mining and Fishing, public administration, security and ICT sectors.

Overall Conclusion

Significant progress was made in all sectors towards the achievement of the Desired Outcomes and goals. However, due to numerous challenges ranging from natural factors such as drought, to economic ones such as budget constraints, NDP4 goals were not achieved.

1. INTRODUCTION

1.1 Background

The compilation of the NDP4 Terminal Report to assess progress on the implementation of planned activities is a legal requirement under the NPC Act (Act No. 2 of 2013). Chapter 10 of the Fourth National Development Plan (NDP4) mandated sectors to provide regular progress reports on programmes and projects implemented to NPC. The National Planning Commission could then compile the Bi Annual progress reports measuring progress towards the set targets that were submitted to Cabinet. This report forms the 10th Bi Annual progress report of NDP4, by virtue of it being the last in the series, it constitutes the Terminal report of the Plan, hence summarizing progress during the overall period of NDP4.

The aim of the report is to provide information on the progress of interventions implemented during NDP4 period, with a focus on national development goals and outcomes as well as strategic initiatives. Thus, the report gives an account on the country's current development status and the progress made against the set targets at all levels.

1.2 Scope

The report covers the NDP4 period that is 1 April 2012 to 31 March 2017. It provides information on the progress in the implementation of interventions by the 17 sectors identified in NDP4 which includes: Governance, Security, Financial Intermediation, Education, Health, Extreme Poverty, Transport and Logistics, Energy, Water and Sanitation, Housing, ICT, Tourism, Manufacturing, Mining, Fishing, Construction and Agriculture and Forestry.

1.3 Sources of data

The report was produced using data obtained mainly from secondary sources comprising of National Accounts, Surveys and censuses of NSA, Sectoral reports, Budget execution reports, ministerial policy statements, Bi Annual progress reports, Bank of Namibia annual reports, budget speeches of the Minister of Finance, Sectoral progress reports and independent assessments by NPC.

1.4 Structure of the Report

The preceding section highlights the objectives of the report, its scope and data sources for the compilation of this report. Section two presents the performance assessment at goal level while Section three presents Sectoral performance highlighting the performance of priority strategic areas. Section four covers the overall conclusion, lessons learned and recommendations.

2. NDP4 PROCESSES

2.1 Introduction

Since independence in 1990, Namibia recognized the importance of planning as an integral part of economic and social development. To this end, successive Governments have been addressing the socio-economic challenges facing the nation through the formulation of successive five year National Development Plans. Over the years, the extent to which these plans were implemented differ from plan to plan, depending on the implementation approach adopted. The absence of well-defined M&E system for NDP4 predecessors meant that it was difficult to measure the successes of the plans.

NDP4 had clearly outlined execution strategies with embedded M&E processes, to enable the assessment of progress during the entire NDP4 period and to inform stakeholders in terms of progress. However, due to lack of indicators in some areas it was difficult to assess trends hence lack of clear trend analysis in the report.

2.2 NDP4 Formulation Process

NDP4 was an outcome of consultation mainly at the high level led by a Core Team, consisting of members across the spectrum of the economy. The core team worked under the supervision of the Director-General of the National Planning Commission with regular meetings held with NPC management. NDP4 adopted a hybrid methodology during its formulation involving a top-down approach (small groups of technocrats), combined with consultation of key informants from different sectors. It had elements of both Sectoral development planning approach and results based management development planning approach.

2.3 NDP4 Implementation Strategy

To guarantee execution and accountability, detailed Sectoral and Annual Sectoral Implementation Plans were developed to guide the sectors to implement the plan. NDP4 adopted a Sectoral implementation approach to ensure the participation of all the stakeholders in the implementation process in order to achieve the set goals and targets. In addition, the sectoral approach was made to ensure consultation, coordination and collaboration among Government and non-governmental stakeholders. Implementing O/M/As were assigned strategic initiative(s) where they had to take a lead and coordinate the contributions from all other players to ensure that desired outcomes are achieved. The identified seventeen sectors were assigned to different line Ministries as lead Ministries for each sector. The lead institutions were expected to coordinate the activities of all stakeholders in the sector and ensure that the targets set are achieved. Sectors were expected to develop five year Sectoral Execution Plans (SEPs) and Annual Sectoral Execution Plans (ASEPs).

2.4 NDP4 Monitoring and Evaluation

To assess the extent to which the NDP4 objectives were achieved, systematic monitoring and evaluation was conducted from time to time. The sectors were required to report progress on implementation every six months. NPC assessed the reports, and prepared independent progress reports for submission to cabinet.

Despite the efforts put in place to ensure a successful implementation of the plan, there were some sectors that did not develop ASEPs, and there were no M&E officials in each O/M/As, leading to difficulties in the execution of monitoring and evaluation. Furthermore, there were too many plans at different levels resulting in entities spending more time on drafting and compiling plans instead of implementing projects. The lack of harmonization and streamlining of activities by entities with oversight roles such as MoF, OPM and NPC resulted in the increased reporting burden on the side of O/M/As. Lack of skills in O/M/As resulted in poor quality M&E reports leading to inadequacy in influencing decisions.

3. NDP4 GOAL LEVEL PERFORMANCE

3.1 GOAL 1: High and Sustained Economic Growth

The fourth NDP projected an average economic growth of 6.0 percent for the five year period. However, an average growth of 4.8 percent was recorded representing an improvement from an average growth of 3.6 percent during NDP3. The growth was primarily driven by large investments in the extractive sectors and high government spending, especially in the first three years of the Plan. However, this average growth fell short of achieving the Vision 2030 and SADC's convergence target of an average of 7.0 percent.

Annual economic growth target of 4.6 percent for 2012 was exceeded, as the economy grew by 5.1 percent. However, for 2013, 2014 and 2015 the growth targets of 6.1, 6.4 and 6.3 were not achieved as the economy grew by 5.6, 6.3 and 6.1 percent, respectively. In 2016, economic performance slowed down to 1.1 percent due to a contraction of 7.8 percent by secondary industries and a slowdown of 3.9 percent in the tertiary industries.

The contraction in the secondary industries is attributed to the decline of 26.5 percent in construction sector and a slow growth of 6.8 percent in the electricity and water sectors. The decline in the construction sector is attributed to the drop in investment in the construction of the mining sector, which registered a decline of 64.7 percent in 2016 compared to a significant growth of 35.8 percent in 2015.

During NDP4 period, per capita GDP averaged 2.9 percent. Per capita GDP slightly declined from N\$47,605 in 2015 to N\$47,216 in 2016. Overall, despite the average increase in the per capita GDP during NDP4, income inequality, unemployment and poverty remain main challenges facing the country.

3.2 GOAL 2: Employment Creation

During NDP4 period unemployment rate averaged 29.5 percent. However, the year 2016 recorded the highest unemployment rate when unemployment increased to 34 percent. In terms of employment creation, the target was to create 18 000 jobs annually, however, only an average of 13439 was created, resulting in the total number of employment created of 79 544 falling short of the total target of 90,000 for the five years. The target was not met, mainly due to jobs lost during 2016 as a result of economic difficulties. Sectors that shed more jobs include among others, wholesale and retail trade and construction.

3.3 GOAL 3: Increased Income Equality

NDP4 aimed to achieve sustainable economic growth and employment creation in view of achieving increased income equality. The target for the five year period was to achieve a Gini Coefficient of 0.48 from a baseline of 0.597. The NDP4 outcome was 0.572 as per the 2015/16 NHIES data showing only a marginal improvement from the baseline.

The Vision 2030 target for income distribution is to achieve a Gini Coefficient of 0.3. Given this target and the remaining implementation period for the vision, it is imperative that government strengthens and introduces strategies to expedite the reduction of income inequality in the country.

4. NDP4 SECTORAL PERFORMANCE

NDP4 comprises of Basic enablers and Economic priorities. Each of these is underpinned by a set of desired outcomes that were envisaged to be achieved by 2017 for NDP4 to realize its overall goals. The desired outcomes are underpinned by strategic initiatives at the implementation level. Below is the progress towards the achievement of desired outcomes for both Basic Enablers and Economic Priorities.

DESIRED OUTCOME 1: INSTITUTIONAL ENVIRONMENT

By the year 2017, Namibia is the most competitive economy in the SADC Region, according to the standards set by the World Economic Forum.

Namibia's competitiveness ranking is a vital indicator of industrial development, employment creation and overall development. During the NDP4 period the country's ranking remained stagnant as Namibia remained 4th after Mauritius, South Africa and Botswana according to the World Economic Forum (WEF) rankings. Namibia's overall institutional environment performance also declined from being ranked 83rd out of 142 countries during the NDP3 period, to 84th out of 138 during NDP4.

Despite this decline in ranking, the country improved on the ease of access to loans, capacity for innovation, company spending on research and development, pay and productivity as well as primary education enrollment rates. Notwithstanding the good performance on the indicators of innovation, research and development, and productivity, there is still concern regarding the large number days and procedures it takes to start a business. It still takes 66 days and 10 procedures to set up a new business in Namibia.

The NDP4 strategies to achieve the Desired Outcome for the Institutional Environment area included: the maintenance of macroeconomic stability/financial intermediation; reforming of the business environment; and Governance and Public Administration (GPA). These strategies were implemented under two sectors namely the 'Financial Intermediation' and 'Governance and Public Administration'. Progress of the 'Financial Intermediation' and the 'Governance and Public Administration sectors is discussed below:

Financial Intermediation Sector

The focus of the Financial Intermediation sector in NDP4 was to increase the resilience of the Namibian financial system; to deepen the financial sector; increase access to financing for small and medium enterprises; and the general public as well as to enhance consumer financial literacy.

Strategic Initiative: Public finance management reforms: During the NDP4 period, the new Public Finance Management Bill which aims to overhaul the current public finance laws and rules and strengthen public expenditure management, was finalized. The Government also introduced the Mid-term budget review to achieve budget allocation efficiency and improve quality of spending.

Tax Reforms: The sector introduced the Integrated Tax Administration System (ITAS) for the enhancement and efficiency of revenue collection. The system is currently at the testing and piloting phase. The Large Tax Payers Office (LTO); was also introduced. The LTO is fully operational and caters for companies with annual turnovers of more than N\$75 million. The policy and legal framework for the establishment of the Namibia Revenue Agency (NamRA) was also developed, a reform aimed at enhancing and strengthening tax collection and management

Strategic Initiative: Streamline the incentives regime to make it more transparent and link it to industries with growth potential: In line with this initiative, the Investment Act was amended to provide for an investment framework that caters for the promotion of both foreign and domestic investment in the country.

Strategic Initiative: Reform Tender Board to ensure timely execution of government programmes: The Tender Board Act was replaced with the Public Procurement Act, 2015 (No.15 of 2015), which established the Central Procurement Board (replacing the Tender Board), the Review Panel and the Procurement Policy unit. The new entities became operational on 01 April 2017. These reforms, if effectively managed, will ensure timely execution of government programmes.

Strategic Initiative: Put in place a Public Private Partnership funding framework to create synergy and funding for the logistics hub. The Public Private Partnership (PPP) Act (Act No.4 of 2017) was enacted during the NDP4 period. The PPP Act provides for legal framework for PPP projects; to establish the PPP committee; to regulate the PPP projects through the various stages including initiation and preparation, procurement, conclusion of PPP agreement and Implementation; and to provide for incidental matters. A PPP unit was also established and operationalized to coordinate PPP activities in the country.

Strategic Initiative Develop a funding mechanism to ensure adequate funding for infrastructure development: A study on the infrastructure gap was carried out during the NDP4 period. The study recommended funding options such as, the PPP, privatization, Listed Infrastructure Fund, Pension Fund and long term Investment Insurance to complement the existing conventional sources.

Strategic Initiatives: Financial Markets Deepening and Development, Financial Safety Nets, Financial Inclusion, Localization of the Namibian Financial Sector and Skills Development in the Financial Sector.

The Financial Institutions and Markets (FIM) Bill was developed to update the existing laws and cater for technological developments as it seeks to establish a holistic, integrated platform for the regulation of financial institutions. The Financial Services Adjudicator Bill that seeks to establish a Complaints Adjudicator to handle complaints against providers of banking and financial services was also developed.

In addition, the Micro Lending Bill aimed at regulating the micro lending operations to establish an effective and consistent enforcement framework was formulated. It also aims to protect borrowers while promoting responsible borrowing and lending. Progress has also been made towards the Amendments to the *Usury Act* which is aimed at providing for the limitation and disclosure of financing charges on loans and credit transactions and set a threshold for the maximum interest rates. Furthermore, the *financial policy* to increase access to financing for SMEs was formulated and resulted in the development of the Venture Capital Fund, Credit Guarantee Scheme and Mentoring and Coaching programmes.

Governance Sector

Government remained committed to improving public service delivery during the NDP4 period through the implementation of the following strategic in the Governance and Public Administration sector.

Strategic Initiative: Improve Public Service Delivery: To successfully bridge the gaps in the Anti- Corruption legislation, the Anti-Corruption Act was reviewed and the Public Audit Bill was finalised. As part of improving service delivery, government embarked on a process of business process re-engineering which resulted in some government business processes being re-engineered. To improve service delivery countrywide, Government embarked upon the construction of Regional Office Parks in Hardap, Kavango East //Karas, Zambezi, Otjozondjupa, Erongo and Kunene regions. In the same vein, the National M&E Framework aimed at providing the overall guidance in the execution of M&E in the country was successfully developed and approved by cabinet.

Overall, progress was made towards the achievement of Desired Outcome 1, with emphasis put on the creation of the enabling environment across its various spheres through the development of legislations and institutions aimed at enhancing the operation of the sector.

DESIRED OUTCOME 2: EDUCATION

By 2017, Namibia is characterized by a high-quality and internationally recognised education system that capacitates the population to meet current and future market demands for skills and innovation. By 2017 we see an increase from the 2011 level of 17.9 to 22.7 percent in respect of Grade 10 students achieving a pass mark (30 points overall, and at least an F for English). We also see an increase from the 2011 level of 29.5 to 45.0 percent in respect of students receiving a mark of at least 25 points overall at Grade 12 level.

The focus of the Education sector in NDP4 was to improve quality of education at all levels through the following; improved learning standards and curricular development; teacher development; availability of textbooks and materials; access to quality Early Childhood Development; vocational training opportunities; and to address the mismatch between the supply of and demand for skilled labour.

Average results of Grade 12 learners that passed with 25 points registered an improvement from 29.5 percent to an average of 29.9 percent over the NDP4 period. Improvements were also recorded in Grade 10 learner results that passed with 30 points from a baseline of 17.9 percent to an average of 21.2 percent. Learner survival rates to grade 11 however showed an average decline from 46.6 percent to an average of 43.9 percent during NDP4. The quality of education ratings according to the WEF improved from a score of 2.8 out of 5 at the beginning of NDP4 to an average of 3.06 by the end of NDP4.

Strategic Initiative: Improve quality at all levels in education through improved learning standards and curricular development, teacher's development, availability of textbooks and materials and stringent learner assessment. The following Infrastructures were constructed during NDP4: 1,969 classrooms, 237 teachers' houses, 263 school ablution blocks and 46 hostel blocks. Although commendable, the constructed infrastructures fell short of meeting the prevailing demand especially in rural areas

Strategic Initiative: Integrate the use of ICT in education: In line with this strategic initiative, Fifty three (53) computer labs were constructed over the NDP4 period. Some community libraries were equipped with ICT services.

Strategic Initiative: Development of a National Human Resources Development Plan (NHRDP): The National Human Development Resource Plan was not developed during the NDP4 period, however, the Education Sector Human Resource Plan and the skills gap identification strategy were developed as milestones towards the development of the NHRDP.

Strategic Initiative: Creating opportunities for early child development (ECD): A total number of 78 ECD centres were constructed over the five year period to increase access to early childhood development services. A total of 1,694 Educators were trained as service providers during the NDP4 period.

Overall, progress was made towards the achievement of the Desired Outcome on Education. The pass rate for both the grade 10 and 12 learners has improved and progress on infrastructure development in the sector has been recorded. However, there is still much that needs to be done with regards to the quality of education and gaps still exist especially in terms of educational infrastructure and service provision in rural areas.

DESIRED OUTCOME 3: Health

By the year 2017, all Namibians have access to a quality health care system in terms of prevention, cure and rehabilitation, and the country is characterized by an improvement in the 2011 baseline figure of 57 for a healthy adjusted life expectancy (HALE) to 59.

The focus of this sector in NDP4 was to further enhance the quality of life of all citizens and to provide the economy with a productive workforce.

The Health Adjusted Life Expectancy (HALE) is a measurement developed by the World Health Organization that estimates the number of healthy years an individual is expected to live from birth by subtracting the years of ill health. HALE improved from the baseline of 57 in 2011 to 58 in 2013, against the target of 59. Some of the contributing factors hampering the achievement of the set target of HALE are the Prevalence of

HIV that increased from 13.4 percent in 2013 to 16.0 percent in 2016 within the 15-49 population age groups. In addition, the population is still experiencing high death rates among infants, children and adults mainly due to illnesses, accidents, suicide, murder and pregnancy related complications. Furthermore, infrastructure development is also lagging behind and health facilities continue to require more maintenance.

Life expectancy increased from 62.1 in 2012 to 64.7 in 2016 with an average of 63.5 during the NDP4 period. A reduction in the incidence of TB was also recorded, declining from 727 per 100,000 persons in 2011 to an average of 639 per 100,000 by the end of NDP4 period. There has also been notable decrease in the under 5 mortality rate from 48 in 2013 to 45 in 2016.

PERFORMANCE ON STRATEGIC INITIATIVES

Strategic Initiative: Increase size, allocation and use of funding: Health remains top Government priority, as demonstrated by the fact that the health sector received the second largest share of the National Budget over the NDP4 period. The percentage allocation of the budget to the health sector increased from 9.8 percent in NDP3 to 10.6 percent in NDP4. The average expenditure during NDP4 period was 99 percent with 2016 registering an expenditure of 103 percent.

Strategic Initiative: retaining, attracting and training medical professionals: During the NDP4 period, 676 students were funded to undertake studies in countries such as Cuba, Russia, Zambia, South Africa and Tanzania in various health fields.

In terms of technical assistance, the MoHSS received qualified professionals from Cuba and Kenya to complement existing qualified professionals at various health facilities.

Strategic Initiative: Revise the regulatory framework: In efforts to improve health service delivery in the country, the following Acts were put in place during the period. These include; the Public and Environmental Health Act (No. 1 of 2015) and the National Health Act (No. 2 of 2015).

Strategic Initiative: Improve access to (quality) health facilities: During the NDP4 period, 41 health facilities (clinics, health centers, regional Management Team Offices and staff accommodation) were constructed while 31 health facilities were upgraded country wide.

Strategic Initiative: Target epidemic drivers: HIV/AIDS prevalence among pregnant women attending antenatal care decreased from 18.8 percent in 2011/12 to 16.9 in 2014/15 and 17.2 percent in 2016/17. Successful TB retreatment cases declined from 85 to 81 percent.

Overall, notable progress has been registered in the Health sector, as reflected in the improvements in the HALE, TB incidence and average life expectancy. However, more still needs to be done to reduce the HIV prevalence rate among the 15-49 age group and reducing the backlog in the health infrastructure. Furthermore, efforts are required to reduce the increasing maternal and infant mortality rates through quality antenatal and post-natal care.

DESIRED OUTCOME 4: EXTREME POVERTY

By 2017, the proportion of severely poor individuals has dropped from 15.8% in 2009/10 to below 10% by 2017.

Government has made significant strides in reducing poverty during the NDP4 period as the percentage of severely poor decreased from 15.8 in 2009 to 11 percent in 2015/16 as per the NHIES data. The gains in poverty reduction is attributed to the introduction of redistributive policies such as the progressive income tax, and incremental adjustment of social grants. Namibia has a strong social protection system, with about 21 percent of the vulnerable population being beneficiaries. Government maintained its commitment to social protection over the NDP4 period as evidenced by average expenditure on social protection of 5.5 percent from 2012 to 2015.

PERFORMANCE ON STRATEGIC INITIATIVES

Strategic Initiative: Strengthen and expand social protection systems: During the NDP4 period 489,456 people received social safety net benefits translating to about 21 percent of the population. The number of vulnerable children on the grant system increased from 15, 127 in 2014/15 to 128, 744 in 2016/17. While, the number of orphans receiving grants increased from 135, 685 in 2011/2012 to 156, 687 in 2016/2017. Pensioners receiving old age grants are recorded at 165, 376 while people receiving disability grants are recorded at 39, 245 as of 2016/17. In efforts to strengthen social protection in the country, a Blue Print on wealth and redistribution and poverty eradication was developed during NDP4.

Strategic Initiative: Integration of veterans into socio-economic mainstream: During NDP4 period, a total of 10,380 veterans were provided with funds to start their own income generating projects exceeding the target of 6,130. About 812 veterans benefited from education training grants and 243 received housing through the Ministry of War Veteran Affairs.

Overall, significant strides in reducing poverty levels were made during the NDP4 period as demonstrated by an estimated 21 percent of the population under social protection system. In addition, houses for the war veterans were constructed and income generating projects were implemented to improve the livelihoods of war veterans.

PUBLIC INFRASTRUCTURE

DESIRED OUTCOME 5.1: TRANSPORT

By 2017, Namibia shall have a well-functioning, high quality transport infrastructure connected to major local and regional markets as well as linked to the port of Walvis Bay: 70 percent of railway network to comply with SADC axle load recommendation of 18.5 tons.

During NDP4 period, only a percent of the railway network was upgraded, bringing the total network meeting the SADC recommendation of 18.5 axle load to 47 percent, from a baseline of 46 percent against a target of 70 percent.

PERFORMANCE ON STRATEGIC INITIATIVES

Roads

Strategic initiative: Strike a balance between preservation and expanding the road network: In terms of increasing the percentage of unpaved roads in acceptable conditions, the target was to achieve 50 percent, however this target was surpassed as 54 percent was achieved. Good progress was also made in terms of upgrading rural roads to bitumen standards. The percentage of paved roads in acceptable condition however fell short of the target (92 percent) as the outturn was 90 percent at the end of NDP4.

Strategic Initiative: Optimize Cargo & Passenger Handling Systems: The sector successfully completed the upgrading of IT infrastructure: Common User Terminal Equipment (CUTE) System – Phase 1. However, no progress was recorded on the Installation of the CUTE SYSTEM - Phase 2 due to financial constraints.

Strategic Initiative: Enforce aviation Security, Development and Maintenance: The target of this strategic initiative was to install a CCTV- Integrated Security Management System at Hosea Kutako International Airport and Eros Airport, however, no progress was recorded at both airports.

Rail Infrastructure:

During NDP4 period rail coverage improved to 2682km from 2488km registered during the NDP3 period while average locomotive availability decreased from 69.5 percent during NDP3 to 68.0 percent in NDP4. The average freight transported by rail decreased by 20,000 from 1.520million to 1.5million tons during the

NDP4 period. However, an increase in the average number of passengers that were transported annually by rail was recorded during NDP4, increasing to 55,000 from 6,800 during NDP3 period.

Maritime Infrastructure

Strategic initiative: Expansion of ports and development of new ports: Progress was made towards the completion of the New Container Terminal at the Port of Walvis Bay scheduled for completion in 2019. Furthermore, the Port Automation System development was completed as planned. However, plans to undertake a feasibility study for the Port of Cape Fria could not proceed as the project was put on hold.

Strategic initiative: Critical Skills for the Future: During NDP4 period, feasibility study for the construction of the Maritime School was approved. Stakeholder consultations were held and it was resolved that the Namibia Maritime and Fisheries Institute (NAMFI) be the host of the school with the support of Namibia University of Science and Technology (NUST). NAMFI is now expected to facilitate the establishment of the Maritime School.

Overall, although the various programmes under the sector were implemented, targets were not met therefore necessitating improved efforts and dedication towards completing all the targeted initiatives for the sector.

DESIRED OUTCOME 5.2: ENERGY

By 2017, Namibia shall have in place adequate base load energy to support industry development through the construction of energy infrastructure and the production capacity will have expanded from 495.5 megawatts to more than 750 megawatts to meet demand.

The NDP4 target of achieving 750MW was not met as the total production capacity of all electricity generating stations in Namibia remains at 503.5MW. The target was not achieved because major projects such as the Kudu-Gas to Power Project and Baynes Hydro Scheme that were expected to result in an increase in local energy production were not implemented.

Furthermore, the energy production capacity decreased by the end of the NDP4 period due to ageing power generation plants that produce less than their installed capacity, such as the Van Eck power station. The Van Eck installed capacity is 120 MW but can only produce about 60 MW and its lifespan is not expected to go beyond 2025.

During the period under review 48 percent of the energy requirements was generated locally through the Ruacana, Van Eck and Anixas power stations as well as the commissioned Solar PV plants (Omburu, Osona, HopSol and MetDecci). The import of electricity is however expected to decline from 2018 as new local generation capacities are added to the system. It is expected that more IPPs will be commissioned to reduce dependency on energy imports. The Renewable Energy Feed-in Tariff (REFIT) interim programme will also add more MW to the grid.

To cater for the deficit, Namibia currently imports up to 200 MW from ESKOM, 39MW from ZESCO of Zambia and 80 MW from the Zimbabwe Power Company (ZPC) through the Southern African Power Pool (SAPP). Namibia imported an average of 58 percent of the total energy requirement from neighboring countries from 2011/12 to 2015/16. Local energy production averaged 41.8 percent of the total energy requirements. The commissioning of local solar-power-generation initiatives, such as HopSol, Omburu and Osona with a total of 14.5 MW connected to the grid, resulted in an increase in the energy production. In 2016, local electricity generation increased by 20.4 percent while imports of electricity increased by 0.2 percent over the same period.

Base load projects: The Kudu Gas to Power and Baines Hydro Power projects remain in the pipeline for implementation. Namcor and MW offshore concluded a partnership agreement for the development of the kudu gas field while Namibian and Angolan Governments are yet to finalize all remaining environmental studies and outstanding project activities for the Baynes Hydro Power Project.

Namibia's' dire electricity situation is compounded by the fact that the energy demand is consistently increasing due to increasing population and increasing industrial demand from industry (mining, transport and construction) while the supply is slightly increasing. Sustainable power supply will therefore be critical for the country to achieve its development goals. Namibia has historically relied on electricity imports from the Southern African Power Pool (SAPP) to supplement its requirements due to surplus generation available in the Region in the past. However, with the change in the demand-supply balance in the Region, this reliance is no longer sustainable and Namibia cannot continue to import over 50 percent of its energy supply.

DESIRED OUTCOME 5.3: WATER AND SANITATION

By the year 2017, access to water for human consumption will increase from 85.5 to 100 percent of the population as well sufficient water reserves for industrialization.

The 2015/2016 NHIES data shows an improvement in the percentage of the population with access to safe drinking water for both domestic and industrial consumption from a baseline of 85.5 percent to 91 percent in 2015/16.

PERFORMANCE ON STRATEGIC INITIATIVES

Strategic initiative: Ensure water security for human consumption and industry development: In order to increase access to water for household and industrial consumption, 20 water supply schemes were completed, 2,759 Water points rehabilitated and 421 Boreholes drilled and 26 earth dams were constructed countrywide.

However, under the water supply schemes the sector failed to complete the implementation of various projects such as Aussenkehr-Treatment plant due to non-compliance with Tender Specifications. Industrial unrests also affected the smooth implementation of the Neckartal Dam in Keetmanshoop as construction progress stood at 60 percent at the end of NDP4.

Strategic Initiative: to increase the coverage and use of improved sanitation facilities. In this regard, 42 percent of households now have access to improved sanitation. A total of 1,531 toilet facilities were constructed in urban areas against a target of 155,511 toilets over the period 2013/14 to 2016/17. Furthermore, 6,021 toilets were constructed in rural areas against a target of 85,297 toilets. The Communication Strategy for Eliminating Open Defecation (OD) in Namibia was finalized during 2013/14. In this regard, a total of 18,086 households were sensitized on improving sanitation to eliminate open defecation.

Water and sanitation sector achieved mixed progress in terms of the set targets mainly due to slow implementation of projects resulting in a high percentage of households without improved sanitation and access to water. Given the important contribution the sector makes to both human consumption and industrial development it is important that sustainable long term solutions be sought to address water shortage problem.

DESIRED OUTCOME 5.4: HOUSING

By 2017, Namibia will have a robust housing delivery programme where affordability is the key feature and 60 per cent of households will be living in modern houses from the baseline of 41 per cent in 2009/10.

The baseline was based on the 2009/2010 NHIES representing 179,085 out of a total of 436,795 households. The 2015/2016 NHIES data indicates an improvement from the NDP4 baseline of 41 per cent to 45.2 per cent of households living in modern housing. This can be attributed to improved government and private sector initiatives to increase housing provision. However, the progress made was insufficient to lead to the achievement of the 60 percent target for the NDP4 period.

PERFORMANCE ON STRATEGIC INITIATIVES

Strategic Initiative: Facilitate the provision of affordable housing to low income groups: During the NDP4 period, Government launched the Mass Housing Development Programme (MHDP) in 2013 to fast-track housing

delivery in order to meet the NDP4 housing targets. The programme was implemented in 22 sites across the country and a total of 2,638 houses in mixed categories were constructed out of a target of 3,944 houses. The initial target for the MHDP was to construct 10, 883 houses per annum, however this target was reduced to 3,944 due to the renegotiation of contracts with service providers.

Furthermore, 3,271 houses were constructed by various institutions including the National Housing Enterprise (NHE), Shack Dwellers Federation of Namibia (SDFN) and private developers through various programmes, such as the turnkey, NHE housing project, the Build Together Programme, Community Savings Groups and public private partnerships to provide housing to low income groups. This resulted in the total number of 5,909 houses built during the NDP4 period from all sources.

Strategic Initiative: ensure the availability of sufficient serviced land in towns and municipalities During the NDP4 period, a total of 26,730 plots were serviced against the target of 34,793.

Strategic Initiative: Development of a National Structure Plan: The aim of the National Structure Plan is to ensure that the provision of housing takes place within the context of a spatial planning framework that is linked to the provision of other infrastructure and services. During the period, 60 percent progress was achieved on the development of the National Structure Plan.

Township Establishments: During the reference period further progress was made in the creation of new townships to expand development in various locations. A total of 63 township establishments were approved, including townships along corridor routes. This resulted in the creation of 14,123 new erven for future development. The highest number of erven were created in the Erongo Region in line with the aspirations to avail land for the development of a logistics hub in the town

Strategic Initiative: Informal Settlement upgrading: A total of 626 informal settlements were targeted for formalization and upgrading over the NDP4 period. However, no informal settlements were upgraded. It is however worth noting that 69 informal settlements were profiled during the period through the SDFN Community Land Information Programme (CLIP).

Overall, the country did not achieve the set targets for the housing sector. This is attributed to among others, the slow pace of the land serving programmes and limited financial resources. This is of concern given the housing backlog that was estimated at 100,000 at the beginning of the NDP4 and now currently being estimated at 300,000.

DESIRED OUTCOME 5.5: ICT

By 2017, adequate ICT Infrastructure will be in place to facilitate economic development and competitiveness through innovation, research and development. Availability of latest technologies score improves to 6.0 from 5.5 from 2011.

Namibia's ranking in terms of availability of latest technologies score declined from a baseline of 5.5 out of 7 in 2011/12 to 5.0 in 2016/17. This is despite interventions in terms of ICT infrastructure development in expanding the fibre optic network.

The Availability of Latest Technologies score constitutes one of the indicators within the business and innovation environment pillar of the World Economic Forum's Network Readiness Index. The ICT Readiness and Usage sub-indices of the Network Readiness Index recorded an improvement in the availability of ICT infrastructure and digital content as reflected by the increase in the score from 2.7 out of 7 in 2011 to an average of 3 out of 7 over the NDP4 period. The ICT affordability scores have also improved, although the 2011 baseline is not provided, an improvement can be noted, from 2.9 out of 7 in 2012 to an average of 3.2 out of 7 over the past five years. In contrast, a decline can be noted in the availability of ICT skills as shown by the decrease in scores from 4 out of 7 in 2012 to 3.8 out of 7 in 2015. This is due to a decline in the adult literacy rate which is one of the indicators used to measure the availability of ICT skills. The adult literacy rate has decreased from 88.2 percent in 2011 to 81 percent in 2016 according to the World Economic Forum. On

the other hand, the ICT Usage sub-index has shown an improvement in ICT usage for individual, business and government usage with business usage registering the highest score of 3.7 out of 7 in 2015 and 2016. This indicates an improvement in the use of ICT in the business and innovation environment.

PERFORMANCE ON STRATEGIC INITIATIVES

The focus in NDP4 was the development of ICT infrastructure and to increase affordable access to it. The main objectives were to promote business efficiency; give targeted industries a competitive advantage and contribute to the knowledge based economy aspired to in Vision 2030.

Strategic Initiative: Ensure Modern and reliable ICT Infrastructure: ICT infrastructure development targets were largely exceeded during the NDP4 period. Notable achievements include the increase in the extension of the Fibre Optic Network installed totaling 12733km at the end of the NDP4 period, while the number of broadband ports installed stood at 56558 ports, against the target of 12679km and 47000ports, respectively.

Notable progress was also made on Digital Terrestrial Television (DTT) Coverage that will ensure Government's compliance with the International Communications Union resolution for countries to migrate to digital television. The digital move will also free up broadcasting space for other services such as mobile broadband, the delivery of e-government and emergency services. Broadband access networks were also extended to underserved rural and urban areas through the establishment of additional broadband ports from 37,000 ports in 2012 to 56,558 ports in 2016. International upstream capacities were also increased to improve bandwidth capacities and accelerate global internet connections capacities which were increased from 2.4 Gbps to 23.86 Gbps. However, challenges were experienced in terms of the establishment of a Universal Services Fund (USF) aimed at subsidizing the provision of ICT infrastructure and services to underserved areas across the country.

Overall, significant progress was made towards the achievement of the strategic initiatives of the sector, however, concerted efforts will be required to increase the supply of ICT infrastructure in remote areas and facilitate the sustainable provision of ICT services to these areas.

DESIRED OUTCOME 6: LOGISTICS

By 2017, the volume in cargo handling and rail transported cargo is double that of 2012 and the Port of Walvis bay has become the preferred African west coast port and logistics corridor for southern and central African logistics operations.

The NDP4 desired outcome for the sector could not be met by the end of NDP4. The volume of cargo slightly increased from 6.2 in 2011/12 to 6.5 in 2012/13. The second year, 2013/14 however recorded the lowest volume in cargo as the cargo handled at the ports declined to 3.5 million tons which was followed by an increased volumes of cargo handled to 5.4 and 5.7 million during 2014/15 and 2015/16 respectively. The final year of NDP4 implementation (2016/17) recorded yet another decline in cargo volume handled at the Ports of 5.5 million tons. During NDP4 the average cargo handled at the ports was 5.3 million tons.

The decline in cargo volumes recorded at Namibian Ports is attributed to amongst others, economic challenges experienced by countries that the Ports serve in terms of cargo handling. The decline in commodity prices led to the decrease in exports being experienced by different countries. These include countries such as Angola which is heavily reliant on oil. The decline in oil prices has resulted in a significant decrease in imports to Angola through the Ports especially that of Walvis Bay which serves as a strategic port for this particular country because of its geographic location. Namibian Ports also experienced tough competition from other African Ports that have invested in increased ports expansion and logistics infrastructure. The situation led to a decline in cargo handled at the Ports for imports meant for countries such as DRC, Zambia, Botswana and Zimbabwe.

PROGRESS ON NDP4 STRATEGIC INITIATIVES IN THE LOGISTICS SECTOR

Strategic Initiative: Develop a National Logistics Master Plan, detailing Namibia as an international logistics hub: The Logistics Master Plan was completed and is being implemented.

Overall, although the initiative set for the implementation of the logistics master plan was achieved, the target for the desired outcome was not achieved. There is therefore a need to continue with efforts of making Namibia a logistics hub.

DESIRED OUTCOME 7: TOURISM

In line with the National Tourism Growth and Development Strategy, Namibia is the most competitive tourist destination in Africa by 2017, as measured by the World Economic Forum Travel and Tourism Competitiveness Index. Namibia's ranking has increased from being 3rd in Sub-Saharan Africa with an overall competitiveness score of 3.84 out of 7.0 (2011/2012) to being first, with a score of at least 4.40 out of 7.0.

Results show that Namibia's travel and tourism competitiveness ranking in Sub-Saharan Africa has declined from 3rd place in 2011/12 to 4th place in 2016/17, following South Africa, Mauritius and Kenya. Namibia's WTTCI score has also declined from 3.84 in 2011/12 to 3.59 out of 7.0 in 2016/2017.

Namibia however improved in the overall global ranking and was ranked 82nd out of 136 countries compared to 84th out of 139 countries in 2011/12. The arrival of tourists in the country has also shown a steady increase from 4,851,524 during NDP3 period to 5,534,143 during NDP4 period.

In terms of economic performance, the tourism sector is measured using hotels and restaurants. The NDP4 target was for the hotels and restaurant to grow by an average of 5.1 percent, however an outturn of 6.4 percent was recorded.

Growth in the tourism sector is attributed to an increase in the number of tourist arrivals in the country. Total tourist arrivals increased to 1,106,829 on average during the NDP4 period as compared to only 970,305 on average during NDP3. Most visitors to Namibia are from Europe, South Africa, Angola and America. In terms of foreign earnings from the tourism sector, about N\$2.746 billion was earned during NDP4 period, N\$500 million more than the earnings recorded during NDP3, again attributed to an increase in tourist arrivals observed during NDP4.

PERFORMANCE ON STRATEGIC INITIATIVES

Strategic Initiative: Finalise the Tourism Growth Strategy: The National Sustainable Tourism Growth and Development Strategy (2016-2026), together with the National Tourism Investment Profile and Promotion Strategy (2016-2026) were finalized. Two bodies were established to facilitate the implementation of the Strategy. These are the National Tourism Competitiveness Advisory Council and the Inter-Ministerial Tourism Development Committee. The Council will be responsible for supporting and promoting tourism policies, skills acquisition, Inter-Sectoral collaboration and identifying issues that hamper the growth and business environment of the sector. The Inter-Ministerial Committee on the other hand will look at issues of policy, regulations and laws that affect the industry. Ultimately, the successful implementation of the Strategy is envisaged to result in improved investment in the sector, increased tourist arrivals and ultimately the improved growth of the sector and increased contribution to the economy.

Strategic Initiative: Increase the Generic Marketing of Namibia as a Tourist Destination: During the NDP4 period, the country engaged in numerous international, regional and national exhibitions and campaigns promoting Namibia as a tourist destination. As a result the total number of tourist arrivals increased during the period.

Strategic Initiative: Develop and Maintain Parks: In line with this initiative, park management Plans for Waterberg Plateau Park, Daan Viljoen Game Park and Naute Game Park were finalized and approved.

Strategic Initiative: Deliver Effective and efficient Destination Management: Resorts such as the Gross Barmen and Hardap Resorts, were upgraded, whereas, Okaukuejo and Namutoni storage facilities were extended.

Strategic Initiative: Develop, attract and retain skilled human resources: About 1,335 personnel in priority areas in the tourism industry such as tour guiding, culinary art, master chef and hospitality were trained.

Overall, the tourism sector made progress in terms of infrastructure development (Parks and tourism routes). The increase in tourist arrivals also shows improvement in the sector that can be attributed to effective marketing, infrastructure upgrading and human resource development in the sector. However, despite these improvements, the desired outcome for the sector was not achieved.

DESIRED OUTCOME 8: MANUFACTURING

By 2017, the contribution of general manufacturing in constant Namibia Dollar terms has increased by 50 percent over the baseline figure of the 2010 National Accounts, and significant strides have been made in identifying and developing upstream and downstream economic activities in the minerals sector.

The manufacturing sector contributed an average of 10.8 percent to GDP between 2012 and 2016, falling short of the 18.7 percent target. Further, the average growth rate of the sector, contracted by 1.4 percent over the same period, against target of 7.5 percent. The decline in the sector performance can be attributed to meat processing, beverages, textile and wearing apparel and basic non-ferrous metals that registered declines in 2014/15 and 2015/16 financial years. Furthermore, other subsectors such as diamond processing; other food products and other manufacturing also recorded declines.

PERFORMANCE ON STRATEGIC INITIATIVES

Strategic initiative: Develop an import substitution strategy, especially for agro-processing and for inputs in the mineral sector: Import substitution strategy was not developed during the reporting period.

To **promote preferential government procurement of locally produced goods:** 50 percent progress was achieved in the formulation of a database and e-procurement system. The Public Procurement Act of 2015 (Act no 15 of 2015) was enacted during the NDP4 period.

In terms of **reviewing the incentive regime with a view to streamlining and linking it to priority sectors:** The new Investment Act was passed and enacted in August 2016.

Strategic Initiative: Implement the Industrial Upgrading and Modernization Programme (IUMP): The IUMP programme supported more than 30 beneficiaries' with industrial upgrading. However the 20 percent own capital contribution required, delayed the actual execution in terms of fund utilization. The IUMP has received funding from the SADC Trade Related Facility for re-optimization and re-engineering to ensure that it up-scales from its pilot phase of NDP4 to a fully-fledged programme in NDP5.

Strategic Initiative: Reform of the Institution and legal framework for Industrial Development: The Namibia Industrial Development Agency (NIDA) Bill was passed. The MSME National Policy was approved in Parliament in November 2016. These legislations will create an enabling environment for industrial development.

Strategic Initiative: Support to industry associations & SMEs services providers: During the NDP4 period, an amount of N\$700 000 was given to Namibia Manufacturers' Association to support the manufacturing activities in the country.

Strategic Initiative: Enhancement of value addition: During the NDP4 period, progress was recorded in the canning and processing of horse mackerel, pilchard and squid. Progress was also recorded in the construction of a cutting and polishing facility in Khorixas.

Strategic Initiative: Increase the supply of rough diamonds to local cutting and polishing factories:

The new Diamond Sales & Marketing Agreement to increase the supply of rough diamonds from US\$ 230 million to USD 430 million (which translates into 53 percent) to local cutting and polishing factories was signed between GRN and De Beers on a 10-year tenure period.

Strategic Initiative: Conduct nationwide assessment audits of the skills available for manufacturing, and of those still required. A Sector Skills Plan (SSP) for the Manufacturing and Related Industries was developed and is being implemented.

Strategic Initiative: Ensure market access for Namibian products through negotiation of trade agreements and trade facilitation measures. The Namibian Government signed the SADC EPA which provides for an increase in market access. In addition, Namibia also signed the Tripartite Free Trade Area Agreement (TFTAA) along with 17 other countries.

Strategic Initiative: Establish testing facilities for manufactured goods. A centre for testing facilities for manufactured goods was established and is operational.

Strategic Initiative: Conclude feasibility studies on further beneficiation in copper, gold, uranium, zinc and small-scale mining products. Beneficiation studies on copper, gold, iron, ore/steel, diamonds, lead, uranium, zinc, dimension stone, fluorspar, graphite, manganese, phosphate, salt and silica sand were conducted.

Overall, efforts were made towards the attainment of strategic initiatives however, much still need to be done to enable the sector to contribute significantly to GDP as envisaged.

DESIRED OUTCOME 9: AGRICULTURE

Agriculture experiences an average real growth of 4% per annum over the NDP4 period.

During NDP4 period, the agricultural sector registered a mixed growth trajectory characterized by positive growths in the years 2012/2013 and 2014/15 and negative growths in 2013/2014, 2015/2016 and 2016/2017 resulting in an average contraction of 1.9 over the NDP4 period. The growth fluctuations over the years demonstrate the sector's vulnerability to climate conditions and the prevalence of limited modernization.

PERFORMANCE ON STRATEGIC INITIATIVES

Strategic initiative: Expansion of the green scheme programme: An additional 5,000 hectares of land were planned to be put under irrigation from the baseline of 10,000 hectares, however, only 1,160 hectares were put under irrigation during the NDP4 period resulting in the overall hectares under irrigation increasing to 11,160.

Strategic initiative: Continue implementation of the debushing programme: In terms of debushing, 64 073 hectares of land were targeted, however, only 38 547 hectares were debushed during the NDP4 period.

Strategic initiative: Cash transfer and subsidies to subsistence farmers to enhance food security: NDP4 target was to achieve 138,136 farmers participating in the input subsidy scheme, however, 105,595 farmers benefited from the seeds and fertilizer subsidies. In addition, 387 farmers were targeted to receive small livestock, however, only 80 beneficiaries received the small stock during the NDP4 period.

Strategic initiative: Promote conservation agriculture: In order to promote conservation agriculture, 3, 570 hectares of land was targeted to be planted with fruit trees, however, only 194 hectares was planted with fruit trees during the NDP4 period. With regard to reducing hectares of area burnt by uncontrolled forest fires, 16 247 210 hectares was burned, against the target of 21 100 000 hectares during the NDP4 period.

Strategic initiative: Ensure equitable distribution and access to land: In order to ensure that land is distributed equally and that Namibians have access to land, a total of 817 hectares of land was acquired for resettlement, out of the target of 843 hectares translating to 97 percent achievement of the set target. In this regard, 377 previously disadvantaged landless Namibians were resettled, surpassing the NDP4 target of 354. Furthermore, a total of 80,875 Communal Land Rights (Customary existing) out of the target of 225,024 were registered during the NDP4 period.

Overall, the sector did not meet the targets as outlined in the plan, mainly on account of unfavourable climatic conditions and the constant outbreak of foot and mouth disease during the period under review.

Government spending over NDP4 period

The NDP4 Period recorded an overall budget allocation of N\$269 billion of which N\$42 billion was allocated to the Development Budget while N\$227 was allocated to the Operational Budget. An expenditure outturn of N\$270 billion was recorded during the NDP4 period, translating into a 101 percent execution rate (slightly above 100 percent) on account of overspending registered by some votes.

Out of the overall NDP4 expenditure, N\$36 billion (13 percent) was spent on economic priority sectors namely; Logistics, Tourism, Manufacturing and Agriculture. An amount of N\$105 billion (39 percent) was spent on social sectors (Health, Education and Housing) while the remaining N\$128 billion (48 percent) was spent on Other Sectors, such as: Energy, Mining and Fishing, public administration, security and ICT sectors.

In terms of allocation to SoEs in the economic priority sectors, a total amount of N\$6.5 billion was transferred through the operational budget. Despite the significant amount of money allocated, performance was not as expected as most of the sectors performed below the NDP4 targets.

In terms of development budget allocation to the votes in the priority sectors; a significant amount was allocated to the Ministry of Works and Transport, Ministry of Agriculture, Water and Forestry Ministry of Urban and Rural development, Ministry of Industrialization, Trade and SME Development as well as Ministry of Environment and Tourism.

5. OVERALL CONCLUSION

NDP4 had 3 Goals and 9 desired outcomes linked to Economic priority areas as well as Basic Enablers which were all referred to as priority areas. Overall, the significant progress was made in all sectors towards the achievement of the Desired Outcomes and goals. However, due to numerous challenges ranging from natural factors such as drought, to economic ones such as budget constraints, NDP4 goals were not achieved. Though the target of 6 percent was not achieved in terms of GDP growth, the outturn was higher than the growth rate recorded in the previous NDP. Furthermore, progress on the goal to achieve income equality was made although, the improvement was very minimal. In terms of the employment creation goal, 88 percent of the set target was achieved.

In terms of the desired outcome of the economic priority areas, all the desired outcomes were not achieved. The performance of the basic enablers showed mixed results, with some enablers performing well although not meeting the NDP4 targets. Sectors that did not perform well include; energy, transport and logistics as well as the manufacturing. The performance could be attributed to budget constraints, lack of capacity, misalignment of the sector strategic plans, drought and difficult economic conditions experienced especially in the last year of implementation and.

6. LESSONS LEARNED

Various lessons were drawn during the era of NDP4 stemming from its formulation, resource endowment, implementation and lastly its monitoring and evaluation.

Some of the lessons learned during the NDP4 from the various phases are outlined below:

6.1 Lessons learned during formulation

The methodology adopted in the formulation of NDP4 was top down whereby minimal consultations with stakeholders took place in the formulation process. The participation of the private sector was also limited resulting in limited buy-in.

6.2 Funding of NDP4

The prioritization adopted by NDP4 was a good approach as it ensured focus in terms of resource allocation to priority areas. However, it turned out that not all programmes and projects under priority sectors were funded due to resource constraints.

6.3 Implementation

The Sectoral approach adopted during NDP5 turned out to be difficult for the lead ministries to coordinate stakeholder activities within their respective sectors, and that resulted in some sectors not having Sectoral Execution Plans (SEPs) and Annual Sectoral Execution Plans (ASEPs). Most Offices, Ministries and Agencies preferred working in silos resulting in seclusion in the implementation process.

6.4 Monitoring and Evaluation

Systematic monitoring and evaluation was conducted from time to time. The sectors were required to report progress on the implementation to NPC every six months. These reports, upon completion were submitted to Cabinet that was expected to approve them prior to dissemination to the general public.

The absence of SEPs and ASEPs in some sectors made the execution of M&E difficult during the period under review. Furthermore, the lack of harmonization and streamlining of activities by entities with oversight roles such as MOF, OPM and NPC resulted in the increased reporting burden on the side of O/M/As. Lack of skills in O/M/As resulted in poor quality M&E reports leading to their inadequacy in influencing decisions.

Therefore, Monitoring and evaluation measures should be developed in conjunction with NDP formulation. Clear modalities for monitoring and reporting should be articulated in the NDP. Furthermore, a clear logical results chain should be articulated in the formulation of the plan to be able to link progress at strategy level to the desired outcomes.

7. RECOMMENDATIONS

- 7.1 Formulation of NDPs should adopt a consultative approach to ensure that the views and inputs of all stakeholders including the private sector are incorporated to induce ownership of the plan hence facilitating implementation by all.
- 7.2 The allocation of resources should be directed to sectors identified as priorities as well as to specific interventions within the sectors that are envisaged to bring about the expected changes. The sector's budget presentation should be evaluated on the basis of government priorities. Furthermore, presentation of the budget by the Minister of Finance needs to clearly indicate allocation to priority sectors.
- 7.3 There is a need to strengthen and enhance the capacity of O/M/As to implement programmes and projects for the objectives outlined in National Plans to be achieved.

- 7.4 For effective monitoring and evaluation each national development plan should be accompanied by development of Monitoring and Evaluation Plan outlining how the Plan will be monitored and evaluated. There is a need to establish M&E positions in O/M/As to undertake M&E functions on a full time basis.