



REPUBLIC OF NAMIBIA
MINISTRY OF FINANCE



ANNUAL REPORT
2019 / 2020

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ACRONYMS

AFD	-	French Development Agency
AFDB	-	African Development Bank
ALSF	-	Africa Legal Support Facility
ATAF	-	African Tax Administration Forum
CGS	-	Credit Guarantee Scheme
DFIs	-	Development Finance Institutions
E-GP	-	E-Government Procurement
EPAS	-	Economic Policy Advisory Services
GDP	-	Gross Domestic Product
IFMS	-	Integrated Financial Management System
ISPPP	-	Institutional Strengthening for Public-Private Partnerships
ITAS	-	Integrated Tax Administration System
KPI	-	Key Performance Indicators
MOF	-	Ministry of Finance
MSMEs	-	Micro, Small and Medium Enterprises
MTEF	-	Medium Term Expenditure Framework
NAMPOL	-	Namibian Police Force
NamRA	-	Namibia Revenue Agency
NIPAM	-	Namibian Institute of Public Administration and Management
NSA	-	Namibia Statistics Agency
OECD	-	Organisation for Economic Co-operation and Development
OMAs	-	Offices Ministries and Agencies
OPM	-	Office of the Prime Minister
PE's	-	Public Entities
PFM	-	Public Finance Management
PPP	-	Public-Private Partnership
PPU	-	Procurement Policy Unit
PSEMAS	-	Public Service Employees Medical Aid Scheme
SADC	-	Southern African Development Community
SDM	-	Sovereign Debt Management Strategy
SMEs	-	Small and Medium Enterprises
SOEs	-	State-Owned Enterprises
UNCTAD	-	United Nations Conference on Trade and Development
VCF	-	Venture Capital Fund

MESSAGE FROM THE MINISTER



HON. CALLE SCHLETTWEIN

Minister of Finance

It gives me great pleasure to present the 2019/2020 Financial Year Annual Report of the Ministry of Finance. This report has been compiled to provide an overall analysis of developments in the Namibian economy and the financial sector in particular.

According to the United Nations Conference on Trade and Development (UNCTAD), the world Gross Domestic Product (GDP) has slipped to 2.8% in 2019, compared to a moderate growth of 3.0% recorded in 2018. This is the lowest growth rate recorded since the 2008/2009 global economic meltdown. The dip in the global economy has adversely affected Namibia's economic growth, which declined by 0.9% in 2019, reflecting an over-reliance on mineral commodities and other internationally traded products. The primary industries contracted by 6.9%, mainly due to declines across the sectors, while secondary and tertiary industries have shown a considerable pattern of resilience. The performance of secondary industries improved, with a growth rate of 2.2% relative to a contraction of 0.7% recorded in the preceding year. The tertiary industries improved by 1.1% relative to the contraction of 1.0% recorded in the previous year. This growth was attributed mainly to the expansion of 4.7% in the manufacturing sector. Improvement in tertiary industries was driven by improved performance of information communication, financial and insurance service activities, and education.

In 2019, the average inflation was recorded at 3.7%, the lowest since 2015, reflecting subdued domestic economic activities and domestic consumption.

The financial sector remained stable, although access to finance (especially by SMEs and youth) has remained a challenge. To overcome such constraints, the Government launched an SME Financing Strategy in December 2019, comprised of three facilities, namely:

- 1) Credit Guarantee Scheme (CGS) – this facility is aimed at assisting SMEs with bankable projects to access and obtain loans from commercial banks through a shared risk arrangement between CGS, lending institutions, and the borrowers. The CGS guarantees a maximum of 60% of the principal loan amount.
- 2) Mentoring and Coaching Programme (MCP) – the MCP is aimed at addressing the business operations and management challenges faced by the SMEs in Namibia.
- 3) Venture Capital Fund (VCF) – the Fund is aimed at enhancing access to finance by providing equity financing to growth-oriented SMEs in Namibia.

The fiscal policy stance for the 2019/2020 budget reflected the Government's drive to maintain a pro growth fiscal consolidation intended to stabilise the growing government debt, maintaining growth-friendly policy and protecting social spending.

The primary policy objective was to reduce spending and decrease the budget deficit by implementing expenditure cuts, combined with revenue-enhancing fiscal reforms that will eventually stabilise growth in government debt stock. These measures include public sector wage bill reduction, revenue-raising tax policy, and tax administration reforms, as well as structural policy reforms to support the implementation of the fiscal consolidation programme. This resulted in a slight reduction of the budget deficit to 5.0% in 2019/2020, from 5.1% recorded in 2018/2019. The modest change in deficit reflects an increased revenue from the SACU, while expenditure growth was moderated relative to previous years. However, due to high budget deficit levels in the previous two years, debt stock has remained high.

Going forward, the Ministry will focus its efforts on supporting the fight against the COVID-19 pandemic and mitigating the effects thereof on the economy and peoples' livelihoods. Achieving this objective requires close cooperation between government, private sector, development partners, and non-government organisations.

Calle Schlettwein, MP

Minister of Finance



MS. ERICAH SHAFUDAH

Executive Director

During the 2019/2020 financial year, the Ministry of Finance was committed to ensuring good governance in all practices and remained accountable to the Public in line with Public Service Guidelines.

The Ministry has continued with the implementation of its 2017-2022 Strategic Plan, which outlines the Ministry's high-level Vision, Mission, and Strategic Objectives. These are cascaded into the Ministry's Annual Plan, developed with clear Key Performance Indicators and actions necessary to achieve the Ministry's strategic objectives.

Through the valuable contributions of our dedicated staff and the strategic guidance provided by our leadership, the Ministry of Finance achieved most of its targets for the year under review. The progress and achievements are outlined in detail below. The overall performance stood at 91% during this financial year.

Highlights of key achievements per programme are as follows:

- **Economic Policy Advisory Services**

The Programme delivered the 2020/2021 Macro-Fiscal Strategy for the Budget. The Strategy contains an analysis of recent economic and policy developments, policy recommendations, and fiscal policy stance for the 2020/2021 Budget.

- **Revenue Management**

The Programme managed to collect N\$34.4 billion (99.7% collection) of the targeted N\$34.6 billion. This collection was low compared to the 2018/2019 financial year collection of N\$34.8 billion. This lower collection is attributed to the persistent recessionary pressure.

This programme also saw the successful launch of the Integrated Tax Administration System (ITAS).

- **Government Expenditure Management**
- **Government Procurement Management**

The achievements noted in this Annual Report would not have been possible without the invaluable guidance of our Minister, contributions of our staff, and the unwavering support of all our stakeholders.

Ericah Shafudah

Executive Director

1. INTRODUCTION

Overview of the Ministry of Finance

The Ministry of Finance is responsible for central government finances, including coordination of the central government budget, macro-fiscal analyses and forecasting, tax policy administration as well as managing Central Government Budget. The Ministry also provides oversight of the financial sector.

THE CORE FUNCTIONS OF THE MINISTRY ARE AS FOLLOWS:

- Economic policy, tax, financial regulation, and research
- Public finance and budget management
- Assets and liability management
- Financial accounting and reporting
- International financial relations
- Central Government procurement administration
- Revenue administration.

MANDATE

To formulate economic and fiscal policies that seek to manage public finances in order to promote socio-economic development and sustainable economic growth. The mandate further seeks to manage the State Revenue Fund, assets, and liabilities as well as to promote ultimate oversight of the financial sector.

Further embedded in this is the stewardship of Public Finance Management and overall oversight of the financial sector.

VISION

“To be a catalyst and adaptive institution that promotes sustainable economic prosperity for all”

The Vision, Mission and Core Values of the Ministry binds together our purpose of existence and ambition to deliver on the mandate.

MISSION

“Setting the direction of Namibia’s economic and fiscal policy for prudent management of public finances to achieve strong, sustainable economic growth and equitable development”

Core Values

The core values of the Ministry remain the standards that guide our staff and their relationship with stakeholders. These principles will continue to drive individual and collective performance.

ACRONYM	CORE VALUE	DESCRIPTION
S	STANDARDS	Set, publish and monitor clear standards of service public servants should uphold.
A	ACCOUNTABILITY	Provide details of performance against targets and identify who is responsible. Such services are being provided by public servants who can be identified readily by their customers as they should be wearing name badges. To ensure that public servants are accountable for their actions at all times.
V	VALUE FOR MONEY	Provide efficient, effective, and affordable public services.
T	TRANSPARENCY	Disclose how public services are managed together with the cost and performance of specific services which are open to public scrutiny in all actions taken in public office.

2. EXECUTIVE MANAGEMENT STRATEGIES

A. Strategic objectives

During the year under review, the Ministry dedicated its resources to the delivery and the achievement of the strategic objectives set out in its five-year Strategic Plan (2017/2018 - 2021/2022). These strategic objectives represent the broad priorities, which the Ministry aims to achieve in line with national development objectives. These strategic objectives are:

1. Contribute towards equitable socio-economic development through fiscal policy intervention
2. Optimise public revenue collection
3. Ensure that public expenditure delivers results and value for money
4. Manage Public Assets and Liabilities
5. Ensure effective management of human capital and other resources
6. Enhance the development and stability of the financial sector.

B. Ministerial Programmes

To implement the above strategic objectives, the ministry identified key initiatives that are integrated with the following programmes:

I) ECONOMIC POLICY ADVICE

To advise the Government on economic policy towards fostering macro-economic stability, advancing economic development, and addressing socio-economic challenges.

II) REVENUE MANAGEMENT

To collect revenue from taxes, duties and fees as prescribed in relevant tax as well as customs and excise laws. The Programme further ensures compliance with such laws and facilitates trade and the movement of goods and services between Namibia and the rest of the world.

III) GOVERNMENT EXPENDITURE MANAGEMENT

To ensure the effective and timely formulation of the budget and the MTEF, proper control, accounting and reporting of the financial resources as well as management of State assets and liabilities.

IV) GOVERNMENT PROCUREMENT MANAGEMENT

To ensure the implementation of the Public Procurement Act, (Act 15 of 2015), and to monitor the compliance thereof by all Public Entities through the Procurement Policy Unit.

V) CIVIL SERVANT MANAGEMENT HEALTH CARE

To ensure effective coordination and management of the Public Service Employees Medical Aid Scheme (PSEMAS) through the registration of members and coordination of members' services as well as timely payment of claims submitted by health services providers.

VI) POLICY COORDINATION AND SUPPORT SERVICES

To provide policy supervision and administrative support to the activities of the Ministry. The objectives under this programme also entail the strategic guidance and oversight towards the achievement of established goals of the Ministry of Finance by the Office of the Minister and Accounting Officer.

C. Ministry's Financial Summary

The Ministry of Finance was allocated a revised budget of N\$4.401 billion for the 2019/2020 financial year, of which N\$4.4 billion was for operational activities and N\$8.0 million was allocated for development activities.

A total amount of N\$4.5 billion was spent, reflecting a budget execution rate of 101.9%. With regards to the developmental budget, an amount of N\$3.6 million was expended, representing an execution rate of 45.0%.

Overall, the Ministry has achieved the implementation of year three targets in its Strategic Plan 2017-2022 through the implementation of the 2019/2020 Annual Plan.

3. OVERVIEW OF THE FINANCIAL SECTOR

A. Capital Markets Development

I) LISTING ACTIVITIES IN THE PRIMARY MARKET

As part of the domestic capital market development, the Government continued to introduce various instruments across the yield curve in the 2019/2020 financial year. In this regard, two fixed-rate bonds (GC43, GC50), maturing in 2043 and 2050, respectively, and one inflation-linked bond (GI36) maturing in 2036, were introduced. This brought the total number of outstanding domestic Government bonds to 20 (twenty).

II) TREASURY BILLS AUCTION

Treasury bills auctions were held at least weekly during the 2019/2020 financial year and a total of N\$2.6 billion was sourced from Treasury bills auctions. This is equivalent to 30.5% of the total domestic borrowing. It is worth noting that an amount of N\$1.1 billion was raised by adjusting the values on the existing Treasury bills upwards, in addition to two new Treasury bills issued, worth N\$1.5 billion. The demand for treasury bills remained relatively stable over the period with minimal under subscriptions observed. The allocation of the Treasury bills was done considering input from the market while being cognisant of the elevated roll-over risk.

The demand for Treasury bills remained favourable during the 2019/2020 financial year with most auctions oversubscribed, especially for the GT-273 and GT-364.

In addition to receiving high bid-to-cover ratios, the yields on the Treasury bills were also stable during the financial year. The spreads relative to their corresponding benchmarks are also compressed over the year.

Table 1 below displays the outcomes of Treasury bills auctions held during the 2019/2020 financial year.

TABLE: 1 TREASURY BILLS AUCTION PERFORMANCE FY 2019/2020

	91-DAY	182-DAY	273-DAY	364-DAY
BID-TO-COVER RATIOS				
Average	1.6	1.6	1.9	2.2
Highest	2.9	2.7	2.8	3.7
Lowest	0.8	1.0	1.0	1.4
EFFECTIVE YIELDS				
Average	5.5	7.7	7.8	7.8
Highest	7.9	8.1	8.3	8.4
Lowest	0.1	7.4	7.4	7.5
SPREADS (BPS)				
Average	30	20	23	27
Highest	103	72	77	76
Lowest	6	-12	-13	-14

III) GOVERNMENT BONDS AUCTION PERFORMANCE

During the 2019/2020 financial year, about 74.0% of the total domestic financing requirement was financed through Treasury bonds. As is customary, during the 2019/2020 financial year, Fixed Income bond auctions were conducted twice a month, while the Inflation-Linked bonds (ILB's) were auctioned once a month. The gross outstanding amount on domestic Government bonds increased from N\$33.3 billion at the beginning of the fiscal year to a total of N\$39.1 billion by the end of the fiscal year (31 March 2020). Fixed-rate bonds constituted 84.9% of this amount, while 15.1% was denominated in ILB's.

Although the subscriptions on fixed-rate bonds varied during the period under review, the bonds performed better in comparison to the previous fiscal year. While the demand was concentrated on the short-to-medium term part of the curve, the period recorded an uptick in the market's interests in long-term bonds (Table 2). Overall, the improvement in the demand occurred on the back of revisions to Regulation 28 of the Pensions Fund Act, (Act 24 of 1956 as Amended), which requires institutions to hold a minimum of 45% of financial assets locally.

The difference between the yields on the South African and Namibian Government bonds narrowed during 2019. On average, the spread on all the bonds compressed and the increase in demand for Government bonds relative to the previous year resulted in a yield drop on most of the bonds, causing the spread between their South African benchmarks to tighten (Table 2). The movements in bond yields reflect the cut in the domestic repo rate, as well as buoyant demand conditions for Government debt securities.

TABLE 2: FIXED-RATE BOND AUCTION PERFORMANCE FY 2019/2020

	GC23	GC26	GC27	GC30	GC32	GC35	GC37	GC40	GC43	GC45	GC50
BID-TO-COVER RATIOS											
Average	3.0	5.1	2.9	2.0	2.0	1.7	2.1	1.7	1.7	2.5	3.0
Highest	5.3	7.2	5.4	4.5	4.5	3.8	3.5	4.0	4.3	4.6	6.3
Lowest	0.7	2.4	1.3	0.5	0.5	0.4	0.8	0.0	0.4	0.6	0.9
EFFECTIVE YIELDS											
Average	8.4	7.6	9.1	9.9	10.2	10.6	10.8	11.1	11.4	11.6	11.8
Highest	8.7	7.8	9.5	10.3	10.6	11.0	11.3	11.5	11.9	12.1	12.2
Lowest	7.8	7.4	8.8	9.4	9.8	10.3	10.4	10.3	10.9	11.2	11.4
SPREADS (BPS)											
Average	101	30	81	82	100	99	96	127	143	170	186
Highest	113	34	102	112	146	133	134	147	180	207	197
Lowest	87	25	34	55	65	87	0	89	106	143	167

The demand for ILB's declined during the 2019/2020 financial year. The observed poor market appetite for ILB's reflects uncertainty over the inflation outlook, considering the current inflation levels of less than 3.0% since November 2019. Declining consumer demand and a decrease in the housing and utilities sectors continue to put downwards pressure on local inflation, creating significant downside risk to the CPI forecast. As such, there were several under-subscriptions recorded in the wake of lower inflation. The effective yields on the three ILB's averaged between 5.8% and 6.6% (Table 3). A total of N\$1.1 billion was raised on inflation-linked bonds during the 2019/2020 financial year.

TABLE 3: INFLATION-LINKED BONDS AUCTION PERFORMANCE FY 2019/2020

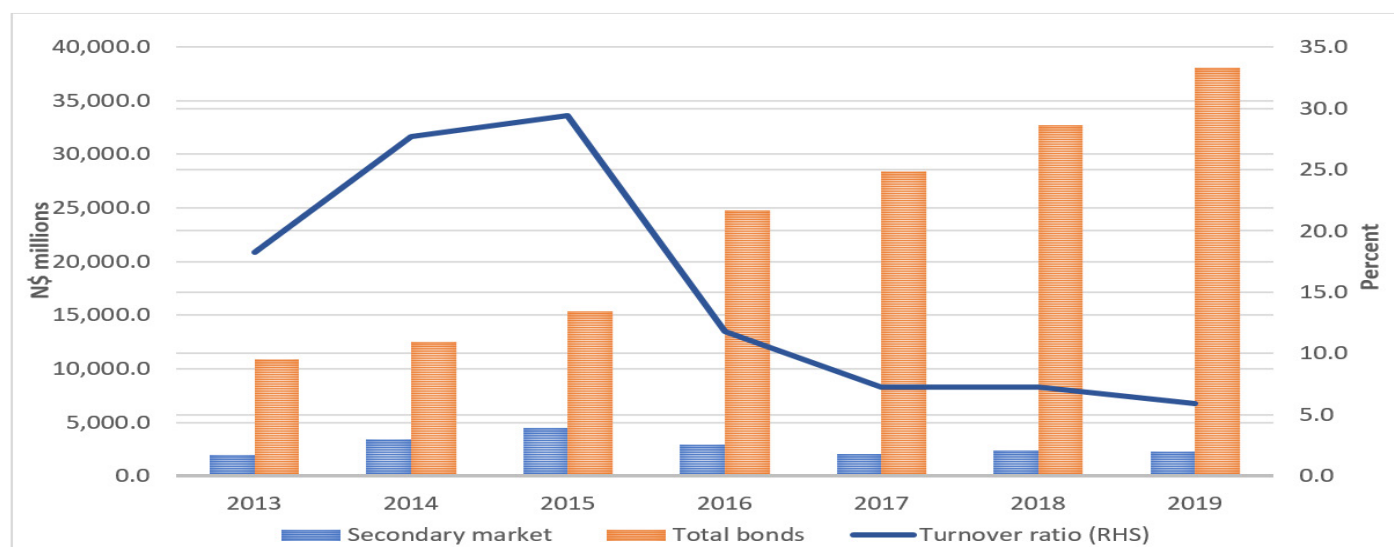
	GI29	GI33	GI36
BID-TO-COVER RATIOS			
Average	1.9	1.5	2.0
Highest	3.5	3.3	3.8
Lowest	0.0	0.0	0.0
EFFECTIVE YIELDS			
Average	5.8	6.3	6.6
Highest	6.3	6.7	7.0
Lowest	5.6	6.1	6.4

In line with the 2019/2020 fiscal year financing requirements, the value of outstanding Government debt rose, year-on-year, at the end of March 2020. As such, the domestic debt stood at N\$63.7 billion, an annual increase of about 15.2%, with the issuance of both IRS and TBs rising by 17.5% and 11.7%, respectively.

IV) SECONDARY MARKET ACTIVITIES

The trading of Government bonds in the secondary market remained largely unchanged during the 2019/2020 financial year, in comparison to the 2018/2019 financial year. Government bonds worth about N\$2.3 billion were traded on the secondary market during the year under review compared to N\$2.4 billion recorded in 2018. As a result of this, and coupled with an increase in the value of Government bonds, the turnover ratio dropped to 5.93% in 2019/2020 from the ratio of 7.25% in 2018/2019. As it neared maturity, the GC20 was the most traded bond during the year, accounting for 25.0% of total trades, followed by the GC40 and the GC22 with 9.0% and 7.0% of the total trades, respectively (Figure 1).

Figure 1: Secondary Market Trades



V) SOVEREIGN CREDIT RISK

1. FITCH RATINGS

Fitch Ratings downgraded Namibia's Long-Term Foreign-Currency Issuer Default Rating (IDR) in October 2019 to 'BB' from 'BB+', with a stable outlook for the foreseeable future. This downgrade reflected the deterioration in economic growth and fiscal metrics. According to the agency, the worsened macroeconomic environment is coupled with lower growth potential over the short to medium-term. The assessment also highlighted that subdued economic prospects amid exceptionally elevated inequality and high unemployment will raise significant challenges for the Government's plan to stabilise its debt by cutting back spending, particularly on the high wage bill. Amongst other issues highlighted is the lack of sufficient measures to achieve fiscal consolidation, High SOE debt, volatility of SACU receipts and the fast depletion of on-shore diamond mining reserves, all raises the downside risks for public finances.



2. MOODY'S INVESTORS SERVICE

Moody's downgraded Namibia's long-term issuer and senior unsecured ratings from Ba1 sub-investment grade with a negative outlook (in 2017), to a Ba2 sub-investment grade, with a stable outlook in December 2019. The decision was underpinned by factors such as the Government's reduced ability to stabilise growth in public debt through cutting back on spending, predominantly due to the inability to reduce the high wage bill costs in a low growth environment. Moody's also pointed out the negative impact of the severe drought in the agricultura sector, the weak growth in the mining sector, and the declining national competitiveness relative to global rankings.



Nonetheless, the agency has pointed out several attributes to the country's economic recovery and growth aspect, supporting the stable outlook. Among these were relatively robust institutions and governance strength, national capacity to respond to shocks and domestic liquidity capacity, monetary and price stability which contributes to bolstering shock national resilience, a large and liquid domestic financial sector, as well as strong governance standards and institutional frameworks.

In line with these credit rating downgrades, the Government reiterated its commitment to a growth-friendly fiscal consolidation by employing structural policy reforms that support domestic economic activity, bringing about economic recovery while preserving the public debt within sustainable levels. These reforms include the implementation of SMEs and youth entrepreneurship financing facilities, execution of the recommendations of the 2019 Economic Growth Summit in the broad areas of structural policy reforms, and the implementation of public-sector wide wage bill reforms.

B. Financial Sector Development and Reforms

Monetary policy has remained largely accommodative in 2019/2020, with the Repo Rate cut by 150 basis points from 6.75% to 5.25% at the end of the financial year. The aim of maintaining low-interest-rate environment was to provide support to the economy that was under recessionary pressure as well as to maintain policy parity and currency peg with the South African Rand.

The Ministry of Finance is cognisant of the critical role the financial sector plays in promoting economic development through domestic investment and access to development finance. Therefore, the Ministry continued to implement reforms to modernise the legal and operational framework of the financial sector, such as amending and modernising the financial sector legislative framework in both the banking and non-banking financial services industry.



Minister Carl Schlettwein Presenting the 2018/19 FY Appropriation Bill.

Accordingly, the following important Bills were finalised and passed by Parliament:

I) FINANCIAL INSTITUTIONS AND MARKETS BILL

The Bill brings forward the legislative framework, which balances among the imperative of business growth, domestic economic and financial markets development as well as the risk-based supervisory framework for the financial industry, by consolidating and upgrading the various standalone laws under the purview of the Namibia Financial Institutions Supervisory Authority (NAMFISA).

II) NAMIBIA FINANCIAL INSTITUTIONS SUPERVISORY AUTHORITY BILL

The Bill brings modernised legislation to provide for regulatory powers commensurate with an effective supervision framework embodied in the reforms. The Bill strengthens governance through improved fiduciary oversight and accountability.

III) FINANCIAL SERVICES ADJUDICATOR BILL

The essence of the Bill is to provide a speedy, accessible, and cost-efficient resolution mechanism for consumer complaints, ensuring that consumers of financial products and services are treated fairly.

IV) SMES FINANCING STRATEGY

The Ministry continued with the implementation of the Namibia Financial Sector Strategy, which involved the launching of the SME financing strategy in November 2019. Two schemes, namely the Credit Guarantee Scheme and Mentorship and Coaching Programme (MCP) were implemented as part of the financing strategy, with effect from 1 December 2019. The Ministry of Finance worked closely with the Development Bank of Namibia, and in collaboration with lending institutions, to facilitate the flow of credit to SMEs.

V) FINANCIAL EDUCATION AND CONSUMER PROTECTION

The Financial Literacy Initiative (FLI) continued to provide training and services to the public to ensure a financially capable population and to promote consumer protection.

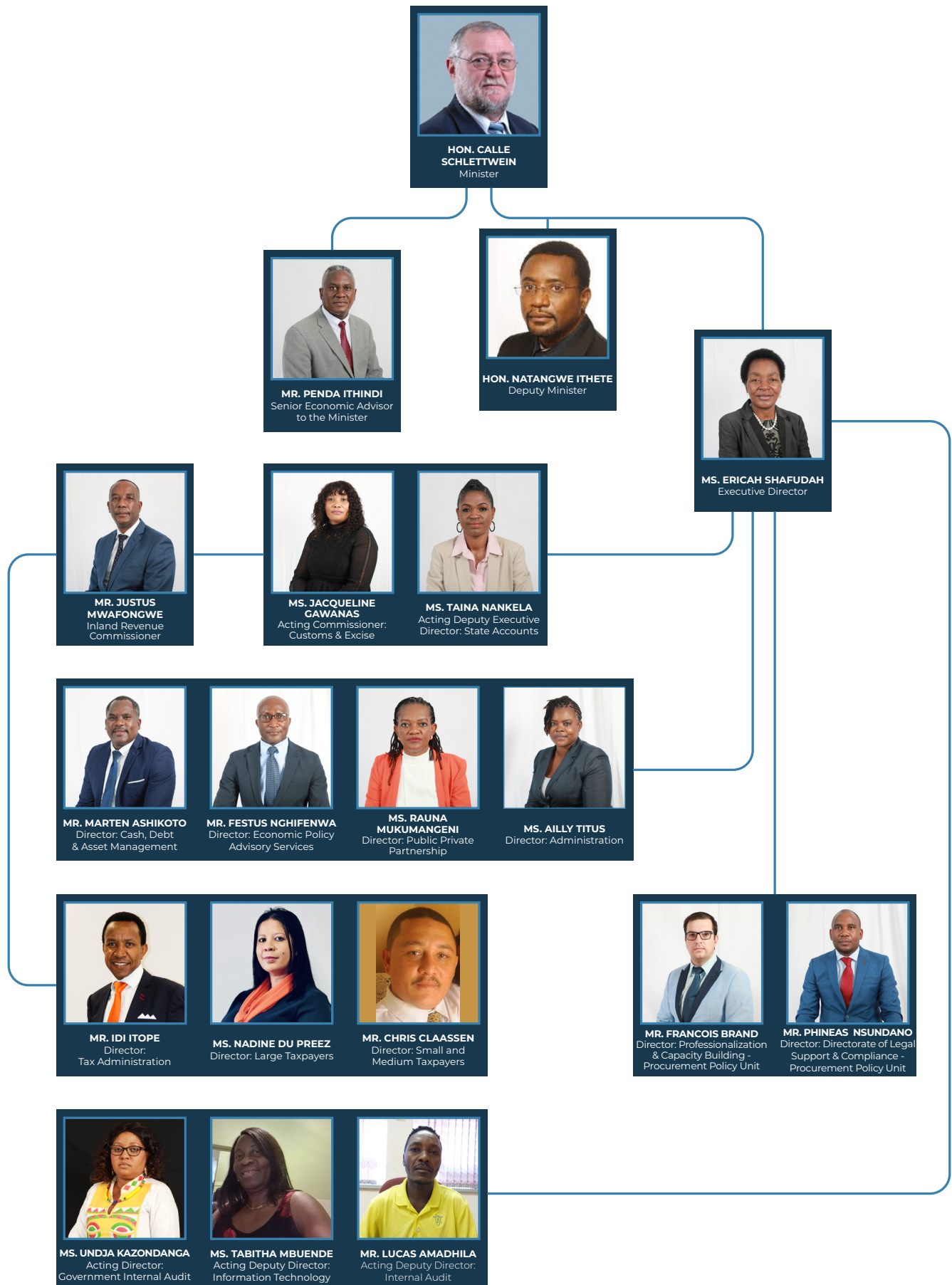
During 2019/2020, FLI conveyed three types of training targeting Micro, Small and Medium Enterprises (MSMEs), intending to increase MSMEs' knowledge in financial management and enable them to manage their business successfully. The three types of training were: Micro-Training (targeting Micro-entrepreneurs); SME Simulation-Based Training (SBT) for SMEs Entrepreneurs; and Traditional SME training for SMEs entrepreneurs.

The INFO hub, a database containing financing instruments for entrepreneurs in Namibia, was maintained and updated. The hub consists of a list of financial products and services available from public and private sector agencies (banks, regional councils, and foundations) to MSMEs in the form of loans, grants, or equipment. The INFO hub is important in bridging the information gap and creating a link between the MSMEs and financial service providers. It further allows entrepreneurs to identify appropriate financial support that meets their needs and services. It is a one-stop shop for all the necessary access information to finance for business enterprises.

The FLI continued to host the Namibia Annual Start-up Festival, an initiative that is focused on inspiring, growing and celebrating the start-ups business in Namibia. The Start-up Festival builds on the existing culture of resourcefulness and entrepreneurship among community members. The event gathered key speakers on selected topics related to business and personal financial management as well as entrepreneurship.

4. ORGANISATIONAL STRUCTURE

A. Organogram of Top Management



B. Departmental Structure of the Ministry of Finance

1. ADMINISTRATION DIRECTORATE

1. Human Resources, Training, and Development
2. Medical Aid Division
3. General Services Division
4. Financial Services Division Security and Risk Management Division

2. INLAND REVENUE DEPARTMENT

1. Tax Administration and Support Services Directorate
2. Large Taxpayers and Investigation Directorate
3. Small and Medium Taxpayers Directorate

3. STATE ACCOUNT DEPARTMENT

1. Budget management and control – Directorate
 - 1.1 *Budget Management Division*
 - 1.2 *Budget Control Division*
2. Expenditure and Financial Management Directorate
 - 2.1 *Financial Directives Division*
 - 2.2 *Accounting and Financial Control Division*
3. Asset, Cash and Debt Management Directorate
 - 3.1 *Asset Management Division*
 - 3.2 *Cash and Debt Management Division*

4. ECONOMIC POLICY ADVISORY SERVICES (EPAS) DIRECTORATE

1. Fiscal, Monetary Policy and Financial Market Development Division
3. Macro Economics, Analysis and Projections Division
3. General Services Division
4. Financial Services Division Security and Risk Management Division

5. PUBLIC PRIVATE PARTNERSHIP DIRECTORATE

1. Capacity Building and Outreach Division
2. Project Appraisal Division

7. PROCUREMENT POLICY UNIT (DEPARTMENT)

1. Legal Support and Compliance Directorate
2. Professionalisation and Capacity Strengthening Directorate
3. Monitoring and Evaluation Division directly to the Head

6. CUSTOMS AND EXCISE DIRECTORATE (HEADED BY COMMISSIONER AT A LEVEL OF A DIRECTOR)

1. Support Services Division
2. Trade Facilitation, Procedures, and Compliance
3. Statistics, Tariff and Risk Management
4. Legal Litigation and International Matters
5. Four Regional, Offices headed by Deputy Directors

8. INDEPENDENT DIVISIONS

1. Information Technology
2. Internal Audit
3. Government Internal Audit (responsible to provide audit support to OMAs)

9. PUBLIC PROCUREMENT REVIEW PANEL (SECRETARIAT)

There is no formal structure yet for the Public Procurement Review Panel Secretariat.

PART B: ACHIEVEMENTS OF DEPARTMENTS

1 DIRECTORATE - ECONOMIC POLICY ADVISORY SERVICES (EPAS)

The achievements of the Directorate are summarised as follows:

1. Delivered the 2020/2021 Macro-Fiscal Strategy for the Budget.
The Strategy contains an analysis of recent economic and policy developments, policy recommendations and fiscal policy stance for the 2020/2021 Budget.
2. Produced Quarterly Economic Updates every quarter to appraise the Ministry and the public on the current economic matters that affect their daily life.
3. Produced the Citizen Guide to the Budget (CGB) 2019/2020. This is a simplified version of the National Budget, interpreted in seven local vernaculars.
4. Delivered the 2020/2021-2022/2023 Mid-Year Budget Policy Statement. The document outline the government's fiscal policy stance during the first six months into the financial year and lays down the roadmap for the fiscal policy stance of the three budget years ahead.
5. Made progress in the review of the financial sector legislative framework, with eight bills coordinated of which three were passed into Act/Law, another three (3) were at Parliament stage, and two were cleared for tabling.
6. The SME Financing Strategy was finalised and launched in November 2019, with two schemes commenced effective from 1 December 2019 (Credit Guarantee Scheme and MCP).

2 DEPARTMENT OF INLAND REVENUE

1. The Department collected N\$34.4 billion or 99.7% against an annual tax revenue target of N\$34.6 billion.
2. Consultative engagements were held with key stakeholders on the proposed tax amendments, particularly with the mining industry, Namibia Chamber of Commerce, Retirement Funds, and the Institute of Chartered Accountants of Namibia.

1. Amendments were done on the Export Levy to include different types of forestry products as well as to increase the levy on Dimension Stones.
2. Introduction and implementation of the Environmental Levies on lubricants, plastics, and lithium batteries.
3. An increase in Fuel Levy was effected and implemented.
4. New excise rates were gazetted and implemented.
5. The Directorate participated in Operation Kalahari and collected revenue amounted to N\$2.2 million, while various goods were valued at N\$1.7 million were detained and seized.
6. Penalties with a combined value of N\$2.1 million were issued for contravention of the Customs and Excise Act and subsequently paid.
7. Drugs weighing 309.31kg, with a total value of N\$4.4 million were found and handed over to the Namibian Police.
8. Abalone with a combined weight of 348.25kg, valued at N\$160, 000.00 was confiscated and handed over to the Ministry of Fisheries and Marine Resources.
9. Under the operations Thunderball and Demeter, the following items were seized and subsequently handed over to the relevant authorities:
 - Various banknotes amounted to N\$2.7 million
 - Elephant tusks
 - Pangolins scales and skins
 - Rhino horns
 - Pharmaceuticals.
10. Maximised Revenue Resources by setting a target of N\$2.9 billion for 2019/2020 and achieved N\$3.3 billion.

PROMOTION OF TRADE FACILITATION AND COOPERATION WITH EXTERNAL ECONOMIES:

1. Risk Management Policy and Terms of Reference of the Risk Management Committee approved and implemented.
2. Preferred Trader Policy and Clearing Agent Advance Ruling Policy were developed.
3. The Container Control Programme was approved.
4. The Directorate received a donation of personal safety gear, valued at N\$890 000.00, from WCO and UNODC in partnership with the EU.
5. The Electronic Data Interchange Centre was approved, equipment and goods valued at N\$3.0 million were donated by Nutech.
6. Namibia Customs also received Regional, International and Global awards:
 - Regional award - Regional Intelligence Liaison Office East and Southern Africa - The Most Effective Communicator.
 - International - Her Majesty Revenue and Customs on Risk and Intelligence Services.
 - Globally - Global Montreal Protocol Award United Nations Environment Programme - 14 officials received awards on combating ozone-depleting substances.
7. 332 Customs officials attended various training interventions and workshops, 82 officials obtained their Master's Degrees in Customs laws, while 21 obtained Diploma in Border Management and 60 Certificates in Customs.

4 DIRECTORATE OF EXPENDITURE AND FINANCIAL MANAGEMENT

1. The total expenditure turnout for all votes (excluding interest payments) in 2019/2020 amounted to N\$59.6 billion relative to the budget estimate of N\$60.1 billion, reflecting an execution rate of 99.0%. The operational expenditure outturn amounted to N\$53.5 billion against the budget estimate N\$53.6 billion, representing an execution rate of 99.8%. The capital expenditure outturn amounted to N\$6 billion relative to the budget estimate of N\$6.5 billion, or an execution rate of 93.3%.
2. Including interest payments, the total expenditure turnout for the 2019/2020 financial year amounted to N\$67.3 billion relative to a budget estimate of N\$66.1 billion, an execution rate of 101.8%.
3. The 2018/2019 financial year's consolidated financial statements, as well as the appropriate accounts, were prepared and transmitted to the Office of the Auditor General before the end of October 2019, for investigation, examination and auditing as required by sections 12 and 13 of the State Finance Act, (Act 31 of 1991).
4. Total Non-tax revenue collected by various OMAs and accounted by Treasury stood at N\$3.9 billion at the end of March 2020, which was N\$606.8 million or 5.9% high compared to N\$3.6 billion collected in the 2018/2019 financial year.

5 DIRECTORATE OF PUBLIC-PRIVATE PARTNERSHIP

1. The appraisal guidelines for the assessment of development projects was developed for National Planning Commission (NPC), and training of staff members (MoF and NPC) was successfully facilitated.
2. PPP training was provided to approximately 150 public and private sector officials.
3. On project preparations, the Unit successfully facilitated a feasibility study of the Ministry of Justice and Attorney-General's Office Accommodation Development PPP project. A market sounding exercise on the same project was successfully facilitated and conducted.
4. Following several stakeholder consultations, the Unit developed a concept note to set up a Project Preparation Facility.
5. The Unit successfully facilitated the development of the Energy projects toolkit (Request for Proposal (RFP) and Agreement).
6. To enhance capacity building, the Unit facilitated support from the GIH Hub which culminated in the signing of a Memorandum of Understanding between the Minister of Finance and Global Infrastructure Hub (GIH). Several Public Servants will benefit through the Africa Infrastructure Fellowship Programme (AIFP).
7. Successfully signed an MoU with Global Infrastructure Hub (GIH) for an annual 3-6 months' training and internship programme for Namibian infrastructure professionals in Europe.

6 PUBLIC PROCUREMENT UNIT

1. Compliance level on the constitution of the Internal Procurement Structures by public entities was measured at 92%.
2. Ten (10) investigations were conducted at various public entities to establish whether the provisions of this Act have been complied with.
3. A draft amendment to the Public Procurement Act was developed.
4. A total of fifteen (15) trainings, mainly inductions and comprehensive training were conducted benefiting, 133 staff members from eighteen (18) public entities.
5. Three (3) large group training sessions were also conducted at the Government Office Park Auditorium, benefitting 483 staff members from 87 public entities countrywide.

7 DIRECTORATE OF ASSET, CASH AND DEBT MANAGEMENT

1. The Ministry of Finance developed a Cash Management Framework, Sovereign Debt Management Strategy 2019-2025, Medium Term Debt Redemption Strategy and Asset Management policy. The frameworks were developed to promote and enhance the management of the Government's assets, liabilities and to improve compliance by OMAs with treasury instructions and other regulatory guidelines.
2. The budget deficit of N\$8.8 billion for the 2019/2020 financial year was successfully funded from the domestic market, in line with the funding plan.
3. Total Debt stood at N\$101.0 billion at the end of 2019/2020, an increase from N\$87.5 billion during the 2018/2019 financial year.
4. Interest payments were recorded at N\$7.0 billion, a slight increase from N\$6.3 recorded during the previous financial year.
5. Total guarantees remain static at 6% of GDP, but increase slightly to about N\$11.1 billion, compared to N\$10.9 billion recorded during the 2018/2019 financial year.

8 DIRECTORATE OF ADMINISTRATION

1. Processing and payment terms for claims within the stipulated timeframe of 30 days after receipt of the claims, was achieved and active communication was maintained with Service Providers.
2. The verification process of PSEMAS members and dependents resulted in uncovering on 36,628 non-contributing members including retirees that failed to re-apply for PSEMAS after retirement. These members are indebted to the total amount of N\$194 932 130.00.

A total of over N\$8.0 million was collected in respect of arrear medical aid contributions.

1. The Ministry of Finance was allocated a total budget of N\$4.4 billion for the 2019/2020 financial year, of which N\$4.4 billion was for operational activities and N\$8.0 million for the development budget. An amount of N\$4.5 billion was spent, reflecting a budget execution rate of 101.9%. With regards to the development budget, an amount of N\$3.6 million was expended, an execution rate of 45%.

1. The Internal Audit function was restructured and a new structure for Government Internal Audit was created and approved by the OPM, based on the Public Sector Internal Audit Policy (PSIAP) which was approved by Cabinet (Cabinet Decision 8th/19.06.18/014).
 2. A new main division (Main Division 15 including the Chart of Accounts) was created.
 3. An annual internal audit plan was developed and implemented.
-

Directorate of Administration

1. Civil Servant Management Health Care

A. PROGRAMME OVERVIEW

The main objective of the programme is to ensure effective coordination and management of the Public Service Employees Medical Aid Scheme (PSEMAS) through the registration of members and coordination of members' services as well as timely payment of Health Services Providers' claims.

B. STRATEGIC OBJECTIVES

To enhance organisational performance.

C. PROGRAMME CHALLENGES AND OPPORTUNITIES

PSEMAS funds for the 2019/2020 financial year were depleted before the financial year ended. As a result, some invoices from the 2019/2020 financial year were honoured in the 2020/2021 financial year.

D. OPPORTUNITIES

Short-term PSEMAS reviews such as the re-registration of members and the collection of arrear medical aid contributions were identified to curb some system inefficiencies.

The PSEMAS Contract (standard terms and conditions) of 01 December 2017 for the provision of healthcare and related services to the Public Service Employees Medical Aid Scheme (PSEMAS) was amended on 24 February 2020.

2. Policy Supervision and Support Service

A. PROGRAMME OVERVIEW

The main objective of this programme is to provide policy supervision and administrative support to the activities of the Ministry. The objective under this programme also entails the strategic guidance and oversight towards the attainment of the Ministry of Finance's goals.

B. ENHANCING ORGANISATION PERFORMANCE

Overall policy supervision and guidance was provided across all levels of the institution to ensure that the mandate of the Ministry is executed efficiently and effectively. The implementation of the Performance Management System (PMS) progressed well resulting in staff members signing and reviewing their performance agreements. The overall performance of the Ministry was recorded at 95% in 2019/2020. In addition, the Procurement plan for 2019/2020 was developed and implemented.

C. HUMAN RESOURCE MANAGEMENT

The staff complement of the Ministry of Finance was 1,593 during the 2019/2020 financial year. However, (9) staff members were discharged from the Public Service due to misconduct. A total of eighteen (18) staff members went on retirement, while nineteen (19) staff members resigned from the Ministry. Further, the Ministry recorded four (4) deaths, while a total of seven (7) staff members were transferred to other OMAs within the Public Service.

A total of twenty-one (21) positions were filled on the establishment of the Ministry of Finance during the 2019/2020 financial year. The Ministry received positive feedback in terms of the Affirmative Action Report for the 2019/2020 financial year.

During the 2019/2020 financial year, the Ministry capacitated a total number of 306 staff members through various interventions based on their Personal Development Plan in their Performance Agreement. Among the trained staff members, a total of 28 at the middle management level were trained on Misconduct and Leadership programmes.

D. SECURITY AND RISK MANAGEMENT SERVICES

During the financial year under review (2019/2020), a Security Management Policy was developed and approved. An Enterprise Risk Framework was finalised pending the approval of a Namibian adopted Standard.

Business re-engineering of Enterprise Risk Management Services was conducted, which resulted in risk works being separated from security threats. Furthermore, new methods of Enterprise Risk Management Services were implemented, through the Strategic Plan and Annual Report of the Ministry focusing on potential risks affecting the Ministry in achieving its objectives.

Educational awareness was conducted on the Security Policy. Security Management Services and Improvement in the Ministry were carried out, and a Security Threat and Risk Assessment plan was developed. Stakeholders' engagement was done, and cooperation was established with NCIS, ACC, Capricorn Group, the Namibian Police Force (NAMPOL) and other SRMS.

In addition, risk assessment was carried out at various regional offices and border posts. Security investigations were carried out on reported and registered cases, security breaches and security issues affecting the Ministry over the period under review.

Further, necessary assistance and coordination of investigations affecting the Ministry with other law enforcement agencies and other stakeholders were enforced.

E. ADMINISTRATIVE SUPPORT SERVICES

Maintaining a conducive work environment for employees, clients and visitors is an essential administrative component of this programme. Maintenance of infrastructure was upheld in particular emergency repairs that were adequately addressed through the Department of Works of the Ministry of Works and Transport.

F. REVIEW PANEL

During the period under review (2019/2020) 35 review applications were received. Eight (8) review applications were cancelled due to non-compliance with the provisions of the Public Procurement Act (Act 15 of 2015), ten (10) applications were found to be consistent with the Act and were consequently upheld in terms of Section 60(a). Seventeen (17) reviews were referred back to the Public Entity for re-evaluation.

3. Department of Inland Revenue

A. PROGRAMME OVERVIEW

The Department is responsible to maximise revenue resources and administering tax laws and policy, training, and support services to foster administrative ease, all of which is aimed at building confidence in the tax system and ensuring the promotion of macroeconomic stability. To achieve its mandate, taxpayers' affairs are managed under two segments. The Department has a Large Taxpayers Office for large taxpayers, and seven regional offices for small and medium taxpayers, namely: Windhoek Regional Office, Walvis Bay Regional Office, Otjiwarongo Regional Office, Oshakati Regional Office, Rundu Regional Office, Katima Regional Office, and Keetmanshoop Regional Office.

B. INTRODUCTION OF MAIN PROGRAMME ACTIVITIES

- Domestic revenue mobilisation through expanding and deepening the revenue base and recovery of tax arrears.
- Formulation of tax policy and enacting tax amendments.
- Tax administration reforms aimed at improving efficiency in tax administration. Notable reforms include the rollout of the new Integrated Tax Administration System (ITAS) which has enabled amongst others online filing of tax returns, real-time assessments and accelerated tax refund payments.
- Establishment of Namibia Revenue Agency (NAMRA) – The operationalisation of NAMRA is a major tax administration institutional reform that enhances Namibia global tax and economic competitiveness.
- Performance Management System (PMS) – Performance is monitored and evaluated through the conclusion of Performance Agreements, quarterly review and appraised annually. PMS is influencing and inspiring employees to take responsibility for assignments and account for their actions.

C. STRATEGIC OBJECTIVES

- To maximise revenue resources
- Ensure effective regulatory framework and compliance
- Enhance organisational performance.

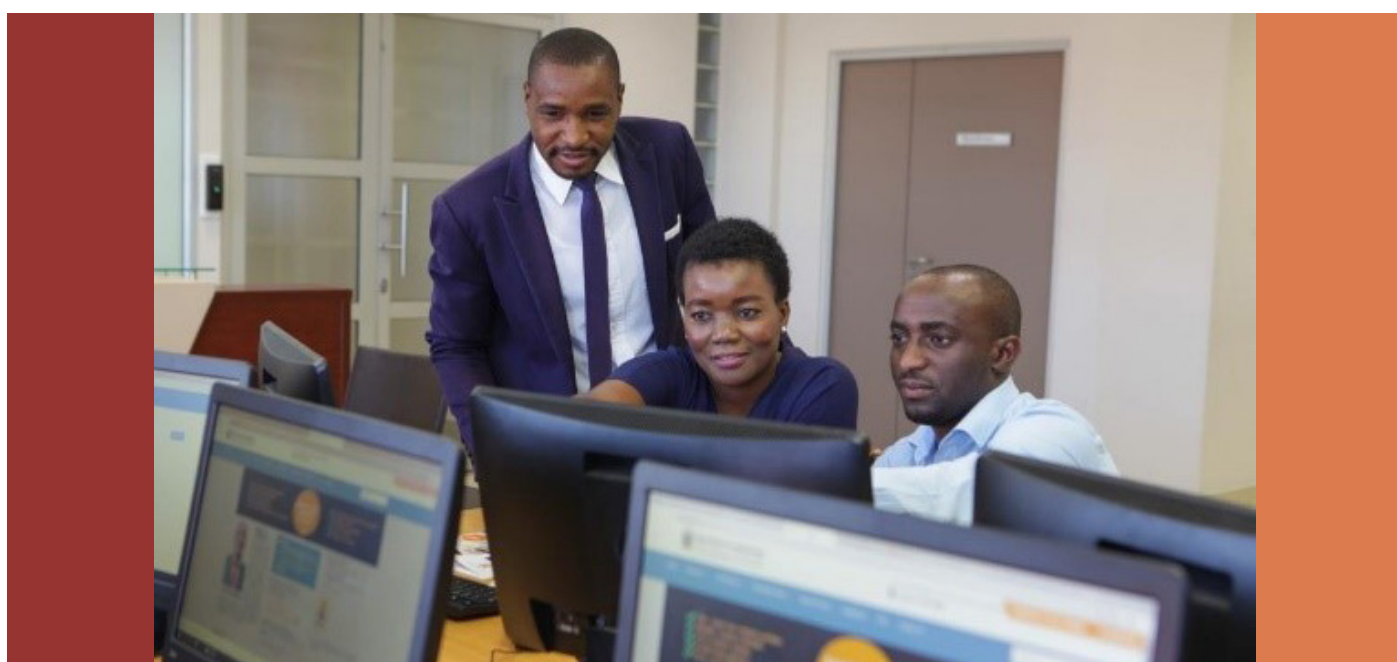
D. PROGRAMME CHALLENGES AND OPPORTUNITIES

I) CHALLENGES

- Tax Arrears – Increase in tax arrears and inability and/or unwillingness of taxpayers to settle their tax debt.
- Tax non-compliance – There are still people and businesses earning taxable income but are not registered for tax purposes. Many registered taxpayers do not declare correct income and also do not file tax returns. Some are filing tax returns late, paying late or not paying at all.
- Economic recession – Economic contraction undermines optimal revenue collection.
- Inadequate efficiency – Based on results of the Citizen Satisfaction Survey, the Department's service level is rated unsatisfactory in some areas.
- Shortage of staff – The moratorium to fill vacancies as part of national efforts to contain and reduce the wage bill has exerted pressure on the already inadequate staff complement which could not cope with increasing workload, and this contributed to the build-up in the backlog.
- The outbreak of COVID-19 – The outbreak of the COVID-19 pandemic at the end of the financial year threatened the capacity of revenue collection and wellbeing of staff members.

II) OPPORTUNITIES

- a) Full utilisation and adaptation of Integrated Tax Administration System (ITAS) by taxpayers and all other stakeholders.
- b) Enhanced collaboration with stakeholders.
- c) Revenue mobilisation through participation in regional, continental, and international instruments on tax transparency and advocacy for fair taxation to prevent and eliminate base erosion and profit shifting (BEPS) as well as harmful tax competition, promoted by organisations such as the Southern African Development Community (SADC), African Tax Administration Forum (ATAF), Organisation for Economic Cooperation and Development (OECD) and Global Forum.
- d) Enhance leadership, professional and technical competency through participation in capacity building programmes and technical assistance projects by regional, continental, and international bodies.
- e) Operationalisation of the Namibia Revenue Agency (NamRA).



On 30 March 2020, a total of 143,255 taxpayers were registered as e-fillers on ITAS. Help desks were set up at all IRD Regional offices to assist taxpayers to register on the portal.

III) REMEDIAL ACTION IS UNDERTAKEN TO OVERCOME CHALLENGES

- Following results of the Citizen Satisfaction Survey, twelve areas of weaknesses were identified which fall under four Key service attributes namely: Recovery, Responsiveness, Reliability and Accessibility. Remedial measures such as setting up a Call Centre, ITAS Portal Registration Centres, ITAS Filing Centres, work campaigns targeting specific functions (e.g., assessment week), ITAS user training, changes to work processes and procedures, and improve ITAS functionalities have been implemented.
- The implementation of ITAS has enabled taxpayers' access the tax service online. Taxpayers can now process data on their own electronically in the comfort of their homes or offices. Staff members have been trained to work at the Call Centre, ITAS Portal Registration Centres, ITAS Filing Centres. However, staff members at the Call Centre need to be equipped with more technical skills in tax matters to become general tax specialists. Additionally, the Call Centre needs to be resourced with more officials to effectively handle high volumes of incoming calls and e-mails.

- Training sessions and workshops on ITAS functionalities especially on the Employees tax module have been conducted throughout the country for taxpayers, employers, tax practitioners and employees.
- The Customer Service Charter has also been updated to include dedicated Customer Service Charters for all three Directorates within IRD.

COMMITMENT	ACHIEVEMENT
Open a central Call Centre	Call Centre is up and running
Dedicate a week to assessment	Assessment week held
Replace Tax-live with ITAS	ITAS is operational
Implement four eyes principles to eliminate errors in capturing tax forms	Four eyes principle implemented
Draft an updated Customer Service Charter	All three Directorates' Customer Service Charters have been completed.

Progress towards the operationalisation of NamRA has been gaining momentum, and it is anticipated that the challenge of staff shortage will be addressed once NamRA is fully operational.

With the implementation of ITAS, taxpayers can now input their data directly. With the launch of the Call Centre, staff members are now trained to handle all inquiries and all employees are now held to account for their assignments. The staff members at the Call Centre need to be equipped with technical skills in tax matters. Additionally, more officials are needed to ensure that the Call Centre deals with all incoming calls.

4. Directorate of Customs and Excise

A. PROGRAMME OVERVIEW

The objective of the programme is:

- To assess and collect the import and export duties and fees;
- To assess and collect excise duties,
- To prevent importation and exportation of restricted and prohibited goods, and
- To propose customs and excise administration reform measures.

B. INTRODUCTION OF THE MAIN PROGRAMME ACTIVITIES

To collect revenue, provide trade statistics, facilitate trade, protect the deserving sector of the economy, and enforce the law related to prohibited and restricted goods.

C. STRATEGIC OBJECTIVES

The strategic objectives which were derived from the ministerial Strategic Plans aims:

- To ensure effective regulatory framework and compliance
- To maximise revenue resources
- To promote trade facilitation and cooperation with external economies.

D. PROGRAMME CHALLENGES AND OPPORTUNITIES

I) CHALLENGES

- Vacant positions and introducing additional ones to the existing structure.
- Difficulties in enforcing laws due to long stretches of international borderlines.
- The slow response time on critical issues from OMAs, impacting on outputs.
- Education and public awareness are required to inform Clearing Agents and Stakeholders on customs procedures and processes.

II) OPPORTUNITIES

- Introduction of Internal Directives to align the processes to Customs and Excise Act to address the identified deficiencies in the system.



Acting Commissioner of Customs and Excise Directorate Ms Jacqueline Gawanas (right) and Ms Saima Leonard, Chief Customs Officer (left) joined NAMPOL and other law enforcement agencies at the launch of the joint crime prevention programme, Operation Namib Desert, in Windhoek on 5 March 2020.

5. Directorate: Economic Policy Advisory Services (EPAS)

A. PROGRAMMES OVERALL OBJECTIVES

To advise Government on economic policy aimed at fostering macroeconomic stability, advancing economic development, and addressing socio-economic challenges.

B. MAIN PROGRAMME ACTIVITIES

- Macroeconomic Analysis and Projections
- Fiscal Policy Formulation and Financial Market Development
- Monitoring a Coordinating International and Regional Matters.

C. STRATEGIC OBJECTIVES

- To promote Macro-economic stability
- Ensure effective regulatory framework and compliance
- To promote long term fiscal sustainability
- Enhance organisational performance.

D. PROGRAMME CHALLENGES AND OPPORTUNITIES

I) CHALLENGES

- Shortage of staff, while the workload and demand on the services of the Directorate increased substantially. The officials are overwhelmed and an increase in sick leave days was observed, and this has placed a constraint on the Programme to fulfil its primary mandate.

II) OPPORTUNITIES

- Great exposure to regional economic developments through several meetings and publications.

III) REMEDIAL ACTIONS UNDERTAKEN TO OVERCOME CHALLENGES

- Commitment by staff to work long hours without additional compensation.
- Secured three Economists, on a secondment, from IRD.

6. State Account Department Directorate of Asset, Cash & Debit Management

A. PROGRAMME OVERVIEW

The programme entails controls and management of all government assets (tangible and intangible) in line with the provision of the State Finance Act and Treasury Instructions. The main objective of this programme is to ensure the effective and timely management of State Assets and Liabilities.

C. STRATEGIC OBJECTIVES FOR 2019/2020

- To improve overall compliance to the legal framework and improve on policy supervision
- To promote long term fiscal sustainability
- To promote domestic capital market development
- Enhance organisational performance.

D. DOMESTIC DEBT

The budget deficit for the 2019/2020 financial year stood at 4.1% of GDP or N\$8.8 billion. To build a strong domestic market, and in line with the Namibian Financial Sector Strategy, this budget deficit was 100% funded through the issuance of debt instruments in the domestic market. This has increased the domestic debt to N\$63.7 billion from N\$55.3 billion recorded during the 2018/19 financial year.

E. FOREIGN DEBT

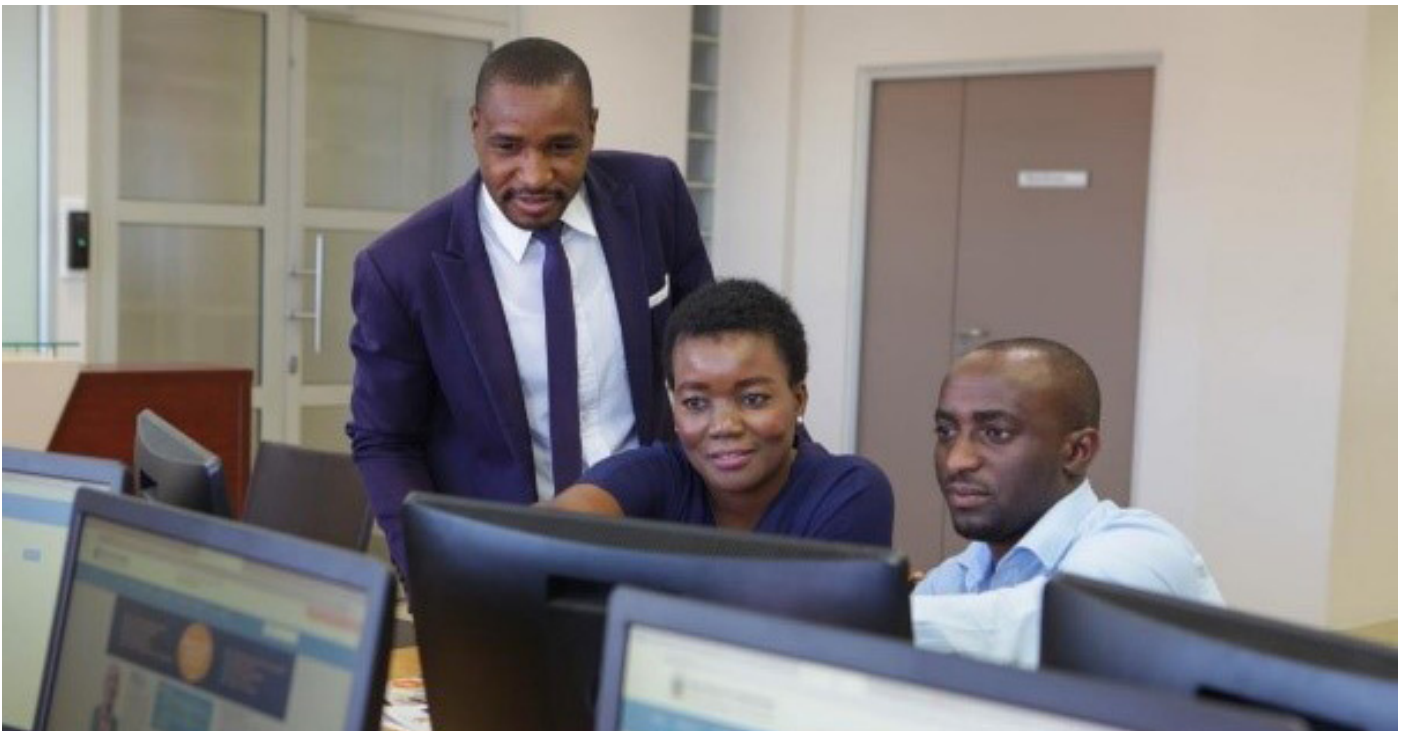
Total foreign debt increased to N\$36.7 billion from the level of N\$32.2 billion recorded during the 2018/2019 financial year. The increase was largely driven by the exchange rate and infrastructure funding. To continue with its infrastructure development with a less negative impact on the country international reserves, large infrastructure development was partly funded through foreign borrowing. In this case, concessional loans with reasonable terms and conditions from external lenders were utilised.

In this regard, an amount of N\$990 million was used to partly fund the implementation of the following projects:

- Education and Training Quality Improvement Project, (ETQIP).
- Namibia Agriculture Mechanisation and Seed Improvement Project (NAMSIP).
- Transport Infrastructure Improvement Project, which includes the supply of rails and turnouts for the Railway upgrading Works for Walvis Bay – Kranzberg.
- Upgrading of section 2A (23.8 km) of the Windhoek – Hosea Kutako International Airport highway.

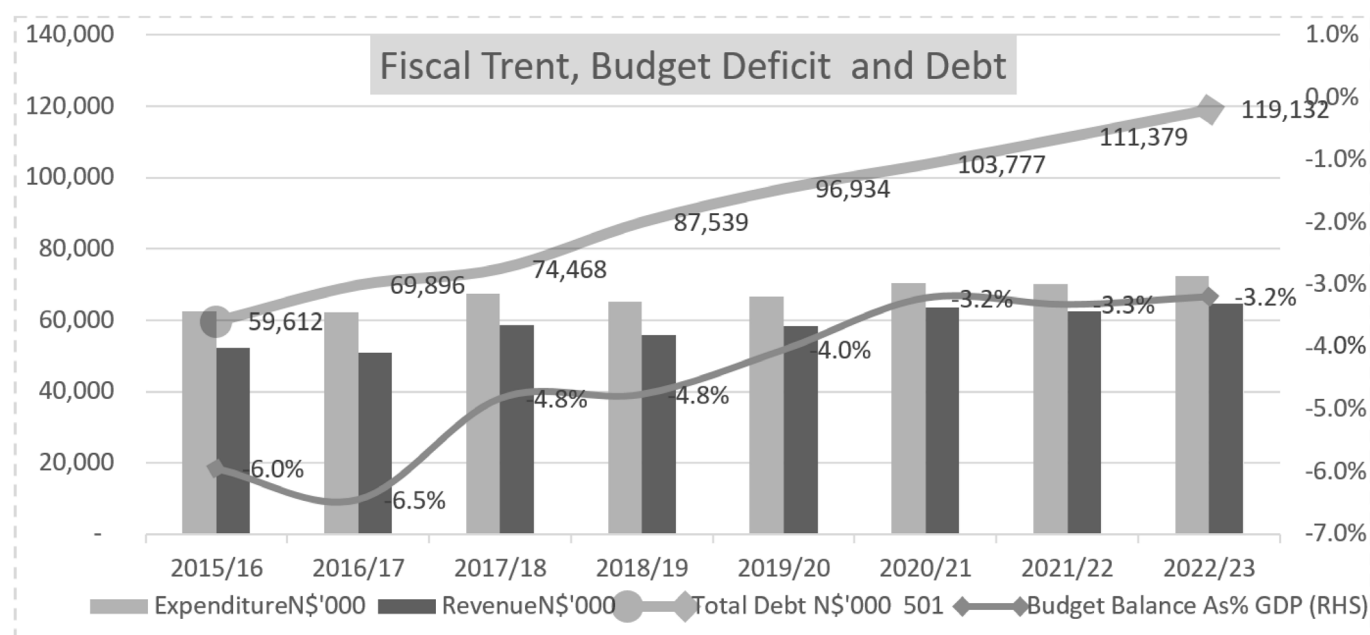
F. TOTAL DEBT

Given the above development, the overall debt stock increased from 49% of GDP, or N\$87.5 billion in the 2018/19 financial year, to 56.1%, or N\$101 billion at the end of 2019/2020 financial year. Funding the budget deficit as well as infrastructure development projects is the main driver of the above increases. Though still sustainable, there is a need to reign in the growth of Government debt, going forward, and return to sustainable levels.



Colleagues working on new systems (ITAS)

Figure 2: Namibia's Debt Stock, 2015/2016 – 2022/2023

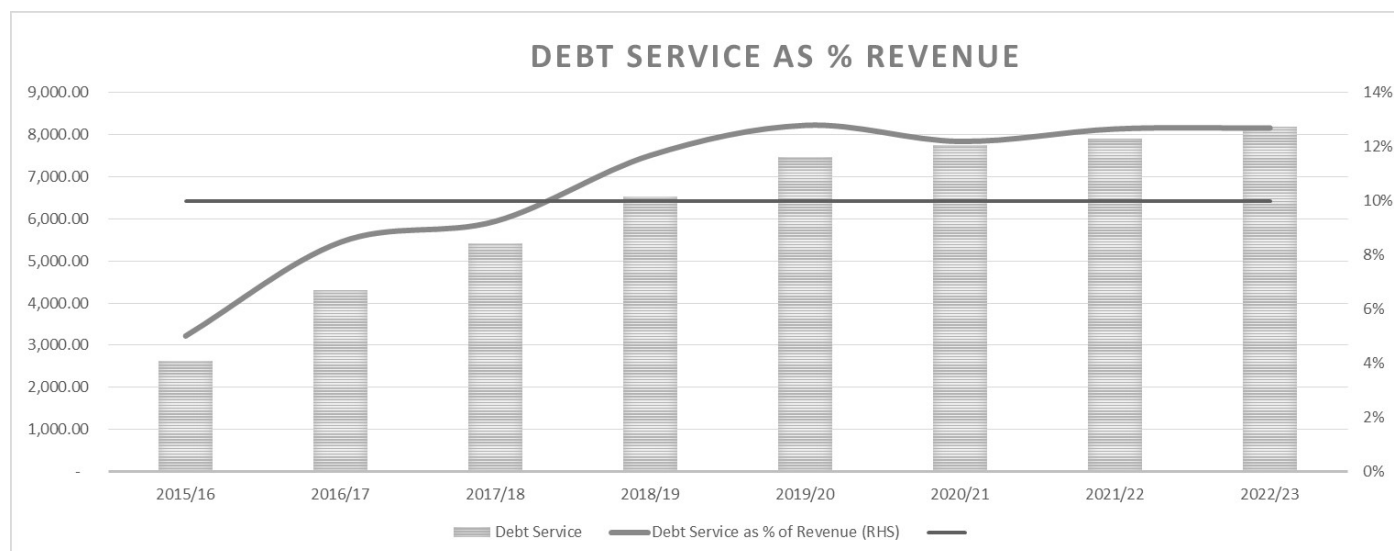


Source: Ministry of Finance

H. DEBT SERVICING

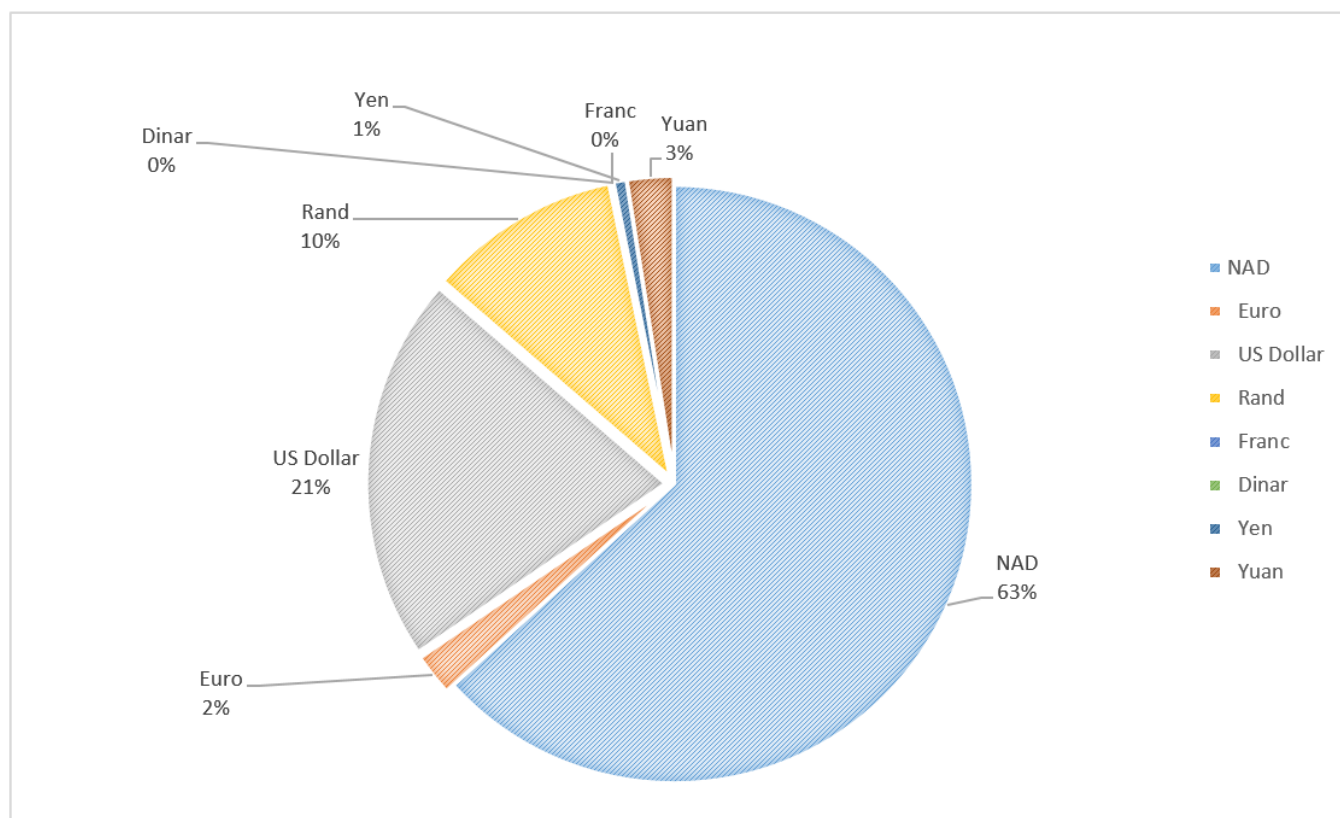
Debt service for 2019/2020 amounts to N\$6.9 billion compared to N\$6.3 billion recorded during the previous financial years. The average debt service to revenue account for 12%, above the benchmark of 10%. This means that about 12% of Government revenue is spent on debt servicing. An amount of N\$4.0 billion was paid to domestic investors, while about N\$2.3 billion was paid to foreign.

Figure 3: Debt Service Indicators



I. CURRENCY COMPOSITION

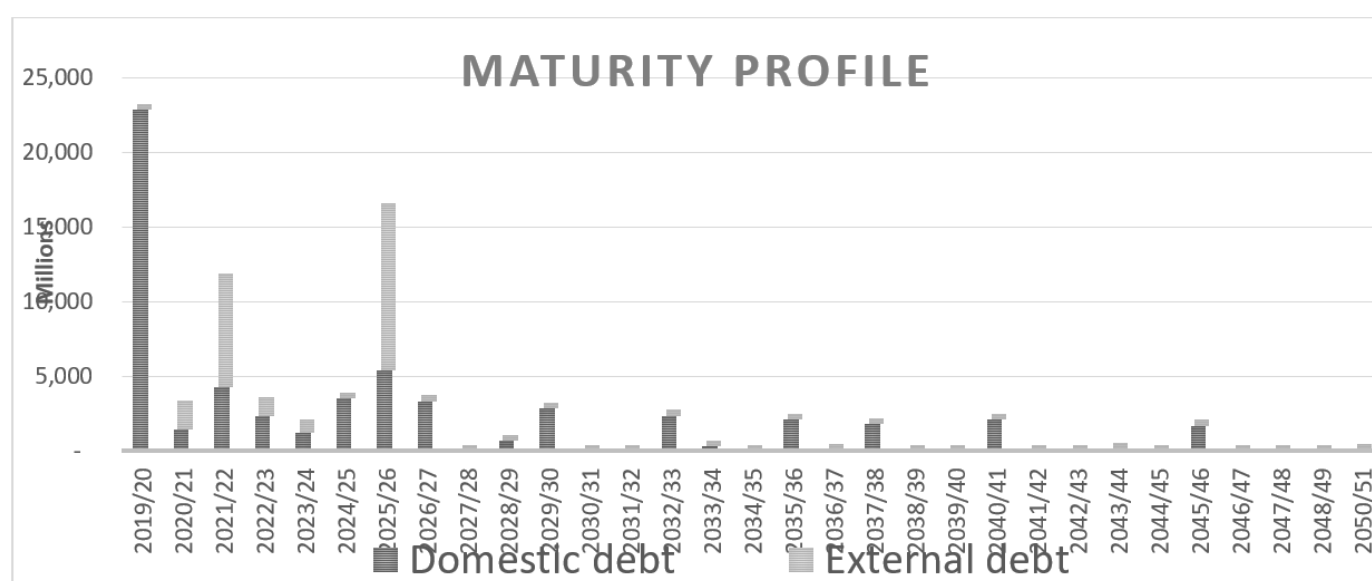
The currency composition is dominated by the Namibia Dollar (NAD) at 63%, while USD denominated debt stood at 21% of which the Eurobonds constitute about 70% of the USD portfolio. The remaining balance is shared as follows; 10% ZAR, 3% RMB Yuan, 2% Euro, 1 % Yen and then CHF and KWD represent the rest of less than 1% each.



J. MATURITY PROFILE

Debt falling due within 12 months continues to dominate the debt portfolio. About N\$23.1 billion worth of treasury bills fall within 12 months. This level (at 38% of the total domestic debt) is well within the threshold of 40% of total domestic debt. About N\$11.5 billion worth of bonds is due over the medium-term period.

Figure 4: Government debt maturity profile, as of 2019/2020



Source: Ministry of Finance

K. CONTINGENT LIABILITIES

In nominal terms, guarantees rose from N\$10.9 billion in the 2018/2019 financial year to N\$ 11.1 billion in 2019/2020, or 6.26% of GDP. This is well within the ratio of 10% prescribed in the 2019-2025 Sovereign Debt Management Strategy (SDM). The guarantee percentage level is anticipated to remain static over the MTEF period as the Government continues to tighten the issuance of guarantees to SOEs. New issuance of the guarantees is only expected on the ground of economic and commercial related projects under the PPP arrangement.

Figure 5: Contingency Liability



Source: Ministry of Finance

7. Directorate: Budget Management and Control

A. PROGRAMME OVERVIEW

The Directorate Budget Management and Control is one of the main activities of the Government Expenditure Management programme amongst others under the framework of the Ministry's programme budgeting Medium Term Plan (MTEF). The main objective of the programme is to ensure the effective and timely formulation of the national budget and the MTEF, proper control, accounting and reporting of the financial resources.

B. BUDGET FORMULATION AND EXECUTION

The main objective of this activity is to formulate the Annual National Budget including the Mid-Term Budget Review in line with the fiscal policies and Cabinet directives and the budget execution thereof in line with the State Finance Act & the Treasury Instructions.

C. STRATEGIC OBJECTIVES FOR 2019/2020

- To improve overall compliance to the legal framework and improve on policy supervision
- To promote long term fiscal sustainability
- Ensure effective regulatory framework and compliance.

D. ACTIVITIES AND OUTPUTS

During the period under review, the following activities and achievements were recorded:

I) BUDGET FORMULATION

- Fully compiled the 2019/2020 master Budget data spreadsheet for both estimates of Revenue and Expenditure.
- The 2019/2020 Continuation Budget amounted to N\$14.5 billion was issued to OMAs for spending for the first four months (April – July) as per the State Finance Act, (Act 31 of 1991), Section 9(2).
- The 2019/2020 Mid-Term Budget Review Report and the Amended Appropriation Bill were finalised, on time and tabled in Parliament by the Minister of Finance.
- 2020/2021 Budget Preparation was finalised at a level of 80% due to the delays by the outbreak of the COVID-19 that resulted in the finalisation of the budget in the first quarter of 2020/2021 financial year;
- Allocated funds to Government priorities during the 2020/2021 budget preparation.
- Government Revenue and Expenditure projections for the 2020/2021 budget formulation were fully guided by the fiscal Strategy framework;
- Implemented the Classification of Government Functions by Category as per the GFSM manual of 1986.
- Finalised the database of Government transfers and the 2020/2021 budget transfers were arranged accordingly.
- Updated the fiscal model with the latest payroll as at end of February 2020 and produced GPD projections as per the expenditure approach.

The Budget formulation activity plays a role as a help desk in all aspects of budgeting, therefore during the period under review assistance were offered to Offices / Ministries Agencies in that regard.

II) BUDGET CONTROL

- Successful loading of the 2019/2020 Budget Estimates for both Revenue and Expenditure in the IFMS.
- Timely posting of 2019/2020 Continuation Budget;
- Successful revision of the 2019/2020 Revenue and Expenditure Budget Estimates in the IFMS as per the Mid-Term Budget Review.
- Timeous issuing of Monthly Treasury Authorisation Warrants accumulative to the 2019/2020 Amended Appropriation Act of N\$60.1 billion and the spending thereof amounted to N\$59.7 billion that translates to 99% National Budget execution rate.
- Assessed, approved, and posted 172 Virements requests.
- Strengthened the IFMS support to system users.
- Validated/verified and processed OMAs payments below N\$5 million on Accounts Payables, Payroll and DSA amounted to N\$47.5 billion for the year under review, through Electronic Funds Transfer (EFT).
- Timely processing of monthly payroll pay runs and supplementary runs for both pay categories Teachers and Officials.
- Timely processing monthly third parties' deduction payments (PDMS).
- Alignment of expenditure in terms of payments to available resources in line with the fiscal consolidation policy of the Government.

The sub-activity Budget Control serves as a help desk on all payment modules such as Payroll, Account Payables and DSA. Assistance was offered to OMAs in collaboration with the service provider.

III) ACTIVITIES

- Hosting of Annual International Conference - Role of Accountant General.

The conference was a networking and information sharing platform, which allows Accountants and other professionals to meet and learn from each other in various Public Financial Management (PFM) disciplines.

The 2020 Conference was held under the theme “Rethinking PFM Reforms to Accelerate Economic Growth”, which was befitting as the member countries were either experiencing minimal or low growth.



ESAAG Conference held in Swakopmund at the Dome.

High table in the Dome; Swakopmund, Namibia.



8. Directorate: Expenditure and Financial Management

A. PROGRAMME OVERVIEW

The overall objective of this programme is to enhance effectiveness and efficiency in the payment system and ensure that public expenditure delivers value for money, through the provision of financial and accounting services, including financial reporting.

B. MAIN PROGRAMME ACTIVITIES

- **Expenditure/payment services:** Transfer of funds to service providers and suppliers via Electronic Funds Transfer (local payments below N\$5.0 million) and Manual Bank Transfer payments (all foreign payments and local payments above N\$5.0 million).
- **Management of bank accounts:** Play an oversight role in the opening and closing of bank accounts on behalf of OMAs.
- **Accounting for Non-Tax revenue:** Accounting for all government revenue collected by OMAs, which is not derived from taxes.
- **Reconciliation of the State Account:** The reconciliation of payments and receipts for central government, as well as training OMAs on reconciliation of suspense accounts.
- **Financial Directives:** Issuance of Treasury guidelines to OMAs on financial matters.

C. STRATEGIC OBJECTIVES

To ensure effective regulatory framework and compliance.

D. ACTIVITIES AND OUTPUTS

- The 2018/19 consolidated financial statements and accounts were prepared and transmitted to the Office of the Auditor General by end of October 2019.
- Total non-tax revenue collected by various OMAs and accounted for in the GL stood at N\$3.9 billion.
- Manual bank transfer payments amounting to N\$42.9 billion were processed on behalf of OMAs through the Bank of Namibia.
- EFT payments amounting to N\$25.4 billion were processed through the Bank of Namibia.
- Membership fees paid to institutions where Namibia is a member amounted to N\$12.4 billion.

E. PROGRAMME CHALLENGES AND OPPORTUNITIES

- Customized modules result in manual intervention in processing of financial transaction in the IFMS leading to backlogs in the reconciliation of accounts.
- Staff shortages due to staff resignations, retirement and promotions.

F. REMEDIAL ACTIONS UNDERTAKEN TO OVERCOME CHALLENGES

- The Ministry has commenced with a project to re-engineer the customised modules in the IFMS in order to improve efficiency by minimizing manual intervention.
- The Office of the Prime Minister through Secretary to Cabinet, approved the filling of 10 vacant positions, to be filled in 2020/2021 financial year.

9. Directorate of Public Private Partnership

A. PROGRAMME OVERVIEW

The Public-Private Partnerships (PPP) Directorate's objective is to carry out the core mandate of facilitating private sector investment and management expertise for the development of PPP projects. The Directorate is responsible for guiding public entities in preparation to taking to market credible PPP projects and subsequent conclusions of PPP agreements as well as for ensuring capacity building of public entities in the area of PPPs.

B. MAIN PROGRAMME ACTIVITIES

I) PUBLIC-PRIVATE PARTNERSHIP PROJECT PREPARATION

PPP project preparation activities (facilitate undertaking pre-feasibility and feasibility studies for identified candidate PPP projects and review of project documentation submitted by various government offices/ministries/agencies for transaction approvals at key stages of a PPP development).

II) PUBLIC-PRIVATE PARTNERSHIP (PPP) CAPACITY BUILDING

Development, facilitation, and delivery of capacity building training.

C. STRATEGIC OBJECTIVES

To create an enabling environment to facilitate private sector investment and management expertise for the development of PPP projects.

D. PROGRAMME CHALLENGES AND OPPORTUNITIES

I) CHALLENGES

- The limited flow of marketable projects.
- Limited budget to prepare projects (conduct feasibility studies).
- Limited capacity and skills in the Directorate, in addition, vacancies taking too long to be filled.
- Indecisiveness and limited willingness of public entities to explore PPP arrangements.

II) OPPORTUNITIES

Leverage of diverse available international technical and financial assistance to enhance the Namibia PPP programme.

III) REMEDIAL ACTIONS UNDERTAKEN TO OVERCOME CHALLENGES

- To resolve the lack of project implementation, the Unit continued engaging Public Entities in search of PPP projects to implement.
- With regards to limited capacity, two additional staff members were recruited, and officials are regularly exposed to various interventions i.e. attending workshops, conferences, training, engaging with similarly placed individuals, to build their internal capacity.
- In addition, the directorate continuously engaged Development Financing Institutions (DFIs) and other support organisations and managed to secure funding from Africa Legal Support Facility (ALSF) and the French Development Agency (AFD) towards various PPP initiatives.

A. PROGRAMME OVERVIEW

10. Procurement Policy Unit (PPU)

The main objective of this programme is to ensure effective implementation of the regulatory framework and compliance to the Public Procurement Act, (Act 15 of 2015).

B. MAIN PROGRAMME ACTIVITIES

I) COMPLIANCE MONITORING AND REPORTING ON ALL PUBLIC ENTITIES

Implementation of the Public Procurement Act, (Act 15 of 2015), conducting compliance monitoring by all Public Entities through the Procurement Policy Unit.

II) INTERNAL PROCUREMENT STRUCTURES

In terms of Section 25, Accounting Officers of Public Entities are required to set up internal structures for the implementation of procurement activities within their entities. Since the implementation of the Procurement Act, (Act 15 of 2015) in terms of Section 25 (1) (a) read with section 26 and Regulation 5(1), as of 31 March 2019, the Policy Unit has received and verified internal structures as follows:

	CATEGORY 1	CATEGORY 2	CATEGORY 3
Submitted (Received and verified)	48	52	77
Outstanding	0	0	15

Table 1: Status on Public Entities Internal Structures

III) ANNUAL PROCUREMENT PLANS AND REPORTS

In terms of Section 25(4)(a), Accounting Officers must engage in procurement planning, plan each step of the procurement process, and prepare an annual procurement plan. Concerning this requirement, the Policy Unit received 95 annual procurement plans out of a possible 192 from Public Entities in the 2019/2020 financial year as shown in Table 4 below.

Category 1	41 of 48 (85%)
Category 2	19 of 52 (37%)
Category 3	35 of 92 (38%)
TOTAL	95 OF 192 (49%)

Table 4: Annual Procurement Plans Received during 2019/2020

During 2019/2020, 49% of public entities submitted their annual procurement plans, representing an increase of 12% from the previous financial year.

CATEGORY OF PUBLIC ENTITY	Q1	Q2	Q3	Q4
Category 1	23	16	18	13
Category 2	4	5	4	4
Category 3	4	8	7	9
TOTAL	31	29	29	26

Table 5: Procurement Plan Progress Reports

There has been an increase in the number of public entities submitting procurement implementation reports compared to the previous financial year, where only a total of 12 reports were received all year (seven during the first quarter and five during the second quarter). The lack of reporting by Public Entities have been noted as a challenge and has been addressed by

informing relevant line Ministries.

IV) INVESTIGATIONS

In terms of section 7(1)(q) of the Public Procurement Act, (Act 15 of 2015), the Procurement Policy Unit is mandated to:

Investigate, at its own accord, or as instructed by the Minister, any matter relating to procurement to establish whether the provisions of this Act have been complied with.

The Procurement Policy Unit undertook ten (10) investigations to establish whether the provisions of this Act have been complied with in respect of certain or specific procurements the following public entities: Usakos Town Council; Swakopmund Municipality (x2); Ohangwena Regional Council; Ministry of Land Reform; Ministry of Home Affairs; Ministry of Justice; Ministry of Health and Social Services; City of Windhoek and Roads Authority. Reports in respect of each investigation were drafted and submitted to the Minister of Finance, with two of the matters being recommended to the Anti-Corruption Commission for further investigation and handling.

V) REVIEWING OF THE PROCUREMENT SYSTEM

During 2019/2020, the PPU continued with the process of reviewing the Public Procurement Act and Regulations. As part of the process, the PPU held a workshop for Cabinet Ministers and Accounting Officers of Category 1 Public Entities at the Namibia Institute for Public Administration and Management (NIPAM) in Windhoek. A draft of the proposed amendments to the Act and Regulations was developed. Regional consultations on amendments of the Act were scheduled to commence during the 2020/2021 financial year after which the process will be finalised.

VI) CAPACITY DEVELOPMENT AND TRAINING

In terms of Section 7(1)(f), the Procurement Policy Unit has the function to prepare and conduct training programmes and approve training curriculum on public procurement as proposed by training institutions for staff members, contractors and suppliers concerning procurement.

During 2019/2020, the Procurement Policy Unit (PPU) switched its training approach from large group training to public entity-level training, thereby affording public entities an up-close learning opportunity. As such the number of trainees dropped largely due to this, considering the limited number that could be trained at each entity at a time, and also the number of such training interventions that can be offered altogether. During 2019/2020, a total of twelve (12) entity-based training interventions, mainly inductions and comprehensive training were conducted benefiting 133 staff members from eighteen (18) public entities. The PPU also held three (3) large group training interventions at the Government Office Park Auditorium during 2019/2020 benefitting 483 staff members from 87 public entities countrywide.

VII) CAPACITY BUILDING STRATEGY

During 2019/2020, the PPU developed the Capacity Building Strategy for 2020/2021 to guide the implementation of capacity building activities for public entities. This strategy is intended to be responsive to gaps in the current public procurement system which may hinder its performance. In this respect, the capacity building strategy was developed to establish a framework to address procurement issues. The main focus was to address capacity constraints in the procurement system by addressing PPU's Internal Capacity, Public Entities Capacity and Bidders Capacity challenges.

VIII) PUBLIC EDUCATION STRATEGY

The PPU also developed a Public Education Strategy targeted at educating the public on matters of public procurement. The strategy entails the use of various means and platforms to disseminate public information, educate, and raise awareness on all matters related to public procurement as required. The mode of delivery includes information leaflets, posters, booklets for dissemination and the use of social media platforms such as Facebook, Twitter, and WhatsApp/Telegram. The strategy also includes broadcasting adverts through the local broadcasters and radios with information to be disseminated in different Namibian languages.

IX) DIRECTIVES

According to Section 73(1) "The Minister, according to a policy of the Government or when he or she thinks it necessary or expedient, may direct in writing the Policy Unit, Board or public entity to attend to any aspect or matter of general application relating to the procurement of goods, works or services, or to the letting or hiring of anything or the acquisition or granting of any right for or on behalf of the public entities, and for the disposal of their property".

In terms of this function, the Procurement Policy Unit issued four (4) directives during 2018/2019, as listed below:

1. Procurement of meat, fresh produce, cereal and flour from local suppliers and abattoirs north of the Cordon Fence/Redline; Issue date 26 February 2019.
2. A directive issued in terms of section 73 of the Public Procurement Act, (Act 15 of 2015) on the reservation to the local supplier; Issue date 23 May 2019.
3. A directive issued in terms of section 72 of the Public Procurement Act, (Act 15 of 2015) on the reservation to local suppliers; Issue date 23 May 2019.
4. Amendment to the directive issued on 17 October 2018 Titled "Directive in terms of compulsory documents to be submitted: Issue date 29 August 2019.
5. Directive to all public entities concerning public procurement in light of the State of Emergency declared due to COVID-19; Issue date 27 March 2020.

X) EXEMPTIONS

In line with Section 4 of the Public Procurement Act, (Act 15 of 2015), the Minister may, for a specified or unspecified period, issue a general or specific exemption from the application of certain provisions that are not practical or appropriate for the procurement, letting, hiring or disposal of security and non-security related goods, works, services and property. Furthermore, in terms of the same Section, the Minister may, with or without condition, as the Minister may determine, grant a general or specific exemption by way of a directive for specific types of procurement or disposal from the application of certain provisions of this Act that are not practical or appropriate for the purpose for which such goods are let, hired or disposed of, including goods, works and services being procured.

In this regard, PPU received sixty-eight (68) requests for exemption from eight (8) public entities whereby fifty-one (51) were granted, 16 were declined/rejected, and one (1) was withdrawn.

XI) LEGAL ADVICE

In terms of Section 7(1)(d), the PPU has the function: "to advise public entities on all public procurement policies, principles, and practices". In this regard, the PPU provided thirty-six (36) legal advice to public entities during 2019/2020.

XII) E-GOVERNMENT PROCUREMENT

The Procurement Policy Unit planned to undertake the initiative to develop an e-procurement system for Namibia. In this regard, the PPU conducted research locally and internationally through desk-top reviews of solutions currently being used by other countries. Research also included a study tour by the E-Government Procurement (E-GP) Committee, to the UNODC offices in Vienna, Austria to review the Public Procurement Review Software and a Corruption Prevention Tool for Public Procurement Regulatory Authorities (goPRS).

Before that, an E-GP Readiness Assessment was carried out for Namibia in 2019, with support from the World Bank. Namibia scored a favourable score of 2.25 out of 4 on a Likert scale. After thorough considerations, it was agreed for the Office of the Prime Minister (OPM) to develop the E-GP system in a phased approach with the 1st phase to be assessed and determine the rollout of the remaining phases.

C. CHALLENGES

Some of the challenges experienced during 2019/2020 are as follows:

- i) Lack of capacity at the Procurement Policy Unit to fully execute the functions as provided under Section 7 and 8 of the Act;
- ii) Lack of procurement structures by some public entities as required in terms of Section 25 of the Public Procurement Act, (Act 15 of 2015), leading to over-spending by public entities and unaccounted expenditures.

D. RECOMMENDATIONS

- i) The Procurement Policy Unit has a limited capacity both in staff requirements and expertise required to execute its functions. More staff should be recruited to fill the structures of the Unit as well as to provide opportunities for qualified training in the field of procurement to form the nucleus of the procurement system in Namibia.
- ii) The PPU should develop all standard bidding documents and improve existing bidding documents to enable public entities to carry out various procurements as is allowed in terms of the Public Procurement Act, (Act 15 of 2015).
- iii) Public Entities need to be capacitated further to ensure full compliance to the provisions of the Act, including the development of procurement plans, development of internal structures, maintenance of procurement records, etc.
- iv) The PPU should conduct more monitoring of compliance and procurement audits countrywide.
- v) The PPU to be given support by MOF top management to carry out Monitoring and Evaluation, as well as compliance in the Regions.



ESAAG Conference held in Swakopmund at the Dome.

High table in the Dome; Swakopmund, Namibia.



11. Public Procurement Review Panel

A. PROGRAMME OVERVIEW

The Review Panel is a quasi-judicial body that came into operation with the enactment of the Public Procurement Act, (Act 15 of 2015), tasked with the responsibility of adjudicating appeals emanating from procurement awards. The Panel serves the purpose of providing relief to aggrieved bidders who were unsuccessful during a bidding process.

The list of 15 members was sworn in and took up the office from August 2017 with the first review cases received during October 2017. In terms of Section 58(2)(5) of the Act, the Minister appoints 5 persons from the pool of 15 members with requisite competencies to adjudicate over a given matter. Once such is disposed of, the Panel becomes functus officio. The creation of the Panel was mainly born out of the need to provide a faster and relatively affordable review mechanism to aggrieved bidders as opposed to costly, lengthy court processes with a great number of bidders not having the means to approach courts. The Panel was expected to dispose of review applications within a maximum period of 14 days with exception of suspension and debarment applications (blacklisting), which has a longer period of 60 days. The decisions of the Review Panel are binding and only reviewable by the High Court.

Section 58(8) of the Act, makes provision for an administrative arm of the Panel, namely the Review Panel Secretariat, drawn from the Ministry's staff complement to provide Administrative services to the Panel on a secondment basis.

B. CHALLENGES

The Panel's decision-making powers are currently limited by the discovery of certain clashing sections within the Act as per Judge Masuku's judgement delivered on 18 November 2019. However, this challenge is currently among the amendments underway.

C. ACHIEVEMENTS

Since the implementation of the Act, the Panel to date dealt with 60 cases and, among those, only conceded defeat in the High Court once in the matter alluded to above.

D. CASES FOR THE PERIOD FEB 2019 - MARCH 2020

For the period under review, the Panel dealt with 35 review applications in total. Among these, the Panel cancelled 08 awards due to non-compliance with the provisions of the Public Procurement Act, (Act 15 of 2015), while 10 awards were found to be consistent with the Act and were consequently upheld in terms of Section 60(a). The remaining 17 cases were referred back to the Public Entity to re-evaluate while others were set aside in terms of Section 60(c) of the Public Procurement Act, (Act 15 of 2015).

12. Division of Internal Audit

1

POLICY SUPERVISION AND SUPPORT SERVICES

A. PROGRAMME OVERVIEW

The main purpose of this programme is to provide policy supervision and administrative support to the activities of the Ministry. This also entails providing strategic guidance and oversight towards the achievement of established goals of the Ministry of Finance. The programme further aims to provide an objective and professional evaluation of activities to assist in determining that required regulations and policies and procedures are followed.

B. MAIN PROGRAMME ACTIVITIES

This activity aims to assess the Ministry's compliance with public laws and regulations. The Internal Audit Division assists in improving operating efficiency and strengthening internal controls. The Division evaluates and appraises the organisation's system of internal controls to ensure that all information is properly, promptly, and accurately processed and that the Ministry's assets are adequately safeguarded.

2

ENHANCED ORGANIZATIONAL PERFORMANCE

A. PROGRAMME MAIN ACHIEVEMENTS

- i) During the 2019/2020 financial year, Internal Audit at the MOF was restructured and a new structure for Government Internal Audit was created and approved by OPM based on the Public Sector Internal Audit Policy (PSIAP), which was approved by Cabinet (Cabinet Decision 8th/19.06.18/014) in 2018.
- ii) The Director for the Directorate of Government Internal Audit and Policy Coordination and the Deputy Director for MOF Internal Audit Service Division.
- iii) The Directorate of Government Internal Audit and Policy Coordination is a centralised structure established at the Ministry of Finance and it is responsible for the following functions:
 - Oversee the effective implementation of the PSIAP, as well as responsible for coordination and harmonisation of Government Internal Audit function.
 - The structure will have a mix of a common pool of multi-disciplinary auditors and auditors with specialist competence in e.g. ICT, fraud investigation etc.
- iv) A new main division (Main Division 15 including the Chart of Accounts) has been established.

v) Annual internal audit plan developed and implemented.

B. PROGRAMME CHALLENGES AND OPPORTUNITIES EXPERIENCED IN 2019/2020

I) CHALLENGES

- Lack of proper legal framework for Internal auditors.
- Lack of audit skills in the following field, Information Technology and Special Investigation.
- Slow process in recruitment of staff members.

II) OPPORTUNITIES

- The EU PFM project was concluded, though the internal audit expert from Sweden has extended assistance to the Internal Audit Division to assist with the development of the internal audit strategic plan.

C. REMEDIAL ACTIONS UNDERTAKEN TO OVERCOME CHALLENGES

- The Internal Audit Division was involved in the development of the PFM bill and included a section on the Internal Audit function and Audit and Risk Committee as part of the draft PFM bill.
- In-house training was provided to enhance skills in special investigations and two staff members were seconded to the Medical Aid Division to carry out an investigation.
- Two vacant positions have been advertised and interviews were conducted during January and February 2020.

D. DIVISION ACTIVITIES

- Gain a proper understanding of the financial and other systems operating within the Ministry of Finance and document the system.
- Identify and evaluate the key controls and risks within the audited systems to determine the adequacy of controls and to ensure that risks are minimised or prevented.
- Report findings and conclusions to the division responsible through the Audit and Risk Committee for the operation of the audited system and where appropriate, make recommendations for improvement.
- Provide to the Executive Director an assurance on the reliability of the key controls in the system under review.
- The Internal Audit division will assist in establishing and ensuring effective operationalisation of the Audit and Risk Committee to provide oversight on the financial management system.
- Finalise the procedural manual for internal auditors.

CONTACT DETAILS

Public Relations Office

Tel: +264 61 2092467 Fax: +264 61 230179

Ministry of Finance Switchboard

Tel: +264 61 2099111

CUSTOMER CARE

Medical Aid Office (PSEMAS)

Tel: +264 61 209 2631 /2626

ITAS Call Centre

Tel: +264 61 2894000

Customs and Excise (ASYCUDA)

Tel: +264 61 209 2047/2636/2060

IT Service Desk

Tel: +264 61 2092407

MANAGEMENT

COMMISSIONER: Customs and Excise

Tel: +264 61 2092811

Fax: +264 61 239278

COMMISSIONER: Customs and Excise

Tel: +264 61 2092811

Fax: +264 61 239278

COMMISSIONER: Customs and Excise

Tel: +264 61 2092811

Fax: +264 61 239278

DIRECTOR:

Expenditure and Financial Management

Tel: +264 61 2092705/2717

Director: PPP

Tel: +264 61 2092083

Director: Administration

Tel: +264 61 2092925

Fax: +264 61 2092648

Director:

Budget Management and Control

Tel: +264 61 2092916



REPUBLIC OF NAMIBIA
MINISTRY OF FINANCE