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**ANNEX**

of the Commission Decision on the individual measure in favour of the Republic of Namibia to be financed from the 11<sup>th</sup> European Development Fund

**Action Document for 11<sup>th</sup> EDF Education Sector Reform Contract (ESRC) for Namibia**

<b>1. Title/basic act/ CRIS number</b>	<b>11<sup>th</sup> EDF Education Sector Reform Contract (ESRC) for Namibia</b> CRIS number: NA/FED/037-760 Financed under the 11 <sup>th</sup> European Development Fund (EDF)			
<b>2. Zone benefiting from the action/location</b>	Namibia The action shall be carried out at the following location: nationwide			
<b>3. Programming document</b>	11 <sup>th</sup> EDF National Indicative Programme (NIP) 2014-2020 and the Joint EU Response Strategy for Namibia (2014-16/17)			
<b>4. Sector of concentration/ thematic area</b>	Education and Skills Development			
<b>5. Amounts concerned</b>	Total estimated cost: EUR 27 000 000 (39.7 % of NIP) Total amount of EDF contribution EUR 27 000 000 for budget support of which: EUR 24 000 000 for budget support and EUR 3 000 000 for complementary support			
<b>6. Aid modality(ies) and implementation modality(ies)</b>	Budget Support Direct Management – Budget Support: Sector Reform Contract Indirect Management with the Republic of Namibia – procurement of services under complementary support.			
<b>7a. DAC code(s)</b>	110 – Education; 11240 – Early Childhood Education			
<b>7b. Main Delivery Channel</b>	12000 – Recipient Government			
<b>8. Markers (from CRIS DAC form)</b>	<b>General policy objective</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Main objective</b>
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Main objective</b>
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



	Climate change mitigation	✓	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	✓	<input type="checkbox"/>	<input type="checkbox"/>
<b>9. Global Public Goods and Challenges (GPGC) thematic flagships</b>	Not applicable			

## SUMMARY

Namibia has made substantial progress towards universal primary education. In 2012, Net Enrolment Rate (NER) in primary (Grades 1-7) reached 99.7% (in 1992 it was 89%). There were 332 764 learners aged 7 to 13 enrolled in Grades 1-7 out of 333 713 children in the same age range in the projected population. However, while there has been consistent increase in access and retention in school, the repetition rates have been on an upward trend thereby considerably increasing the Gross Enrolment Rate (GER) in primary education. In the last three years, GER for Grades 1-7 has risen from 107% to 113% showing the existence of over-aged learners enrolled in these specific grades. The increasing GER shows that the primary school system is becoming less efficient with lower quality of teaching and learning. This is especially true for Grade 1 where more than 20% of the enrolled learners are repeaters.

Early Childhood Development (ECD) and Pre-Primary Education (PPE) are recognised as having a significant impact on the subsequent performance of children in basic education programmes. They lay the foundations for acquiring basic literacy and numeracy skills and, when well-managed, generate a predisposition towards learning and school attendance. The Government of the Republic of Namibia is aware of the need to improve the response of the education system to the early stages of children's development. The 4<sup>th</sup> National Development Plan (NDP4) allocates a high profile to ECD which is particularly relevant to the Namibian context considering the current high repetition rate in Grade 1. In view of the human and financial resources challenges the two sub-sectors are facing, the Government of Namibia has requested specific support from the European Union (EU) for ECD and PPE.

The EU has been involved under the 9<sup>th</sup> EDF and 10<sup>th</sup> EDF in the support of a comprehensive plan to modernise the Namibian education sector. Under the 11<sup>th</sup> EDF National Indicative Programme, education and skills continue to be a focal sector for EU's cooperation programme. Lessons learnt have underlined the relevance and effectiveness of a strengthened policy-led cooperation modality. Benefiting from the past good experience, it is intended to continue using the budget support modality with respect to this intervention. This will allow to further promote ownership and to reinforce the policy dialogue in the education sector with a particular focus on the EU priority areas such as equitable access, quality and efficiency in ECD and PPE. The 11<sup>th</sup> EDF Education Sector Reform Contract (ESRC) will support the Government to improve cognitive, linguistic, social and emotional development of all the children entering primary education by enhancing equitable and inclusive access, efficiency, resource management and quality during early childhood development and pre-primary education.

## 1 CONTEXT

### 1.1 Sector/Country/Regional context/Thematic area

#### 1.1.1 Public Policy Assessment and EU Policy Framework

The overarching framework for the Government of Namibia's development planning is Vision 2030 which aims to transform Namibia from a lower-middle income country to a highly developed nation through a series of National Development Plans. It calls for equitable social development and acknowledges the critical role and benefits of an effective and efficient education and training system. Vision 2030 also gives specific consideration to early childhood education by stating that all children aged 0 to 8 years should have opportunities for early childhood development in addition to the care of individuals and communities.

Article 20 of the 1990 independence constitutional law guarantees the right to education, compulsory and free primary education and the right to establish private schools at own cost. This



has been reinforced through legislation, notably the Education Act of 2001 and other acts dealing with higher education, open and distance learning and vocational education and training. The goals of the Namibian education system were defined in the influential 1993 policy document "Towards Education for All" as being access, equity, quality, democracy and using resources efficiently.

In 2006, Namibia launched the Education and Training Sector Improvement Programme (ETSIP), a sector-wide programme covering all education levels that would guide the development of the education and training sector over the next 15 years (2006-2020). The ETSIP has represented the education and training sector's response to Vision 2030 aiming at meeting the challenges of improving the relevance, quality, efficiency and effectiveness of the entire education sector. The first phase of ETSIP (with nine programmes being implemented) focussed on the strengthening of the immediate supply of middle to high-level skilled labour in support of overall national goals and of the quality, effectiveness and efficiency of the education system from early childhood development to tertiary education.

In July 2012, NDP4 was launched to guide policies until 2017. NDP4 points to two overarching challenges in education: quality throughout the system and the mismatch between the demand for and the supply of skills. The lack of quality in the education system starts with the poor provision of ECD services (pre-primary education falls within the framework of ECD services) including the shortage of qualified teachers at this level.

In May 2013, a five-year Strategic Plan (SP) for 2012-2017 in accordance with NDP4 and the requirements of the Office of the Prime Minister (OPM) for performance management was launched. The plan was developed in order to harmonise various education planning and strategic documents into one, to inform the education chapter of NDP4. The strategic themes featured in the medium-term strategic plan are: quality teaching and learning, improving leadership and management, a sound regulatory framework, adequate infrastructure and beneficial stakeholders' relations. The SP will be instrumental to improving sector monitoring and evaluation as it stipulates key performance indicators and targets to be met within specified time frames. The SP monitoring and evaluation framework of the Ministry of Education (MoE) is the basis for the education sector annual review exercise and continuous policy dialogue between the Government and development partners.

In 1996, the Government introduced its first Early Childhood Development policy that was then revised in 2007. The national Integrated Early Childhood Development Policy (IECD) reflects Namibia's present and future commitment to promoting a holistic/integrated community-based approach to ECD, involving parents, the family and their community organisations. The main focus of the policy is to increase the capacity of individuals, communities and all stakeholders involved in the delivery of ECD services. Furthermore, the policy promotes a rights-based approach emanating from the UN Convention on the Rights of the Child. In 2012, the Government presented Namibia's National Agenda for Children (2012-2016) reiterating the need to adopt a multi-sectoral approach to planning and implementation towards child-centred development.

In conclusion, Namibia has demonstrated credible and relevant child and education policies that are in support of the objectives of poverty reduction, sustainable and inclusive growth and democratic governance. In line with the priorities of the Government, as expressed in the key documents above, and with the European Consensus on Development and the EU children's rights policy (calling for the mainstreaming of children's rights in policy and sector dialogues), the proposed ESRC will thus focus on the equitable, inclusive, and qualitative policy reform aspects of ECD and PPE with specific attention to educationally marginalised children.

### ***1.1.2 Stakeholder analysis***

The responsibility for the management of the different education sub-sectors (ECD, pre-primary, primary and secondary education, vocational education and training, higher education, adult education which includes non-formal education, out-of-school education, literacy programme, etc.,



open learning and distance education) is split between several actors and stakeholders who are operating under the overall coordination of the MoE. The current institutional setting provides a unified education sector and an opportunity to improve the sector policy setting and coordination, as well as overall sector governance and management.

MoE's main functions are policy formulation, sector resource allocation, monitoring and evaluation, coordination and articulation of the different sub-sectors (alignment of policies) and delivery of skills and qualifications required for the labour market. This is done in close relation with the National Planning Commission (NPC), the Ministry of Finance (MoF) and the OPM.

In 2008, the education system was decentralised with the management of the education sub-sector programmes and corresponding operational functions falling under the responsibility of the Regional Directorates of Education (RDE). Since 2009, RDE were delegated to Regional Councils (RCs) and all staff was seconded (including all RDE staff, teachers, school principals, etc.). After 5 years of decentralisation, MoE has effectively decentralised sub-sectors (i.e. basic education including pre-primary, primary, secondary, special education and adult education). A number of other line ministries presently have not substantially decentralised functions to RCs (including the Ministry of Gender Equality and Child Welfare currently responsible for ECD). Moreover, regional offices are often understaffed and lack the adequate capacity especially in terms of human resources management.

PPE's coordination and strategic management has been entrusted, on a temporary basis, to the National Institute for Educational Development (NIED) but without being in charge of all the sub-sector components (e.g. infrastructure planning, procurement) thereby limiting its management, planning and resource allocation functions. The operational management and the corresponding operational functions are decentralised to RCs.

Other direct actors involved in the education sector are the following: the Ministry of Gender Equality and Child Welfare (MGECW) for ECD and the Ministry of Works and Transport (MWT) for construction and maintenance.

ECD is currently the only sub-sector that is not under the MoE. Modalities have been worked out for ECD to be integrated in the structure of the MoE as defined and planned in NDP4 so as to better articulate this sub-sector with the others, but discussions are still on-going on how and when to transfer this competency from the MGECW to the MoE. Currently, both Ministries are coordinating and articulating very closely activities in these two sub-sectors.

Finally, it is envisaged that services such as health, nutrition, family planning, community awareness, parenting and child protection (i.e. the child grant) continue to be delivered by the line ministries respectively responsible: the Ministry of Health and Social Services (health, nutrition and family planning), the MGECW (community awareness, parenting and child protection) and the Ministry for Eradication of Poverty.

### ***1.1.3 Priority areas for support/problem analysis***

Since independence, Namibia has invested significantly in the education sector consistently receiving the largest annual share (average 22%) of the national budget. The sector has been strengthened with policies, legislation and capacities. Nevertheless, the education system remains fragile by international standards as it has not produced the required quality of learning outcomes and continues to require significant intervention thus remaining one of the biggest priorities for the future of the country. Budget allocation is constrained by the high percentage of personnel expenditure limiting the investment in qualitative inputs. In particular, the specific allocations to ECD and PPE have been extremely reduced placing the sub-sectors, notably ECD in a situation of shortage of financial and human resources.

While there has been consistent increase in access and retention, the repetition rates have been on an upward trend for Grades 1, 5 and 8. The quality of education, especially in lower primary, is well



below expected levels even by national standards with less than half of Grade 5 learners meeting the expected minimum reading and mathematics competencies as measured by national standardised achievement test.

The challenges relating to the quality of education start with the limited access and equity to ECD services and PPE, especially for the less advantaged communities that have the greatest need for them. The recent 2011 national population census indicates that only 13% (22 507) of children aged 0-4 predominantly (60%) in urban areas, have had access to ECD services, while 42.4% and 66.4% of 5 and 6 years old respectively were attending kindergarten and pre-primary school (public and private).

In 2013, a total of 25 894 children (93% aged 5-6 years) were enrolled in pre-primary classes in 890 public pre-primary schools. The data clearly indicates that currently children from more affluent backgrounds are more likely to benefit from good quality early learning programmes provided through privately run educare centres and pre-primary schools, while poorer families use volunteer or lowly paid caregivers working in inadequate facilities with minimum training or equipment. More children drop out of school during or at the end of Grade 1 than in any of the other lower primary grades, indicating low level of early learning capacities among young children entering the formal school system. As such, an equity-based and pro-poor approach to the progressive reach of quality ECD services is of vital importance.

Increase in equitable access is also being slowed down by the limited numbers of ECD centres and PPE classes, especially in the poorest and marginalised areas of the country. Construction and renovation of both centres and classes has not scaled up as foreseen. Lack of access to ECD for the majority of eligible children is widely considered as a key factor contributing to the failure of children to achieve expected curriculum objectives. Moreover, Namibia faces two on-going health related challenges: the very high rates of stunting and associated levels of malnutrition, and the continuing poor rates of access to improved sanitation facilities. This situation is particularly relevant to ECD centres with few having adequate sanitation facilities (poorest provision in Ohangwena, Omusati, Kavango and Zambezi Regions) and benefitting from the National School Feeding Programme.

Inclusive access in ECD and PPE continues to be a challenge particularly in relation to Orphans and Vulnerable Children (OVC) and disadvantaged communities with the San community language groups and OVCs recording as low as 20% net enrolment rate. It is estimated that by 2021 there will be some 250 000 orphans, three-quarters of which will be orphaned by AIDS, representing a third of the population under 15 years old, this also being a large source of drop-out from schools.

However, since the inclusion of PPE in the formal education system, the MoE has made considerable efforts and progress in the area of equitable access with 2012 figures showing that OVCs represent 52% of total children enrolled in pre-primary classes in public schools. On the other hand, according to the ECD baseline survey of 2012, OVCs represent only 4.4% of the total enrolment in ECD centres.

Quality is also a serious concern and challenge for both ECD and PPE. With respect to PPE, its integration into the formal system has been primarily positive with improved service delivery, increased access and learner readiness, greater involvement of marginalized groups, increased gross enrolment, improved learning materials and support programmes for teachers and increased numbers of learners benefitting from the school feeding programme. Moreover, in 2007, NIED developed the Pre-Primary Education Syllabus together with the Teachers' Manual, the Learners' Workbook and the Teachers' Resource Book. The Teachers' Manual contains more detailed information for pre-primary teachers to interpret the syllabus and to teach the syllabus content. Nevertheless, there are still considerable challenges and improvements to be made in particular to increase the number and percentage of qualified PPE teachers; to rehabilitate and build new classrooms for most needy schools, to improve school infrastructure and to timely supply teachers' resource kits, learners' workbooks and teachers' guides.



Quality in ECD programming should be addressed at the wider system-level including multiple other stakeholders and not just at the service-level providers. Good systems, adequate infrastructure and well-trained educators are key to ensure quality ECD service provision. Quality is then compromised when the policies and their management and implementation are ineffective. Therefore, both services and systems for delivery are important considerations for understanding and implementing quality ECD programmes. The welcome addition of subsidies, introduced by the MGECW for caregivers / educators started in January 2013. It has though highlighted a number of weak links in the system such as: the discretionary interpretation and application of the standards for assessment and the registration of centres; the lack of clarity in categorising centres as private or community or non-governmental organisation (NGO), highlighting the need for a stronger supervisory system. The subsidy system will need to be thought through as part of the current process.

With regard to management and institutional framework, the implementation of the recommendations concerning ECD in the NDP4 has been slow but should continue to be promoted. In the meanwhile, reinforced coordination mechanisms between MoE and MGECW will have to be established. The Namibian educational system has strong structures and systems in place but a lot can be gained from strengthening the links between the various sub-systems. This applies equally to improving evidence-based decision-making to meet needs where they are greatest. Institutional capacity remains uneven and fluctuates over time due to high staff turnover. There is also the need for improved coordination at the policy planning level of the MoE with the result that “coordination gaps” emerge between regional directorates (even while recognising capacity constraints). Policy development has not been adequately coordinated and the critical role of the MoE is to be recognised.

## **1.2 Other areas of assessment**

### **1.2.1 Fundamental values**

The Constitution of the Republic of Namibia (1990) enshrines in Chapter 3 a list of civil and political rights. The economic, social and cultural rights are just referred to in Chapter 11 as “Principles of State Policy” (Art. 95) and are not justiciable. Nonetheless, as a State party to the core United Nations Human Rights treaties, such as the International Covenant on Economic Social and Cultural Rights, the Convention on the Elimination of all Forms of Discrimination Against Women, the Convention on the Rights of the Child and the Convention on the Rights of Persons with Disabilities, Namibia is under the obligation to ensure the realization of several economic social and cultural rights for all Namibians, without discrimination of any kind<sup>1</sup>. In addition, Namibia has adopted a robust legal framework for the protection of rights although there are huge gaps between these laws and policies and their implementation and monitoring. A notable shortcoming over the years is the ongoing failure of the Government to adopt and promulgate the Child Justice Bill. The Child Care Protection Bill was approved in May 2015 and its principles are drawn from the Namibian Constitution, the UN Convention on the Rights of the Child and the African Charter on the Rights and Welfare of the Child: (a) adherence to the fundamental rights and freedoms as set out in the Constitution; (b) respect for the child’s dignity; (c) fair and equitable treatment of all children; (d) protection against unfair discrimination; (e) recognition of the child’s need for development and opportunity to play; and (e) attention to any special needs related to a child’s disability or chronic illness.

Vision 2030 and NDP4 have been aligned to the achievement of the Millenium Development Goals (MDGs) and acknowledge the State’s commitment to respect the Constitution, good governance and the strengthening of human rights.

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<sup>1</sup> UN Report of the Special Rapporteur on extreme poverty and human rights, May 2013.



Namibia also provides robust legal protection for women through its Constitution and legislation<sup>2</sup> and the National Gender Policy provides mechanisms and guidelines for all relevant stakeholders to facilitate gender equality and women's empowerment in implementing developmental policies and programmes. Despite this positive institutional and legal framework, women and girls in Namibia continue to be economically and socially marginalized. Socio-economic inequality of women and some negative cultural practices are at the root of widespread gender-based violence in Namibia, which is a grave and persisting human rights concern. Poverty is both a contributing factor to, and a result of, gender-based violence.

Namibia's favourable legislative and policy environment to support children and their right to education provides a good background for this SRC. Based on the above analysis, the pre-condition on adherence to the fundamental values can be considered as met.

### ***1.2.2 Macroeconomic policy***

Namibia is classified as an upper middle-income country with an estimated annual Gross Domestic Product (GDP) per capita of USD 5 656. However, this relatively high-income status masks extreme inequalities in income distribution, standards of living and quality of life. In the Human Development Index (HDI) 2012, Namibia was ranked 128th out of 186 countries with a HDI of 0.608. The incidence of poor individuals is estimated at 28.7% of the population, with a poverty gap of 8.8% of the poverty line and with about 15% of the population estimated to be living in severe poverty. Namibia is rated as one of the most unequal countries in the world with a Gini-Coefficient of 0.597. While at the aggregate level inequality appears to be declining, it has increased slightly in seven out of the fourteen regions (Komas, Kunene, Ohangwena, Omusati, Caprivi, Karas and Otjozondjupa).

Over the last ten years, the Namibian economy grew by an annual average of 4.3% despite global economic turbulence and recorded an annual inflation rate of 6% over that same period. In 2013, GDP contracted by 1.1% due to negative impacts resulting from drought conditions and a weak global demand for mineral exports. During that year inflation reached 7.9%. Both variables have since improved. Growth is expected to pick up to 5.6% in 2015 due mainly to construction for the Government-led Mass Housing Programme and others investments as well as to recovery in the mining sector. Inflation is expected to be about 5.7% in 2015.

The Namibian economy is characterized by heavy reliance on natural resources extraction for export market, a large non-tradable sector (government services) and heavy dependence on imports (mainly from Southern African Customs Union (SACU), Europe and China) to be able to meet domestic demand for goods and services. Namibian exports are dominated by the primary sector mainly by mining, fisheries and agriculture. The tertiary sector (services) continues to be the largest contributor to GDP accounting for more than half of GDP. However, the primary sector, especially the agricultural sector, remains an important source of livelihood supporting more than half of the population.

The Namibian economy continues however to face enormous socio economic development and structural challenges such as high unemployment and income inequality<sup>3</sup>. These socio-economic challenges are multidimensional but four stand out: (a) low level of economic diversification and continued high dependence on mining (minerals, particularly diamonds); (b) Namibia inherited a dual economy with four interrelated challenges of inadequate economic growth, a high rate of poverty, inequitable distribution of wealth and income and high unemployment. A highly productive capital-intensive mining sector and part of the agricultural sector generates GDP growth

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<sup>2</sup> Article 10 of the Constitution of the Republic of Namibia, Labour Act 1992, Affirmative Action (Employment) Act 1998, and Local Authorities Act 1992.

<sup>3</sup> Namibia's official unemployment rate was 27.4% at end-2012. In addition, GDP per capita and scores on UN Human Development Indicators are also weaker than its peer's small middle income countries.



but creates few jobs. The majority of the population, particularly those in the north, depend on subsistence agriculture; (c) inadequate access to finance and less financial inclusion with a significant proportion of the population unbanked; (d) skill shortage: the development and retention of superior skills needed by both the private and public sectors are key challenges for Namibia.

Securing sustained higher growth, creating jobs and reducing inequality are the Government's key policy priorities. NDP4 has identified four economic sectors to push national economic growth: (i) logistics, (ii) tourism, (iii) manufacturing, and (iv) agriculture. Furthermore, the 10-year Namibia Financial Sector Strategy launched in 2012 serves as the blue print to enhance financial inclusion.

Fiscal policy has been mildly expansive to parry the effects of the world economic downturn and make important productive investments. The new Minister of Finance, Calle Schlettwein, presented on 31 March the 2015/2016 State Budget. The budget is consistent with latest Government's efforts to have a prudent fiscal policy while prioritising expenditure in the economic and infrastructure sectors. The fiscal deficit remains consistent with acceptable inflation. As in the past, the budget allocations to the social sectors, notably to education are quite considerable. Debt remains comfortably sustainable, particularly if the investment is as productive as is hoped. Namibia's debt policy is guided by its Sovereign Debt Management Strategy (SDMS), which was approved in 2005. The overall objective of the strategy is to ensure that public debt, including borrowing by the central government and parastatals as well as lending arrangements and government guarantees, remains affordable and low-risk in order to ensure fiscal sustainability.

Namibia's membership in the Common Monetary Area (CMA), the pillar of Namibia's monetary and exchange rate policies, means that South Africa's monetary and exchange rate policy is essentially Namibia's de facto monetary and exchange rate policy framework. The overarching objective of Namibia's policy is to maintain price stability, which helps the Bank of Namibia to maintain the currency peg against the rand and a healthy balance of foreign exchange reserves. It has conferred macroeconomic stability upon Namibia, helped the country to integrate into the South African financial markets, and enabled the country to enjoy an unrestricted transfer of funds. Manageable inflation has enabled the authorities to keep interest rates low to boost aggregate demand and thereby support economic growth. However, it also means that Namibia cannot use monetary and exchange rate policies for tackling inflation nor can Namibia adjust quickly to external shocks other than through co-ordinated decisions with its CMA neighbours, particularly South Africa. Other risks to medium-term growth include weak global demand for mineral exports that would result in lower export earnings, adverse weather-related shocks that would further weaken growth in agriculture, delays in construction projects, and lower SACU revenues due to the economic slowdown in South Africa. These risks underscore the need for Namibia to intensify efforts to diversify the economy in order to promote economic transformation and enhance its resilience.

Namibia shows a stable macroeconomic environment with strong economic performance in the last decade. Moreover, in 2012, the Government started pursuing tax-policy reforms aimed at broadening and deepening the revenue base in an environment of increased trade liberalisation, while maintaining the competitiveness and equity objectives of the tax system. These fiscal policy reforms included: raising the tax threshold for individuals to 50 000 Namibia dollars (NAD) from NAD 40 000; lowering income-tax rates for individuals earning less than NAD 1.5 million per year; reducing transfer and stamp duties in order to encourage individuals to acquire property; implementing the long-awaited environmental tax charged on products considered harmful to the environment; and streamlining tax incentives to minimise revenue losses.

As a member of the International Monetary Fund (IMF), Namibia has annual Article IV consultations with IMF staff. The last report was published in February 2014. The last consultations took place in July 2015 and confirmed that Namibia has broadly maintained robust growth since the global financial crisis. Highly volatile SACU revenues and the housing market were identified as sources of main near-term risks. Fiscal consolidation and targeted macro



prudential policies, while safeguarding critical social and development needs, were welcomed by the IMF. Being an upper middle-income country, Namibia is no longer eligible for IMF's concessional loans and has not needed a non-concessional loan from the IMF but it benefits from ad hoc targeted technical assistance missions.

Overall the macroeconomic eligibility condition for SRC is satisfied.

### **1.2.3 Public Financial Management (PFM)**

Namibia's only PEFA (Public Expenditure and Financial Accountability) assessment covered fiscal years 2004/05 to 2006/07 (the new PEFA assessment is supposed to start in July 2015 conducted by the African Development Bank). Although somewhat dated information, according to the PEFA 2008, Namibia has moderately good Public Finance Management (PFM) systems. Aggregate fiscal discipline is better than the strategic allocation of resources and the efficient delivery of services. Namibia has taken many steps towards a budget process enabling a strategic allocation of resources but important weaknesses remain including the mismatch between the programme-basis formulation and the functional-and-administrative-basis implementation of the budget, the lack of fully costed sector strategies and the lack of recurrent cost implications of planned investment in the budget. Efficient service delivery is hampered by particularly an outdated procurement system and difficulties with payroll management and control.

The Auditor-General's reports confirm that external oversight of the relevant line ministries is working and that the financial management system is functioning at a basic level with some inefficiencies and ineffectiveness in the public sector that need to be addressed as stated in the audit report's recommendations.

The Government does not have a single, comprehensive PFM reform programme and there is no PFM reform performance assessment framework to monitor the implementation of measures and the achievement of goals. The PFM strategy is partially encapsulated in the Medium Term Expenditure Framework (MTEF) of the Ministry of Finance and it remains relevant and consistent with previously identified PFM challenges. Among the Government's PFM reform measures are the following: (1) a new Public Financial Management Bill to replace the State Finance Act of 1991; (2) the continued roll-out of the Integrated Financial Management System (IFMS); (3) the continued development of programme-based budgeting; (4) the publication of the Government's Accountability Reports relating ministries performance to ministerial targets and estimates of expenditure and revenue; (5) the establishment of a semi-autonomous revenue agency; (5) the revision of the Public Procurement Bill in order to meet international best practice standards; (6) reforms for improvement of financial reporting; (7) the development of the Internal Audit Function framework which will provide guidelines to the optimal set-up of the Internal Audit Function within Government; (8) the drafting of an Audit Bill to conform the Office of the Auditor General with INTOSAI (International Organisation of Supreme Audit Institutions) standards; and (9) the drafting of the asset management policy framework to guide and ensure that state assets are optimally utilised and managed in a sustainable manner.

Regarding tax-administration reforms, Government is making progress towards the establishment of a tax-reform office and taxpayer segmentation, as well as migration to an integrated tax administration system.

The Government's PFM reform measures are relevant and adequate to address many of the identified PFM weaknesses. Reform efforts seem to be sequenced according to the "basics first" approach. More still needs to be done in terms of monitoring and coordinating of the reforms and addressing issues such as expenditure arrears, payroll control and strengthening PFM at lower levels of government.

International comparisons suggest that Namibia is doing moderately well fighting corruption. This relatively positive result may in part be due to Namibia's basically functional PFM. Further PFM improvements that would particularly impact on corruption include improved payroll control,



reform of public procurement framework, reinforced tax administration and internal audit function as well as better follow-up of external audit recommendations.

A Public Expenditure Review (PER) of the education sector was conducted in 2011 and pilot human resource and payroll audits were also conducted in the education sector in 2013/2014. The PER found that the education budget, the existing classification and the reporting system, did not provide enough information to determine whether expenditure was equitable or favored poor Namibians. There were thus a lot of indications that budget allocation was not equitable, nor did allocations favor education sector divisions, programmes, regions or schools with good performance. The MoE and the regions have weak analytical capacity for channeling public resources to policy priorities and there was little guidance how they might do this. Current expenditure management processes resulted in unpredictable and inequitable resource allocation and use across regions. While aggregate overspending in the sector decreased from 2006/2007 to 2009/2010, regions overspent regularly. Moreover, expenditures varied significantly across regions for year to year.

The pilot payroll audits found errors, although no evidence of fraud, showing that payroll control was ineffective and that personnel records were not consistent with salary records. Significantly, more people were employed in some regions than there was authorization for. There was often overspending on salaries, the largest expenditure item. This overspending crowded out spending on textbooks and other educational inputs, the allocation for which was already low. There was no reporting on resources disbursed to schools, although the IFMS could have provided such reporting. The internal audit function was limited. It was not regulated in law; there were no audit committees and little evidence of significant follow-up of audit recommendations. Transfers to parastatals (such as the University of Namibia) and to private schools were not subject to reporting and audit. All revenues generated were paid into or transferred to the consolidated State Revenue Fund. Regions had limited autonomy in budget planning, but more in budget execution and reporting. Most of a school budget – salaries and non-salary expenditures – was paid by the centre and the regional office respectively. The only money a school managed was the school development fund, and there were no guidelines regulating how this was to be used (this fund was discontinued in 2013 when fees for primary school were abolished and instead schools are now receiving a direct grant from the Government).

The PER emphasized the importance of improving the policy basis of budgeting – using the budget to help poor students and reward well-functioning institutions. Like the PEFA, the PER also emphasized the need to improve payroll control and internal audit, including doing more human resources and payroll audits.

The holistic approach to ECD that integrates health, nutrition, early stimulation, and preschool education adopted in the IECD policy remains a challenge in terms of interlinked programmes and services. It requires a high level of investment, public and/or private able to support the holistic nature of child development through effective quality programmes. The Government needs to recognise the value of state investment in this area in order to mobilise funds and substantially increase its investment for early childhood.

The Government's PFM reforms are sufficiently relevant and credible to qualify for a Sector Reform Contract in the education sector. Overall the PFM eligibility condition is met.

#### ***1.2.4 Transparency and oversight of the budget***

Budget transparency is reasonably sound in Namibia. For several years now, once the Executive's budget proposal gets tabled in the National Parliament, all documents which inform the budget (MTEF book, Macroeconomic Framework, Fiscal Policy Framework, Estimates of Revenues, Income and Expenditure) are published on the Ministry of Finance website.



The budget is fairly comprehensive and transparent. The budget documentation is complemented by accountability reports for all votes, a citizen budget translated in four national languages and the external audit reports which are published regularly.

Pre-budget statements have been produced for the last 2 years but have not been published. The same occurs for the quarterly budget execution reports which are produced internally but not publicly disclosed. Last year a mid-year review was prepared for the first time but it has not been published. There is thus scope to increase the amount of fiscal and financial information that Namibia makes available to the public notably by publishing these documents already being produced.

Namibia got a B for public access to key fiscal information in the PEFA 2008 and the Open Budget Survey report 2012 concluded that Namibia had the potential to greatly expand budget transparency and budget oversight, notably by increasing the quality and level of information in the budget and in the end-year report.

The EU's policy dialogue with the Government includes transparency issues such as increased quality in the information disclosed and publication of the pre-budget statements, the mid-year review and the quarterly budget reports. The option of Namibia joining the Extractive Industries Transparency Initiative is also being promoted. Overall this eligibility criterion is also satisfied.

## 2 RISKS AND ASSUMPTIONS

The country's situation involves a low risk for budget support operations due to the national systems and institutional structures in place.

<b>Risks</b>	<b>Risk level</b>	<b>Mitigating measures</b>
Political Risk – education budget allocation could decrease.	L	All indications are that the importance given to this sector will remain as high. Appropriate funding for the sector and its sub-sectors will be discussed and followed up in the framework of sector policy dialogue.
Macroeconomic Risk - Namibia could experience some risks to medium-term growth linked to the weak global demand for mineral exports, adverse weather-related shocks, delays in construction projects, and lower SACU revenues.	L	Continuous follow up of the Government's implementation of stable macroeconomic policies and support to improve domestic revenue collection through the EU Institutional Capacity Development Programme.
Developmental Risk - risk related to the limited availability of qualified educators in the sector.	L / M	The EU intends to address this risk through continued capacity development in the sector. The SP also foresees as strategic objective to build educators skills and competencies.
Public Financial Management - underspending of the education budget due to capacity constraints within the management and in the sector institutions constitutes a medium risk.	L / M	Regular discussions in the framework of the sector policy dialogue to define a series of accompanying measures aimed at strengthening expenditure management capacity of national and regional MoE staff. Specific expertise for PFM sectorial issues will be procured under the TA service contract.
Corruption and Fraud – have become an increasingly worrisome reality notably with regard to public procurement processes but it is still assessed as a low risk factor for this ESRC.	L	Continue following Government's implementation of PFM reforms, notably with regard to the approval and implementation of the new public procurement bill, as well as of the implementation of the national anti-corruption strategy and action plan.



Low public spending on ECD/PPE.	M	Performance targets and indicators for disbursement to incentivise increased Government spending on ECD/PPE.
<b>Assumptions</b>		
(a) Namibia continues to have a stable working democracy and it is expected that the yearly budget allocation for education will remain substantially unchanged; (b) Government continues to implement measures to attract educators in the sector through an attractive salary structure and a relaxed work permit policy for foreign teachers; (c) A strengthened coordination mechanism is in place between MoE and MGECW to coordinate ECD and PPE as well as PE, before full transfer of the ECD sub-sector to the MoE takes place.		

### 3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

#### 3.1 Lessons learnt

EU support to the education sector has been reviewed in the context of the 11<sup>th</sup> EDF programming phase, the Education Sector Policy Support Programme (ESPSP) results-oriented monitoring (ROM) of June 2013 and the Country Strategy Evaluation in June 2009. These reports confirm that moving to policy-led support has increased the reach of EU support, notably its potential for sustainably improving the institutional environment in Namibia's education. Sector policy dialogue constitutes an important mechanism for the EU to guide and influence important policy formulation/decision-making processes.

The ESPSP financed by the 10<sup>th</sup> EDF has contributed significantly to improve the Government of Namibia's budgetary resources by creating greater fiscal space and it has positively influenced policy formulation. Policy dialogue helped significantly in shaping activities in order to achieve pivotal results/outcomes. The ROM report also highlighted that the ESPSP could have benefitted from greater strategic involvement of the Ministry of Finance particularly in matters dealing with the general conditions for tranche disbursements as well from the National Planning Commission, a key partner in the implementation and monitoring arrangements foreseen in the Financing Agreement.

Moreover, a more efficient and effective support has been constrained by the difficulties in finding the right "mode of technical cooperation" to sustain capacity development initiatives of the Government. The centralised management nature of ad hoc frameworks contracts has resulted in low levels of accountability in the MoE and limited commitment to implement recommendations. The future technical assistance arrangement will be more strategically coordinated with Government and will ensure a stronger sustainable impact on priority areas of support. Also with this 11th EDF ESRC, the EU will be moving to a more strategic sector policy dialogue around the sub-sectors of Early Childhood Development and Pre-primary Education by focusing on quality and equity issues.

#### 3.2 Complementarity, synergy and donor coordination

EU partners representing the largest providers of aid to Namibia have agreed in March 2013 on a Joint EU Response Strategy for Namibia<sup>4</sup>. The priority areas identified for support by EU partners are fully aligned to the NDP4. Consequently the EU and Germany will primarily support education and skills, while France, Portugal and Spain will continue to provide support to culture and language programmes. The UN, through the United Nations Partnership Framework (2014-18), will also provide technical support and policy advisory services in the education and training sector during the next years. UNESCO and UNICEF will continue to be the main UN partners for the MoE and MGECW focussing primarily on teacher education and training and ECD respectively.

<sup>4</sup> European Union Member States that are active in Namibia: Finland, France Germany, Portugal, Spain and United Kingdom



The US Millennium Challenge Account supported the education sector in general and the vocational education and training sub-sector in particular until end of 2014. Although multilateral and bilateral support to the education and skills sector is limited, policy dialogue between development partners (DPs) and the MoE has intensified as a result of the Memorandum of Understanding (MoU) for the joint and coordinated implementation of ETSIP. ETSIP has a coordination committee which briefs the Minister and prepares briefs for parliament, cabinet and other stakeholders. With the introduction of the MoE five-year Strategic Plan, a new sector coordination mechanism was established, the Monitoring and Evaluation Committee. The Education sector review meetings have been taking place annually and they also include the MGECW for the matters related to ECD.

### **3.3 Cross-cutting issues**

The Namibian education system has a high degree of gender parity but boys' drop-out is beginning to become an issue. The supported intervention will benefit boys and girls alike. Parent's rights will also be promoted through strengthened social accountability, better school governance and reinforced monitoring and evaluation mechanisms. The activities around increasing access of OVC to ECD and pre-primary education will help ensure their rights to education. The recently launched policy on Inclusive Education is designed to ensure that special educational needs of indigenous children, ethnic minorities, children with learning disabilities and disabled children are addressed throughout education programmes implementation and they will be monitored annually as part of the annual joint review process. Sector governance is another key cross-cutting issue also addressed in the MoE's Strategic Plan, focusing on strengthening decentralisation through delegation of greater management responsibilities to regional education authorities.

## **4 DESCRIPTION OF THE ACTION**

### **4.1 Objectives/results**

The overall objective of the ESRC is to contribute to a well-educated and skilled society in Namibia able to play an active role in the social and economic development of the country by improving cognitive, linguistic, social and emotional development of all children entering primary education. The specific objective of the ESRC is to improve equitable and inclusive access as well as quality in ECD and PPE sub-sectors through strengthening of system delivery capacity. The expected results are the following:

**Result 1:** Increased equitable and inclusive access to ECD and PPE facilities and/or services.

**Result 2:** Increased quality of teaching in ECD and PPE.

**Result 3:** Improved management and institutional framework for ECD and PPE.

### **4.2 Main activities**

#### **4.2.1 Budget support**

EU activities under this component will primarily consist of: i) engaging in a sustained and strategic sector and sub-sector policy dialogue; and ii) monitoring and assessing the compliance of Budget Support eligibility criteria and disbursement conditions.

The engagement in a sustained and strategic policy dialogue will involve key players such as the MoE, MGECW, MoF and NPC on specific areas notably on quality, equity and inclusiveness in ECD and PPE, sectorial financial management and institutional framework, orphans and vulnerable children, community awareness, parenting, child protection and social accountability. The EU will continue to be the main donor providing support to the sector and thereby coordinating the policy dialogue with government on behalf of development partners. This will entail regular technical meetings and participation on progress and monitoring boards such as the education sector annual review meetings.



### **4.2.2 Complementary support**

The complementary support component will aim at facilitating technical expertise to the MoE and to the MGECW. EU provision of technical assistance will embrace the following basic principles: (i) ensuring a country-led capacity development planning and management processes; (ii) generating a longer-term perspective on sector capacity development needs; and (iii) minimising parallel provision of technical cooperation in the sector.

Drawing on the lessons learnt from the ESPS, the current technical assistance will be provided through a single service contract with a team leader responsible for coordination and overview of the technical expertise being provided, able to mobilise long and short term experts. Ministries will undertake a systematic assessment of technical assistance needs and based on these identified needs, a plan will be drafted which will be updated on a regular basis, notably during the joint Annual Review Meetings.

Focus will be mainly given to support setting the right institutional framework for the management of ECD and PPE. This includes assisting on the process for transferring ECD to the MoE, tackling weaknesses on PFM sectorial issues, including better planning and budgeting for ECD and PPE sub-programmes and increasing the capacity both at central and decentralised levels for implementation and monitor progress of these sub-programmes. Another area of focus will be increasing awareness and visibility of ECD and PPE. Capacity building activities in terms of management, supervision and monitoring and evaluation of staff working at the MoE and MGECW should also be pursued.

### **4.3 Intervention logic**

The main objective of the ESRC is to improve equitable and inclusive access and quality in ECD and PPE sub-sectors through the provision of financial resources, policy dialogue and technical assistance aimed at strengthening systems and processes for service delivery, in line with the government's priorities.

The intervention will support more equitable and inclusive access to ECD and PPE facilities and/or services by: a) expanding the availability of PPE in primary schools through the additional building and renovation of classes; b) by supporting the construction of an increased number of free, public, strategically located ECD centres focusing on the regions and constituencies with the most disadvantaged children; c) by increasing capacity to execute regular inspections of sanitation and toilet facilities in all pre-primary classes and ECD centres; d) by increasing the provision of school feeding in pre-primary schools and ECD centres; e) by providing the additional resources which will allow expanding the family visiting programme in the poorest communities (with special focus on the areas where the new Government-run ECD centres will be built).

The intervention will also contribute to increased quality of teaching in ECD and PPE particularly through: a) extended and improved provision of ECD/PPE teacher training and continuous professional development of teachers; b) structured and improved deployment system ensuring that qualified PPE teachers and educarers are sent to the most needy regions and districts; c) development and operationalization of additional model ECD centres (centres of excellence) in the poorest regions and constituencies of the country; d) continuous provision of subsidies to educarers; e) ensured provision of teaching and learning material in all ECD centres and PPE classes; f) supporting the setting of learning assessment and education standards in pre-primary and ECD; g) support the development of continuous curriculum, research and professional development of teaching staff in pre-primary and ECD; h) support to the development of a professional career for educators; j) reinforcement of regular monitoring of learning progress through the Early Grade Reading Assessment (EGRA) diagnostic tests.

Through the intervention, efficiency and effectiveness of management and institutional processes and systems will also be enhanced through: a) delivery of training courses in the application of standards for ECD facilities and pre-primary education classes; b) better planning and financial



management, monitoring, evaluation and audit of pre-primary education and ECD programmes at central and regional level; c) increased number of regional officers responsible for overseeing pre-primary and ECD sub-sectors; d) ensuring efficient application of national standards for registration of ECD centres; and e) increased monitoring and evaluation of ECD service quality according to defined sets of indicators; f) increased number of ECD centres registered according to set standards; g) supporting the process for transferring ECD to the MoE; and h) supporting the development of an advocacy programme and public outreach on the importance of ECD and pre-primary education for legislators, administrators, parents and older siblings.

## **5 IMPLEMENTATION**

### **5.1 Financing agreement**

In order to implement this action, it is foreseen to conclude a financing agreement with the partner country, referred to in Article 17 of Annex IV to the ACP-EU Partnership Agreement.

### **5.2 Indicative implementation period**

The indicative operational implementation period of this action, during which the activities described in section 4.2 will be carried out and the corresponding contracts and agreements implemented, is 48 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute non-substantial amendment in the sense of Article 9(4) of Regulation (EU) 2015/322.

### **5.3 Implementation of the budget support component**

#### **5.3.1 *Rationale for the amounts allocated to budget support***

The amount allocated for the budget support component is EUR 24 000 000 and for complementary support EUR 3 000 000, which includes a technical assistance component, evaluation and audit. The allocation of these specific amounts is based on the following: current Government investment level in ECD and pre-primary education is quite small according to the expected outputs, being approximately 2.3% and 2.5% respectively of the total MGECW and MoE budgets<sup>5</sup>. Furthermore, of the total budget dedicated to ECD and pre-primary education, more than 75% is committed to personnel costs (salaries of teachers, educators subsidies, national and regional officers of the MoE and MGECW).

Only approximately 10% is committed to infrastructure renovation and development and less than 5% to the supply of teaching and learning material resources, professional development, curriculum and research. Only the PPE classes that have been integrated in the public primary schools are benefitting from the Namibia School Feeding Programme, a serious gap especially for younger children attending ECD centres. Through this budget support, the EU will be providing needed additional financial resources and complementary technical expertise to these sub-sectors where the shortage of resources clearly prevents the establishment of an equitable and accessible, as well as good quality and efficient, ECD and PPE services and facilities. The amount contributed will increase by 30% the annual budget of ECD and PPE.

#### **5.3.2 *Criteria for disbursement of budget support***

The general conditions for disbursement of all tranches are as follows:

- Satisfactory progress in the implementation of the MoE's Strategic Plan 2012–2017 and continued credibility and relevance thereof;

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<sup>5</sup> Source: Medium Term Expenditure Framework (MTEF) (2014/15 to 2016/17).



- Implementation of a credible stability-oriented macroeconomic policy;
- Satisfactory progress in the implementation of the Government's PFM reform measures;
- Satisfactory progress with regard to the public availability of timely, comprehensive and sound budgetary information.

The specific conditions for disbursement that may be used for variable tranches are the following:

- Increased equitable access to ECD and pre-primary education facilities and services;
- Increased quality of teaching in ECD and PPE;
- Improved management and institutional frameworks for ECD and PPE in order to perform better service delivery.

The chosen performance targets and indicators to be used for disbursements will apply for the duration of the programme. However, in duly justified circumstances, the MoE through the NPC may submit a request to the Commission for the targets and indicators to be changed. The changes agreed to the targets and indicators may be authorised by an exchange of letters between the two parties.

In case of a significant deterioration of fundamental values, budget support disbursements may be formally suspended, temporarily suspended, reduced or cancelled, in accordance with the relevant provisions of the financing agreement.

### **5.3.3 Budget support details**

This ESRC is a follow up of the previous ESPSP. The Government is familiar with the aid modality and emphasis will now be put on the performance of results. As a consequence, the amount of the variable tranches will be higher than the one for fixed tranches. The budget support component will comprise 3 fixed tranches for a total amount of EUR 7 200 000 (2 400 000 to be disbursed every year) and 3 variable tranches for a total amount of EUR 16 800 000 (each up to 5 600 000 EUR). Annual disbursements will take place after the joint annual sector review, scheduled in June every year, to assess SP (2012–2017) overall implementation progress and meeting of specific disbursement triggers.

Budget support is provided as direct untargeted budget support to the national Treasury. The crediting of the euro transfers disbursed into Namibian Dollars will be undertaken at the appropriate exchange rates in line with the relevant provisions of the financing agreement.

## **5.4 Implementation modalities for complementary support of budget support**

### **Indirect management with the partner country**

A part of this action with the objective of providing technical assistance may be implemented in indirect management with the Government of Namibia in accordance with Article 58(1)(c) of the Regulation (EU, Euratom) No 966/2012 applicable by virtue of Article 17 of Regulation (EU) 2015/323 according to the following modalities:

The Government of Namibia will act as the contracting authority for the procurement procedures. The Commission will control ex ante all the procurement procedures.

Payments will be executed by the Commission.

In accordance with Article 190(2)(b) of Regulation (EU, Euratom) No 966/2012 and Article 262(3) of Delegated Regulation (EU) No 1268/2012 applicable by virtue of Article 36 of Regulation (EU) 323/2015 and Article 19c(1) of Annex IV to the ACP-EU Partnership Agreement, the Government of Namibia shall apply procurement rules of Chapter 3 of Title IV of Part Two of Regulation (EU, Euratom) No 966/2012. These rules, as well as rules on grant procedures in accordance with Article 193 of Regulation (EU, Euratom) No 966/2012 applicable by virtue of Article 17 of Regulation (EU) 2015/323, will be laid down in the financing agreement concluded with the Government of Namibia.



It is intended to launch the call for tenders for the technical assistance (TA) service contract before the Commission adopts the financing decision relating to this action. The tender will be subject to a suspensive clause. A duly justified request for prior approval will be submit to the competent authority. The main reason for anticipating the launch of the tender is to be able to recruit the TA team as soon as possible in time to assist both the MoE and MGECW in the implementation of PPE and ECD programmes.

### 5.5 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 22(1) (b) of Annex IV to the ACP-EU Partnership Agreement on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

### 5.6 Indicative budget

<i>Category Breakdown</i>	<i>EU Contribution (in EUR)</i>
<b>5.3 Budget Support – Sector Reform Contract – direct management</b> consisting of:	<b>24 000 000</b>
- Fixed Tranches	7 200 000
- Variable Tranches	16 800 000
<b>5.4 Complementary measures</b> composed of:	
- Procurement (indirect management with the Government)	2 500 000
- Evaluation (5.9), Audit (5.10)	100 000
- Communication and visibility (5.11)	50 000
- Contingencies*	350 000
<b>TOTAL</b>	<b>27 000 000</b>

\* Contingencies cannot apply to the budget support component.

### 5.7 Organisational set-up and responsibilities

The main responsibility for the implementation of the programme lies with the Government of Namibia, in particular the MoE and the MGECW which will be supported by the selected technical assistance team.

### 5.8 Performance monitoring and reporting

Performance monitoring is the responsibility of the Government. Dialogue is expected to focus on two key policy areas: quality, equity and management and institutional framework. An ECD and



PPE Result Framework has been established to form the basis of sector dialogue and monitoring of sector progress. The process of performance monitoring shall be done at the Annual Review Meetings normally held in June of each year, and complemented by other Technical Meetings held throughout the year. These reviews will assess performance against the ECD and PPEResult Framework which focuses on objectives in ECD and pre-primary education.

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the list of result indicators (for budget support). The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

## **5.9 Evaluation**

Having regard to the importance of the action, a final evaluation will be carried out for this action or its components via independent consultants contracted by the Commission.

The final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision).

The Commission shall inform the implementing partner at least 30 days in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Indicatively, one contract for evaluation services shall be concluded under a framework contract in the first quarter of 2020.

## **5.10 Audit**

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

The overall budget allocation for evaluation and audit is EUR 100 000. Indicatively, one contract for audit services shall be concluded under a framework contract in the first quarter of 2020.



### **5.11 Communication and visibility**

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.6 above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.



## APPENDIX - INDICATIVE LIST OF RESULT INDICATORS (FOR BUDGET SUPPORT)<sup>6</sup>

The inputs, the expected direct and induced outputs and all the indicators, targets and baselines included in the list of result indicators are indicative and may be updated during the implementation of the action without an amendment to the financing decision. The table with the indicative list of result indicators will evolve during the lifetime of the action: new columns will be added for intermediary targets (milestones), when it is relevant and for reporting purpose on the achievement of results as measured by indicators.

	Intervention logic	Indicators	Baselines 2013	Targets 2017	Sources and means of verification
Overall objective: Impact	To contribute to a well-educated and skilled society in Namibia able to play an active role in the social and economic development of the country	<ul style="list-style-type: none"> <li>- % of learners who are repeating Grade 1 (y-1 cohort)**</li> <li>- Gross Enrolment Rate (GER) in primary **</li> <li>- Net Enrolment Rate (NER) in primary **</li> <li>- Promotion rate – primary**</li> <li>- Repetition rate – primary**</li> <li>- Percentage of drop-outs –primary**</li> <li>- Increasing SAT scores in Grade 5 in a) English and b) Mathematics, disaggregated by gender and region**</li> </ul>	<ul style="list-style-type: none"> <li>- 20%</li> <li>- 125.7%</li> <li>- 99.7% (2012)</li> <li>- 86.3%</li> <li>- 9.8%</li> <li>- 3.8%</li> <li>- 44%</li> <li>- 44%</li> </ul>	<ul style="list-style-type: none"> <li>- 14%</li> <li>- 121.7%</li> <li>- 100%</li> <li>- 88.1%</li> <li>- 8.3%</li> <li>- 1.9%</li> <li>- 54%</li> <li>- 51%</li> </ul>	<p><u>Sources:</u> Strategic Plan (2012 – 2017) MoE and Data from EMIS</p> <p><u>Means of verification:</u> MoE Annual Education Sector Review Reports (Aide Memoire) and Annual EMIS Reports</p>
Specific objective(s): Outcome(s)	To improve equitable and inclusive access as well as quality in ECD and PPE sub-sectors through strengthening of system delivery capacity	<ul style="list-style-type: none"> <li>- Number of children entering Grade 1 having successfully completed 1 year of pre-primary education**<sup>7</sup></li> <li>- Number of children enrolled in ECD centres **</li> <li>- Net Enrolment Rate (NER)<sup>8</sup> in pre-primary education **<sup>9</sup></li> </ul>	<ul style="list-style-type: none"> <li>- 17,572</li> <li>- 57,422</li> <li>- 25.2%</li> </ul>	<ul style="list-style-type: none"> <li>- 45,000</li> <li>- 75,000</li> <li>- 45%</li> </ul>	<p><u>Sources:</u> Strategic Plan (2012 – 2017) MoE and Data from EMIS</p> <p><u>Means of verification:</u> MoE Annual Education Sector Review Reports (Aide Memoire) and Annual EMIS Reports</p>

\* Indicator aligned to relevant programming document.

\*\* Indicator aligned to EU Results Framework.

<sup>7</sup> Baseline based on the latest Aide Memoire .

<sup>8</sup> Based on the total population (102,707) of 5–6 years (Population & Housing Census, 2011).

<sup>9</sup> Data provided by NIED.



Direct outputs	Increased equitable access to ECD and Pre-Primary education facilities and/or services	<ul style="list-style-type: none"> <li>- Number of ECD Centres receiving Government school feeding**</li> <li>- Percentage of ECD centres with adequate sanitation (functional toilets and/or latrines) per region**</li> <li>- Percentage of children enrolled in pre-primary who are OVCs<sup>10</sup> **</li> <li>- Number ECD model centres built and operational**</li> <li>- Number of ECD caregivers receiving allowances**</li> <li>- % of primary schools with PPE classes (includes combined schools with primary education)**</li> </ul>	<ul style="list-style-type: none"> <li>- 50</li> <li>- 18%</li> <li>- 52.9%</li> <li>- 4</li> <li>- 530</li> <li>- 52.5%</li> </ul>	<ul style="list-style-type: none"> <li>- 221</li> <li>- 60%</li> <li>- 62%</li> <li>- 17</li> <li>- 1565</li> <li>- 58%</li> </ul>	<p><u>Sources:</u> NDP4, the Strategic Plan (2012 – 2017) MoE and Data from EMIS and ECD MIS</p> <p><u>Means of verification:</u> MoE Annual Educations Sector Review Reports (Aide Memoire), annual EMIS Reports and Bi-annual progress report NDP4</p>
Direct outputs	Increased quality of teaching in ECD and PPE	<ul style="list-style-type: none"> <li>- Percentage of pre-primary teachers with teacher qualification**</li> <li>- Percentage of pre-primary teachers receiving in-service training by region**</li> <li>- Number of NAMCOL educarers with at least level 5 qualification**</li> <li>- Number of educarers that has undergone in-service training</li> <li>- Educator Policy developed and implemented**</li> <li>- Evaluation report of PPE programme since its integration in the MoE</li> </ul>	<ul style="list-style-type: none"> <li>- 68.2%</li> <li>- 26%</li> <li>- 279</li> <li>- 772</li> </ul>	<ul style="list-style-type: none"> <li>- 71.2%</li> <li>- 100%</li> <li>- 1500</li> <li>- 1600</li> <li>- Educator Policy adopted</li> <li>- MoE response to evaluation</li> </ul>	<p><u>Sources:</u> MTEF, the Strategic Plan (2012 – 2017) MoE and Data from EMIS</p> <p><u>Means of verification:</u> MoE Annual Education Sector Review Reports (aide Memoire), annual EMIS Reports and Bi-annual progress report NDP4</p>

<sup>10</sup> Data provided by NIED.



Induced outputs	Improved management and institutional frameworks for ECD and PPE	<ul style="list-style-type: none"> <li>- Guidelines for providing subsidies to ECD centres revised**</li> <li>- ECD centres assessed and registered**</li> <li>- ECD MIS strengthened**</li> <li>- Number of PPE staff trained in supervision, monitoring and management skills**</li> <li>- Percentage of ECD/PPE Regional Education Officers appointed in the MGECW and in the MoE**</li> <li>- Number of ECD staff trained in assessment of ECD centres and supervision of ECD programmes</li> <li>- Percentage of general education budget allocated to ECD and PPE**</li> </ul>	<ul style="list-style-type: none"> <li>- 100</li> <li>- 0.7%<sup>11</sup></li> </ul>	<ul style="list-style-type: none"> <li>- Revised Guidelines implemented</li> <li>- 666</li> <li>- ECD data in EMIS annual reports</li> <li>- 14</li> <li>- 40% operational</li> <li>- 132</li> <li>- 4.5%</li> </ul>	<p><u>Sources:</u> NDP4, the Strategic Plan (2012 – 2017) MoE and Data from EMIS, Education Vote</p> <p><u>Means of verification:</u> MoE Annual Education Sector Review Reports (Aide Memoire) and Annual EMIS Reports, Education Vote</p>

<sup>11</sup> Baseline data: total budget spent in 2013/14 for PPE and ECD as a percentage of the total budget spending for the MoE and MGECW.